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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, January 21, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

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

2. **Roll Call** (Mayor Julia Wheatley, 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 **December 17, 2024**.

   b) **Resolution No. 25-01 –** Authorizing a contract with **ARINC Incorporated**, a part of **Collins Aerospace (Collins)** in an amount not to exceed $1,500,000 for equipment and installation services for the Airport's Common Use Passenger Processing System (CUPPS) and for five years (a three-year base term with two optional one-year extensions) of support and maintenance services in an amount not to exceed $403,122.36.

   c) **Resolution No. 25-02 –** Authorizing the purchase of cyber security software and services from **Advanced Network Management, Inc. (ANM)** over a three-year period in an amount not to exceed $223,285.12.

Consideration and Possible Approval of:

7. **Resolution No. 25-03 –** Authorizing a sole source five-year contract with **Allegiant Air** for Marketing Services in an amount not to exceed $100,000 per year.

8. **Resolution No. 25-04 –** Authorizing the termination of the **SkyB Lot 116-B Development Lease** and to concurrently return **Lot 116-B to the Master Lease Agreement**.

9. **Board Member Comments/Announcements**

10. **Next Meeting: Tuesday, February 18, 2025 at 9:00 a.m.**

11. **Adjournment**

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

Mesa Gateway Airport

- Airport Authority Board Votes to Rename Airport
- Twice-Weekly Nonstop Service to Colorado Springs Begins on February 12th
- Gulfstream's West Coast Service Center Celebrates Grand Opening
- Airport Entrance Road Monument Sign Getting Makeover
- Mesa Mayor Mark Freeman and Gilbert Mayor Scott Anderson Join Airport Authority Board of Directors
- Gateway East Master Development Planning Hotel and Retail Space
- Walls Going Up at Gateway Commerce Center III

Executive Director's Report
January 2025



Allegiant's New Nonstop Service to Colorado Springs Starts February 12th

Financial Snapshot

OPERATING INCOME	November		Month Variance	FYTD Comparison		FYTD Variance
	2023	2024		FY24	FY25	
Revenues	$2,550,436	$2,593,132	**$42,696**	$12,411,206	$13,129,762	**$718,556**
Less Expenses	$2,405,581	$2,320,034	**($85,547)**	$10,747,769	$11,432,686	**$684,917**
Operating Income *(Before Depreciation)*	**$144,855**	**$273,098**	**$128,243**	**$1,663,437**	**$1,697,076**	**$33,639**

Investment Fund Balances: As of November, the Local Governmental Investment Pool (LGIP) 700 = $6,630,601; Wells Fargo; Collateralized Money Market = $21,248,836 and Commercial/Paper Brokered CD's = $41,661,748; Total $69,541,185. MGAA invests in fixed rate instruments.

Finance and Accounting

Mesa Gateway Airport Authority (MGAA, Authority) reported a net operating income of $273,098 for November 2024, an increase of $128,243 compared to financial results for last November. Fiscal year-to-date 2025 (FYTD25) operating results total $1,697,076.

November aeronautical revenues increased by 8% on a year-over-year monthly comparison. The increase was generated by an increase in the quantities of fuel sold (48%) and lease income (12%). November non-aeronautical revenues decreased by 10%.

Operating expenditures for November decreased by 4% and totaled $2,320,034. The decrease is attributed to a lower cost of goods sold for aviation fuel. November 2023 financials also included a one-time payment for a discount fuel program.

Fiscal-year-to-date operating expenditures are 6% under budget.

MGAA staff is now working on the FY26 combined Operating and Capital Budget.

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Development	March 2025

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation to Bid	2025-005-IFB	Fire Tank Valves Replacement	January 2025
Request for Proposals	2025-004-RFP	Airport Website Redesign	January 2025
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	January 2025

Airport Operations

Airport Authority Board Votes to Rename Airport

Phoenix-Mesa Gateway Airport → Mesa Gateway Airport

The Airport Authority Board of Directors voted at their December 17th board meeting to rename the Airport **Mesa Gateway Airport**. Board Chairman and Queen Creek Mayor Julia Wheatley said, "the name change reflects the tremendous growth and economic vitality of the East Valley."

Twice-Weekly Nonstop Service to Colorado Springs Begins on February 12th



Beginning February 12, 2025, Allegiant will offer twice-weekly nonstop service from Mesa Gateway Airport (Airport, Gateway Airport) to Colorado Springs, CO. The Colorado Springs area beckons all types of travelers, but if you're a nature lover and adventurer, you'll especially enjoy visiting Pikes Peak. Each year, visitors from around the world grab their hiking boots and cameras and explore natural sights like awe-inspiring Pikes Peak, Royal Gorge, Seven Falls, and Garden of the Gods.

Sports enthusiasts should stop by the state-of-the-art U.S. Olympic & Paralympic Training Center or the U.S. Olympic & Paralympic Museum and Hall of Fame – a must-visit for fans of the Olympic Games.

For more information and to book your trip to Colorado Springs, please visit www.allegiantair.com.

PASSENGER COUNTS		November		% Change	FYTD		% Change
		2023	2024		FY24	FY25	
Passengers	TOTAL	156,125	155,126	-1%	683,425	700,935	3%
	Deplaned	78,559	78,587	0%	346,965	358,671	3%
	Enplaned	77,566	76,539	-1%	336,460	342,264	2%
Allegiant	Scheduled	151,533	148,910	-2%	675,198	688,804	2%
Sun Country	Scheduled	4,592	6,216	35%	8,227	12,131	47%

OPERATIONS	November		% Change	FYTD		% Change
	2023	2024		FY24	FY25	
Air Carrier	1,098	1,131	3%	4,740	5,474	15%
Military	272	169	-38%	1,082	833	-23%
General Aviation	23,751	23,104	-3%	111,993	120,742	8%
TOTAL	**25,121**	**24,404**	**-3%**	**117,815**	**127,049**	**8%**

Community Noise Report

CALLERS	November		FYTD	
	2023	2024	FY24	FY25
Total	25	16	60	41

AIRCRAFT TYPE	November		FYTD	
	2023	2024	FY24	FY25
	Callers	Callers	Callers	Callers
Commercial	6	6	29	17
GA Total	5	6	14	18
Helicopter	14	4	17	6
Military	0	0	0	0
Total	25	16	60	41

MGAA received communications from a total of 16 individuals regarding aircraft noise issues during the month of November 2024, compared to 25 individuals last November.

LOCATION	November		FYTD	
	2023	2024	FY24	FY25
Mesa	2	3	13	9
Gilbert	15	9	29	22
Gold Canyon	0	0	0	0
Queen Creek	6	3	15	4
Queen Valley	1	0	2	3
Apache Junction	0	1	0	1
San Tan Valley	1	0	1	1
Chandler	0	0	0	0
Florence	0	0	0	1
Goodyear	0	0	0	0
Phoenix	0	0	0	0
Tempe	0	0	0	0
TOTAL	25	16	60	41

Gateway Aviation Services

Each month, Gateway Aviation Services, the Airport Authority owned and operated fixed base operator (FBO) reports the number of gallons of fuel sold in a variety of categories. Highlights for November 2024 include a 40% increase in AvGas, a 61% increase in Retail Jet A, and a 5% increase in Commercial fuel. For the month of November, Gateway Airport's FBO pumped more than 1.47 million gallons of aviation fuel, a three percent decrease compared to last November. YTD25, the Airport has pumped 6,955,977 gallons of aviation fuel, two percent more than the same time period last fiscal year.

FUEL (Gallons)	November			FYTD		
	2023	2024	% Change	FY24	FY25	% Change
AvGas	35,982	50,378	40%	173,004	249,180	44%
Retail Jet A	58,014	93,583	61%	270,948	410,143	51%
Contract	308,798	187,239	-39%	1,665,030	1,227,847	-26%
Commercial	1,075,978	1,107,067	3%	4,640,371	5,000,383	8%
Cargo	32,523	34,040	5%	74,042	68,424	-8%
TOTAL	1,511,295	1,472,307	-3%	6,823,395	6,955,977	2%

Business Development

Gulfstream's West Coast Service Center Celebrates Grand Opening

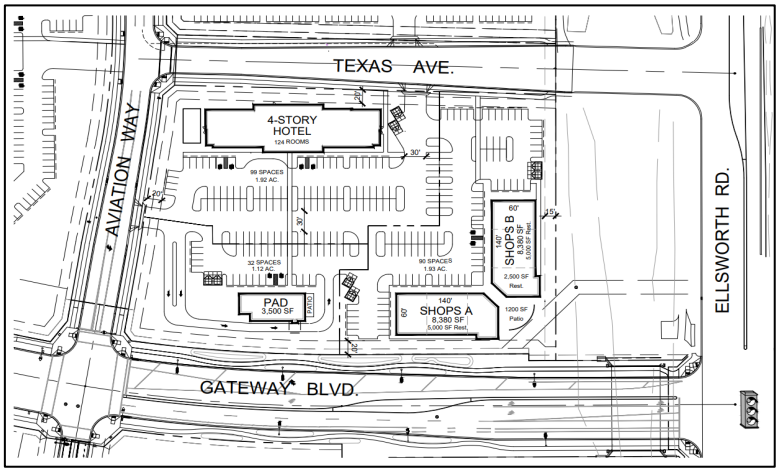


VIP's Cut the Ribbon on Gulfstream's New Facility

If you were traveling on Ellsworth Road in Mesa on the morning of January 9th and saw lots of excitement happening over at Gulfstream's new West Coast Service Center, it's because they were celebrating the official Grand Opening/Ribbon Cutting for their new 225,000 sq. ft. world-class aircraft maintenance facility. Many federal, state, and local elected officials and VIP's were in attendance to help officially open Gulfstream's newest U.S. facility.

Gateway East Master Development Planning Hotel and Retail Space

The Boyer Company, Gateway Airport's master development partner for the 273-acre Gateway East Airport Business Park located on the east side of the Airport, is working with the City of Mesa on their next big development project. The parcel is strategically located at the intersection of Ellsworth Road and Gateway Blvd. and includes a four-story, 124-room hotel, two 8,000+ sq. ft. retail shops, and a 3,500 sq. ft. pad for a possible restaurant.



Gateway East Commercial/Retail Development

Walls Going Up at Gateway Commerce Center III



Wall Fabrication for Gateway Commerce Center III

Another exciting project currently underway at Gateway Airport is the two industrial buildings being constructed at the corner of Sossaman Road and Velocity Way. Gateway Commerce Center III totals approximately 98,000 sq. ft. of premium flex industrial space located adjacent to SkyBridge Arizona and across the street from ASU's future Polytechnic Research Park. The project is being developed by David Wetta and Paul Salinas who have developed other Airport projects.

Engineering, Planning, and Facilities

Airport Entrance Road Monument Sign Getting Makeover



Footings and Framing for New Entrance Sign

Work has begun on the installation of the Airport's new monument signs at the intersection of Ray and Sossaman Roads. The new design uses concrete, steel, lighting, and levels of landscape to reflect a modern airport on the move. The impressive signs are over 22-feet tall and 53-feet long. The shape of the signs represents the action of taking off; whether it's an aircraft into flight or exciting Airport development. We hope you'll be impressed with the new Airport entrance monument sign.

MGAA Team Member Spotlight

Employee Name: **Patrick Oakley**
Employee Title: **Airfield Maintenance Shift Supervisor**
MGAA Department: **Operations, Security, and Maintenance**
Years with MGAA: **25+ Years**



What are your job responsibilities for MGAA? Duties consist of supervising general maintenance of the Airport airfield and landside areas including: airfield inspections, pavement/concrete repairs, painting runways/taxiways and surface markings, sweeping surface areas, mowing airfield (wildlife control), supervising/escorting contractors, landside landscape and controls maintenance, drainage and erosion control, fence repairs, hazardous weather cleanup, and emergency response.

What is your most memorable Gateway Airport moment? So many. Presidential visits- working with Bush Jr's motorcade and the Beast, vetting and escorting local media for Obama's White House Press Corps, and shaking Trump's hand at his airplane. Working on airport sets with Universal Studios for the movie The Kingdom. Most of all, ten years as Community Relations Manager leading our Gateway Aviation Day events over the years to promote commercial air service, tenant businesses, and to protect the Airport from encroachment and noise complaints.

What is something people may not know about you? I lived in Japan and Guam as an Air Force Dependent where I played high school football. I attended four different high schools graduating from Gilbert High and then ASU. I am a Private Pilot and Eagle Scout. I was voted top of my class in Gilbert Leadership Class XIV.

Mesa Mayor Mark Freeman and Gilbert Mayor Scott Anderson Join Airport Authority Board of Directors

Mark Freeman was recently elected Mayor of the City of Mesa.


Mayor Mark Freeman

Mayor Freeman was first elected to the Mesa City Council in August 2016 as Councilmember representing District 1. He served as Vice Mayor from January 28, 2019, until January 11, 2021. He was re-elected to a second term in August of 2020.

Mayor Freeman's Mesa roots run deep, as his ancestor, Charles Crismon, was one of the founding fathers of Mesa. His family has farmed in the Valley since 1878 and Freeman continues that tradition today, growing alfalfa and sweet corn and running a summer farmer's market at Brown and Center Street. In addition to farming, he spent 31 years with the Mesa Fire and Medical Department as a Captain Paramedic before retiring in 2011.

Mark has lived in Mesa all his life. He and his wife LeeAnn have strong family values, with great love for their three children and nine grandchildren. His oldest son is currently serving in the U.S. Air Force as a Major. His other son lives in Atlanta and his daughter resides in Mesa.

Scott Anderson was recently elected Mayor of the Town of Gilbert.


Mayor Scott Anderson

Mayor Anderson was first elected to the Town Council in 2016. He has been involved in the planning and development of Gilbert as a staff member since moving here in 1988 with his wife EJ, and five children. In 2013, he retired from the Town of Gilbert.

The founding father of the Gilbert Riparian Preserve, it was his idea to transform a waste water treatment site from simple water recharge into a national award-winning project that has become one of the most popular visitor destinations in the state. The preserves have been studied and copied by communities around the world seeking to be more sustainable. While Director of the Riparian Institute, Scott partnered with local organizations and businesses to create the Gilbert Rotary Centennial Observatory, the only dedicated public observatory in the region.

Arizona's Travel ID Will Get You Through Airport Security After May 7, 2025

May 7, 2025 is the federal deadline for domestic airline travelers to have a federally compliant form of identification. If you plan to use your driver license or state-issued ID card for travel after that date, make an appointment at an Arizona Department of Transportation Motor Vehicle Division office to get your Arizona Travel ID.

Without the Arizona Travel ID or other form of federally compliant identification such as a valid U.S. passport, you'll risk missing an airline flight because the standard Arizona driver license and ID card will no longer be accepted at TSA checkpoints as of May 7, 2025.

MINUTES OF THE PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | December 17, 2024

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, December 17, 2024, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Julia Wheatley, Queen Creek
Lt. Governor Regina Antone, Gila River Indian Community
Mayor John Giles, Mesa
Mayor Brigette Peterson, Gilbert
Mayor Chip Wilson, Apache Junction
** Neither present nor represented*

Airport Staff Present

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

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

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   A public comment was made by Marc Garcia with Visit Mesa. He spoke in support of removing Phoenix from the name of the Authority and Airport.

5. **Airport and Authority Name Change Discussion** – City of Mesa Mayor John Giles

   With the City of Phoenix removing itself as an owner of the Authority earlier this year, Mayor Giles proposes this is the right time to remove Phoenix from the Authority and Airport name.

6. **Resolution No. 24-58 –** Authorizing changing the Airport Authority name to **Mesa Gateway Airport Authority** and changing the Airport name to **Mesa Gateway Airport**, effective December 17, 2024, and to authorize Airport staff to take the necessary steps towards implementing the name change, including preparation of the legal document amendments, rebranding with the new name, coordinating with state and federal aviation officials, and updating the name with industry and business organizations.

   Mayor John Giles moved to approve Resolution No. 24-58.
   Mayor Chip Wilson seconded the motion.
   The motion was carried 4-1.

7. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on various Airport projects.

   - Allegiant will begin twice-weekly nonstop service from Mesa Gateway Airport (Airport, Gateway Airport) to Colorado Springs, CO starting in Q1 2025.
   - Allegiant's spring 2025 schedule includes a 35% year-over-year increase in March flights and a 32% year-over-year increase in April flights.

DRAFT

- TSA has committed to providing adequate staffing levels during the Christmas holiday season so as not to disrupt travelers with long lines at the security checkpoint.
- Terminal concession revenue per enplaned passenger continues to climb even with relatively flat passenger activity over the past year.
- Virgin Galactic's hangar and manufacturing facility are complete. The hangar will house the mothership and the manufacturing facility will begin production of the six-passenger Delta spaceships in Q1 2025.
- Gulfstream Aerospace has opened their new West Coast Service Center. This state-of-the-art facility will host a Grand Opening Ribbon-Cutting Event for January 9, 2025. This is a private event by invitation only.
- SkyBridge Arizona is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. SkyBridge has completed the construction of two 250,000 sq. ft. flex industrial buildings designed to accommodate single and multi-tenant users, a 53,000 sq. ft. industrial building, an 82,500 sq. ft. hangar and various roadways and utility infrastructure across the site.
- Gateway East is a 273-acre Airport Business Park located on the east side of the Airport. Construction of a 275,000 sq. ft. manufacturing facility for Gateway East's first tenant, XNRGY Climate Systems, is currently underway. The horizontal infrastructure – roadways, utilities, and landscaping - is progressing. Gateway Boulevard and Aviation Way are now open. The developer, The Boyer Company out of Salt Lake City is working with the City of Mesa for pre-design of a five-acre development at the intersection of Ellsworth Road and Gateway Boulevard that will include a hotel, two retail buildings and a restaurant.
- Gateway Commerce Center III is being developed along the southeast corner of Sossaman Road and Velocity Way. This project is two industrial buildings totaling just less than 100,000 sq. ft. Vertical construction will begin in January.
- Thanks to continued strong support from the FAA, the substantial reconstruction of Runway 12R-30L will be completed over the next two years. Phase I began in October 2024. Once the southern portion is completed, Phase II, the northern half of Runway 12R-30L, will be reconstructed. All of the concrete is being removed, crushed, and reused as the base course before pouring 16" of new concrete. This important infrastructure project totals approximately $45MM.
- PMGAA is updating the signage for the front entrance of the Airport at the intersection of Ray and Sossaman Roads. A new monument sign, landscaping, irrigation, and lighting will be in place by the end of March 2025.
- The demolition of several old Airport buildings has created a new aeronautical development opportunity at the south end of the Airport. In September a Request for Qualifications (RFQ) for the ± 8.00 acres of property designated for aeronautical redevelopment was released. The evaluation panel will meet on January 7, 2025 to review all qualified submittals.

8. Consent Agenda

a) Minutes of the Board Meeting held on **October 15, 2024**.

b) Resolution No. 24-59 – Authorizing an amendment to the Board of Director's **Procurement Policy** 22-01.

c) **Resolution No. 24-60 –** Authorizing the revised **Airport Rates and Charges** schedule with an effective date of January 1, 2025.

d) **Resolution No. 24-61 –** Authorizing an Authorization of Services with **Kimley-Horn & Associates** (Kimley-Horn) for Design Services for the Airfield Electrical Upgrades Project, in an amount not to exceed $55,087.73 under CIP 1318.

e) **Resolution No. 24-62 –** Authorizing the Executive Director/CEO and/or delegate to negotiate and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with **Allegiant Air, LLC** for commercial air service at the Airport.

f) **Resolution No. 24-63 –** Authorizing an Authorization of Services with **Combs Construction Company, Inc. (Combs)** for Construction of the Vehicle Service Road, in an amount not to exceed $595,515 under CIP1322.

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

10. **Board Member Comments/Announcements.**
Chairwoman Wheatley thanked Mesa Mayor John Giles for his years of service as a member of the PMGAA Board of Directors from 2015 through 2024. She also thanked Gilbert Mayor Brigette Peterson for her years of services as a member of the PMGAA Board of Directors from 2021 through 2024.

11. **Next Meeting: Tuesday, January 21, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Phoenix-Mesa Gateway Airport Authority may attend either in person or by audioconference.

12. **Adjournment.**
The meeting adjourned at 9:44 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-01

To:	**Board of Directors**
From:	**Art Montoya, Information Technology Director**
Through:	**Chuck Odom, CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Common Use Passenger Processing System – ARINC Incorporated, a part of Collins Aerospace, CIP 1290**
Date:	**January 21, 2025**

Proposed Motion

To authorize a contract with ARINC Incorporated, a part of Collins Aerospace (Collins) in an amount not to exceed $1,500,000 for equipment and installation services for the Airport's Common Use Passenger Processing System (CUPPS) and for five years (a three-year base term with two optional one-year extensions) of support and maintenance services in an amount not to exceed $403,122.36.

Narrative

Mesa Gateway Airport Authority (MGAA) provides a Common Use System to support airline operations from 11 gates and 16 2-position check-in counters for a total of 32 ticketing stations. As part of the CUPPS solution, MGAA utilizes a Content Management System (CMS) and Flight Information Display System (FIDS) throughout the terminal to provide timely information to passengers as well as a Resource Management System (RMS) to manage its operational resources, including gates, stands, check-in counters, and ground handling equipment. A contract and billing solution is also integrated with the CUPPS. In addition to software, the CUPPS includes hardware such as computers, printers, and scanners utilized at the ticket counters and gate counters.

The current system in use at MGAA has been deprecated. While the software systems are still supported by the vendor, on a reduced basis, no new updates or patches will be developed. Additionally, system hardware components in the terminal complex are approaching eight years of service and hardware failures have necessitated replacement of the hardware components. The replacement solution will bring the Airport to current software versions and includes the replacement of all computer hardware and software.

A Request for Proposals, 2024-015-RFP, for an Airport CUPPS, was issued on 3/26/2024 and advertised in the Arizona Business Gazette on 4/4, 4/11, 4/18, 4/25/24. It was also posted on the AzAA, ACC, ACI-NA, and SWAAAE websites, as well as the Mesa Gateway Airport Authority Website. In addition, the RFP was emailed to 7 prospective vendors. Proposals were received, on 5/23/24, from five (5) vendors.

AeroCloud Systems, Inc. & PM Technologies, Inc.
Amadeus Airport IT Americas, Inc.
Collins Aerospace (ARINC Inc.)
Embross USA, Inc.
SITA Information Networking Computing USA, Inc.

The Evaluation Panel reviewed all submitted proposals and selected three (3) Offerors - Amadeus, Collins, and SITA - for further consideration. These vendors were invited to conduct product demonstrations and participate in interviews. Following the evaluation of their proposals, product demonstrations, interview responses, and overall performance against the evaluation criteria, the Panel recommended Amadeus for the award.

Subsequently, airport staff engaged in negotiations with Amadeus to establish a fair and beneficial contract. However, after three months, negotiations were terminated when both parties were unable to reach an agreement on key terms, including the implementation timeline and customer support matters.

The Airport's RFP permits staff to continue negotiations with the next highest-ranked Offerors until an agreement is finalized or the solicitation is canceled. As Collins was ranked second, negotiations commenced with them in November 2024. Both parties have since reached an agreement regarding the CUPPS and the associated support and maintenance services.

Fiscal Impact

The purchase of the equipment and installation services is included in the FY25 capital budget and is funded with CIP 1290, using non-grant funds. The support and maintenance fees are included in subsequent years operating budgets.

Attachment(s)

Master Airport Services Agreement

RESOLUTION NO. 25-01

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

WHEREAS the Authority desires to authorize a contract with ARINC Incorporated, a part of Collins Aerospace (Collins) in an amount not to exceed $1,500,000 for equipment and installation services for the Airport's Common Use Passenger Processing System (CUPPS) and for five years (a three-year base term with two optional one-year extensions) of support and maintenance services in an amount not to exceed $403,122.36;

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 ARINC Incorporated, a part of Collins Aerospace (Collins) in an amount not to exceed $1,500,000 for equipment and installation services for the Airport's Common Use Passenger Processing System (CUPPS) and for five years (a three-year base term with two optional one-year extensions) of support and maintenance services in an amount not to exceed $403,122.36. 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 January, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin Hawkins, Attorney

Intentionally Omitted

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

Board Action Item

Re: Resolution 25-02

To:	**Board of Directors**
From:	**Art Montoya, Information Technology Director**
Through:	**Chuck Odom, CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Cyber Security Software and Services – Advanced Network Management, Inc.**
Date:	**January 21, 2025**

Proposed Motion
To authorize the purchase of cyber security software and services from Advanced Network Management, Inc. (ANM) over a three-year period in an amount not to exceed $223,285.12.

Narrative
The Mesa Gateway Airport Authority's (MGAA's) Information Technology Service (ITS) Department ensures the Airport's operational and cyber security postures meets industry standards and governmental requirements. In accordance to National Institute of Standards and Technology (NIST) Framework 2.0, MGAA is enhancing its cyber security monitoring.

Airport ITS staff has selected ANM to provide 24x7 managed network detection and response. This will greatly enhance the Airport's ability to rapidly detect and respond to potential cybersecurity threats.

As a qualified member of the Arizona Department of Administration State Procurement Office (ADSPO), MGAA is able to procure goods and services under state contracts that have been competitively bid. Under ADSPO, Carahsoft Technology Corporation, in partnership with ANM, was awarded Contract #CTR046098 and it is through this competitive selection that MGAA will utilize ANM to purchase the software and services. This contract is available upon request.

The not to exceed amount includes an additional 10% ($20,298.65) for increases in taxes and any unforeseen shipping costs over the three-year period. The fees will be paid on an annual basis.

Fiscal Impact
This purchase is included in the respective fiscal year's operating budgets.

Attachment(s)
Quote

RESOLUTION NO. 25-02

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

WHEREAS the Authority desires to authorize the purchase of cyber security software and services from Advanced Network Management, Inc. (ANM) over a three-year period in an amount not to exceed $223,285.12;

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 cyber security software and services from Advanced Network Management, Inc. (ANM) over a three-year period in an amount not to exceed $223,285.12. 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 January, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin Hawkins, Attorney

Advanced Network Management, Inc
1355 N Scottsdale Rd, Suite 380
Scottsdale, Arizona 85257

James Arnold
+1 (480) 385-0612
james.arnold@anm.com

Phoenix-Mesa Gateway Airport
6033 South Sossaman Road
Mesa, AZ 85212
Contract Number: AZ AR2472 CTR046098
Art Montoya
480-988-7627
amontoya@gatewayairport.com

Quote #: QT-000085420

Phoenix-Mesa Gateway Airport - Arctic Wolf - Plus

January 6, 2025
Quote Expiration January 24, 2025

Part Number	Description	Start Date	End Date	Term(M)	Qty	List Price	Extended LP	Discount%	Price	Extended Price
AW-PLUS-USER-SILVER	Arctic Wolf Plus User License -Silver Start Date: 3/1/2025 End Date: 02/28/2026	3/1/2025	2/28/2026	12	130	$ 295.00	$ 38,350.00	25.00%	$ 221.26	$ 28,763.80
AW-PLUS-SERVER-SILVER	Arctic Wolf Plus Server License - Silver Start Date: 3/1/2025 End Date: 02/28/2026	3/1/2025	2/28/2026	12	54	$ 295.00	$ 15,930.00	25.00%	$ 221.26	$ 11,948.04
AW-MDR-1YR	Arctic Wolf MDR Log Retention - 1 year Start Date: 3/1/2025 End Date: 02/28/2026	3/1/2025	2/28/2026	12	184	$ 14.40	$ 2,649.60	25.00%	$ 10.80	$ 1,987.20
AW-MDR-EXPLR	Arctic Wolf MDR Data Exploration Start Date: 3/1/2025 End Date: 02/28/2026	3/1/2025	2/28/2026	12	184	$ 30.00	$ 5,520.00	25.00%	$ 22.50	$ 4,140.00
AW-MDR-2XX-S-10G	Arctic Wolf 200 Series Sensor - 2 x 10G Multi-mode fiber SFP+ modules with LC connector Start Date: 3/1/2025 End Date: 02/28/2026	3/1/2025	2/28/2026	12	2	$ 4,500.00	$ 9,000.00	24.94%	$ 3,377.67	$ 6,755.34
AW-MDR-O365	Arctic Wolf MDR Office 365 user license Start Date: 3/1/2025 End Date: 02/28/2026	3/1/2025	2/28/2026	12	130	$ 22.50	$ 2,925.00	24.98%	$ 16.88	$ 2,194.40
AW-IR-JSR-B-491	Arctic Wolf IR JumpStart Retainer Start Date: 3/1/2025 End Date: 02/28/2026	3/1/2025	2/28/2026	12	1	$ 6,000.00	$ 6,000.00	47.92%	$ 3,125.00	$ 3,125.00
AW-WARRANTY-1000	Arctic Wolf Security Operations Warranty - 1M (Enrollment Required) Start Date: 3/1/2025 End Date: 02/28/2026	3/1/2025	2/28/2026	12	1	$ -	$ -	-	$ -	$ -
AW-PLATFORM-BASE	Arctic Wolf Base Platform Start Date: 3/1/2025 End Date: 02/28/2026	3/1/2025	2/28/2026	12	1	$ 15,000.00	$ 15,000.00	87.50%	$ 1,875.00	$ 1,875.00
AW-OB	Arctic Wolf Onboarding				1	$ 500,000.00	$ 500,000.00	100.00%	$ -	$ -
							Year 1	**$ 60,788.78**		
AW-PLUS-USER-SILVER- 491	Arctic Wolf Plus User License -Silver Arctic Wolf Networks, Inc. - AW-PLUS-USERSILVER Start Date: 03/01/2026 End Date: 02/28/2027	3/1/2026	2/28/2027	12	130	$ 295.00	$ 38,350.00	21.24%	$ 232.33	$ 30,202.90
AW-PLUS-SERVERSILVER- 491	Arctic Wolf Plus Server License - Silver Arctic Wolf Networks, Inc. - AW-PLUS-SERVERSILVER Start Date: 03/01/2026 End Date: 02/28/2027	3/1/2026	2/28/2027	12	54	$ 295.00	$ 15,930.00	21.24%	$ 232.33	$ 12,545.82
AR2472-AWN001-062420 -016	Arctic Wolf MDR Log Retention - 1 year Arctic Wolf Networks, Inc. - AW-MDR-1YR Start Date: 03/01/2026 End Date: 02/28/2027	3/1/2026	2/28/2027	12	184	$ 14.40	$ 2,649.60	21.25%	$ 11.34	$ 2,086.56
AW-MDR-EXPLR-491	Arctic Wolf MDR Data Exploration Arctic Wolf Networks, Inc. - AW-MDR-EXPLR Start Date: 03/01/2026 End Date: 02/28/2027	3/1/2026	2/28/2027	12	184	$ 30.00	$ 5,520.00	21.27%	$ 23.62	$ 4,346.08
AR2472-AWN001-060820 -005	Arctic Wolf 200 Series Sensor - 2 x 10G Multimode fiber SFP+ modules with LC connector Arctic Wolf Networks, Inc. - AW-MDR-2XX-S-10G Start Date: 03/01/2026 End Date: 02/28/2027	3/1/2026	2/28/2027	12	2	$ 4,500.00	$ 9,000.00	21.25%	$ 3,543.75	$ 7,087.50
AR2472-AWN001-060820 -030	Arctic Wolf MDR Office 365 user license Arctic Wolf Networks, Inc. - AW-MDR-O365 Start Date: 03/01/2026 End Date: 02/28/2027	3/1/2026	2/28/2027	12	130	$ 22.50	$ 2,925.00	21.29%	$ 17.71	$ 2,302.30
AW-IR-JSR-B-491	Arctic Wolf IR JumpStart Retainer Arctic Wolf Networks, Inc. - AW-IR-JSR-B-491 Start Date: 03/01/2026 End Date: 02/28/2027	3/1/2026	2/28/2027	12	1	$ 6,000.00	$ 6,000.00	45.31%	$ 3,281.25	$ 3,281.25
AW-WARRANTY-1000- 491	Arctic Wolf Security Operations Warranty - 1M (Enrollment Required) Arctic Wolf Networks, Inc. - AW-WARRANTY-1000 Start Date: 03/01/2026 End Date: 02/28/2027	3/1/2026	2/28/2027	12	1	$ -	$ -	-	$ -	$ -
AW-PLATFORM-BASE- 491	Arctic Wolf Base Platform Arctic Wolf Networks, Inc. - AW-PLATFORM-BASE Start Date: 03/01/2026 End Date: 02/28/2027	3/1/2026	2/28/2027	12	1	$ 15,000.00	$ 15,000.00	86.88%	$ 1,968.75	$ 1,968.75
							Year 2	**$ 63,821.16**		
AW-PLUS-USER-SILVER- 491	Arctic Wolf Plus User License -Silver Arctic Wolf Networks, Inc. - AW-PLUS-USERSILVER Start Date:03/01/2027 End Date: 02/29/2028	3/1/2027	2/29/2028	12	130	$ 295.00	$ 38,350.00	17.31%	$ 243.94	$ 31,712.20
AW-PLUS-SERVERSILVER- 491	Arctic Wolf Plus Server License - Silver Arctic Wolf Networks, Inc. - AW-PLUS-SERVERSILVER Start Date:03/01/2027 End Date: 02/29/2028	3/1/2027	2/29/2028	12	54	$ 295.00	$ 15,930.00	17.31%	$ 243.94	$ 13,172.76
AR2472-AWN001-062420 -016	Arctic Wolf MDR Log Retention - 1 year Arctic Wolf Networks, Inc. - AW-MDR-1YR Start Date:03/01/2027 End Date: 02/29/2028	3/1/2027	2/29/2028	12	184	$ 14.40	$ 2,649.60	17.36%	$ 11.90	$ 2,189.60
AW-MDR-EXPLR-491	Arctic Wolf MDR Data Exploration Arctic Wolf Networks, Inc. - AW-MDR-EXPLR Start Date:03/01/2027 End Date: 02/29/2028	3/1/2027	2/29/2028	12	184	$ 30.00	$ 5,520.00	17.33%	$ 24.80	$ 4,563.20
AR2472-AWN001-060820 -005	Arctic Wolf 200 Series Sensor - 2 x 10G Multimode fiber SFP+ modules with LC connector Arctic Wolf Networks, Inc. - AW-MDR-2XX-S-10G Start Date:03/01/2027 End Date: 02/29/2028	3/1/2027	2/29/2028	12	2	$ 4,500.00	$ 9,000.00	17.31%	$ 3,720.94	$ 7,441.88
AR2472-AWN001-060820 -030	Arctic Wolf MDR Office 365 user license Arctic Wolf Networks, Inc. - AW-MDR-O365 Start Date:03/01/2027 End Date: 02/29/2028	3/1/2027	2/29/2028	12	130	$ 22.50	$ 2,925.00	17.33%	$ 18.60	$ 2,418.00
AW-IR-JSR-B-491	Arctic Wolf IR JumpStart Retainer Arctic Wolf Networks, Inc. - AW-IR-JSR-B-491 Start Date:03/01/2027 End Date: 02/29/2028	3/1/2027	2/29/2028	12	1	$ 6,000.00	$ 6,000.00	42.58%	$ 3,445.33	$ 3,445.33
AW-WARRANTY-1000- 491	Arctic Wolf Security Operations Warranty - 1M (Enrollment Required) Arctic Wolf Networks, Inc. - AW-WARRANTY-1000 Start Date:03/01/2027 End Date: 02/29/2028	3/1/2027	2/29/2028	12	1	$ -	$ -	-	$ -	$ -
AW-PLATFORM-BASE- 491	Arctic Wolf Base Platform Arctic Wolf Networks, Inc. - AW-PLATFORM-BASE Start Date:03/01/2027 End Date: 02/29/2028	3/1/2027	2/29/2028	12	1	$ 15,000.00	$ 15,000.00	86.22%	$ 2,067.20	$ 2,067.20
							Year 3	**$ 67,010.17**		

Sub-Total	**$ 191,620.11**
Estimated Taxes	**$ 11,366.36**
Shipping Costs	**$ -**
Grand Total	**$ 202,986.47**

ANM will honor the prices in this quote for 30 days subject to increases, if any, imposed during that period by third party suppliers. Original Equipment Manufacturer (OEM) products, software and services are non-cancelable and non-returnable, unless approved by the OEM.

This quote is governed by the terms and conditions of the following contract: AZ AR2472 CTR046098.
All software and/or hardware is subject to manufacturer terms and conditions.
Subscription fees are non-refundable and payment obligations are non-cancelable and non-negotiable, except in the event of insufficient appropriations made available by federal and/or state legislature, or as otherwise prohibited by court order or law.
Prices shown may **NOT** include all applicable taxes and shipping charges.
All prices subject to change without notice. Supply subject to availability.
Taxes and Shipping costs are estimates and Customer agrees to pay the actual tax and shipping costs due as listed on the applicable invoice. Customer agrees to supplement their PO issued to ANM if necessary to authorize payment of actual invoiced taxes and shipping cost. NTTC required for non-taxable sales.
Amounts shown for Consumption-based products and services are estimates only, and Customer agrees to pay for invoiced amounts based on actual consumption.
Customer agrees to supplement their PO issued to ANM as necessary to authorize payment of actual consumption-based costs.
Expedited shipping is subject to an additional charge.
Quote is subject to the attached ANM Terms and Conditions. All software and/or hardware is subject to manufacturere terms and conditions.
Credit card payments will be subject to a 3% surcharge, which is not greater than our total cost of accepting credit cards and is not applied to debit card payments.
Purchase Orders should be issued to:
Advanced Network Management, Address: 1355 N Scottsdale Road, Suite 380 Scottsdale, AZ 85257
AZ Tax ID #20480621
Federal Tax ID # **85-0427142 | |** DUNS # **83-909-5247**
Credit: Net 30 Days (all credit terms subject to prior ANM credit approval)

Customer Signature _____ Date _____

Customer Name (Printed) _____ Title _____

Terms and Conditions

These Terms and Conditions ("Agreement") apply to hardware and software (collectively, "Products") and services ("Services") that you ("Customer") purchase from Advanced Network Management, Inc. or its affiliates (collectively, "ANM"). Products that are manufactured by third-party vendors ("Manufacturers") and associated Services provided by such Manufacturers may be subject to additional terms which are available at https://anm.com/eulas-and-product-warranties/ ("Manufacturer's Terms") and incorporated into this Agreement by reference. Customer accepts this Agreement unless it has a separate signed agreement in which case that separate agreement will take precedence with the exception of the Manufacturer's Terms.

1. ORDERS. Customer may purchase Products and/or Services from ANM by signing an ANM-provided quote ("Quote"), issuing a purchase order in response to a Quote, or as otherwise agreed by ANM in writing including, without limitation, in a Statement of Work (collectively, "Orders").

2. TERM. . If Products or Services are provided on a subscription basis, ANM shall provide them from the initial date and for the period listed in the Order ("Initial Term"). Products or Services subject to a term that exceeds 12-months (e.g. 3-year subscription) ("Multi-Year Subscriptions") are non-cancelable and non-refundable unless Customer is a government entity subject to non-appropriation of funds. ANM reserves discretion to divide the payment for a Multi-Year Subscription into several payments as a convenience for Customer. Following the Initial Term, the Products or Services will automatically renew for a term equivalent in length to the then-expiring term ("Renewal Term") unless notice is provided to ANM at least 30 days prior to the end of the current term. Any Customer that is a government entity subject to non-appropriation of funds may terminate Products or Services that are subject to a Renewal Term by providing ANM notice at any time prior to the start of the

3. PRICE. Prices provided on a Quote are subject to change without notice. Applicable taxes will be added to all prices unless a proper tax exemption certificate is provided to ANM at the time an Order is placed.

4. PAYMENT. Payment is due 30 days from invoice date unless ANM expressly agrees otherwise in writing. A service charge of 1.5% per month may be added to all past due balances until collected. Customer agrees to pay to ANM all costs and expenses incurred by ANM with respect to recovering any undisputed amount owed to it under this Agreement including, but not limited to, reasonable attorneys' fees and costs.

5. SHIPPING. ANM has sole discretion in selecting a carrier for orders. If Customer requests expedited shipping, then it agrees that ANM is authorized to upgrade the shipping and may bill Customer for all additional shipping charges. Risk of loss or damage to Products will pass upon ANM's surrender of the Products to the transportation provider (F.O.B. Shipping Point). ANM is not liable for any delays in delivery or for partial or early deliveries. Transportation charges will be in accordance with ANM's shipping policy at the time of shipment. Claims for Product damage or loss in transit on shipments made by a common carrier must be made by the Customer to the common carrier and in accordance with the terms of the common carrier. For deliveries made by ANM personnel, claims for shortages or damages to Products must be made to ANM within five (5) days of the delivery date. If Customer fails to notify ANM within the five (5) day period, the Products will be deemed accepted.

6. PRODUCT RETURNS; Products are non-returnable and the prices and fees associated therewith will be non-refundable except as permitted in this Section. Customer may return erroneously shipped Products or Products that the Manufacturer authorizes for return through its Return Merchandise Authorization process ("RMA"). Products damaged after shipment may not be returned. Customer is responsible for complying with all Manufacturer return requirements and Customer agrees that any return may be subject to an ANM restocking fee plus shipping costs which it authorizes ANM to offset against any amounts to be credited to Customer's ANM account. If Customer has not yet paid for the Product(s), ANM may invoice Customer for the restocking fee.

7. SECURITY INTEREST. Customer agrees that ANM shall have a purchase money security interest in all Products supplied to Customer by ANM under this Agreement until all payments due ANM for said Products are paid in full. ANM shall have the right to file in any state or local jurisdiction such financing statements as ANM deems necessary to perfect its purchase money security interest hereunder. Upon request by ANM, Customer hereby agrees to execute all documents necessary to secure ANM's purchase money security interest. Customer also agrees that this Agreement may be filed by ANM in any state or local jurisdiction as a financing statement (or as other evidence of ANM's purchase money security interest).

8. WARRANTIES. . Customer represents and warrants that: (a) employees and agents placing orders on its behalf are duly authorized to commit Customer; (b) it will comply with the applicable Manufacturer's Terms; and (c) it will comply with applicable laws and regulations (including those pertaining to export control) related to its receipt and use of the Products and Services. Product warranties and warranties for Services performed by the Manufacturer (if any) are provided by the Manufacturer. To the extent authorized, ANM shall pass through to Customer any transferable warranties and indemnifications with respect to Products and Services performed by Manufacturers, which shall be Customer's sole and exclusive remedy relating to such Products and Services. With respect to Services performed by ANM, such Services shall be performed in a diligent, professional and workmanlike manner conforming to the requirements of the applicable Order. WITH THE EXCEPTION OF THE

9. INDEMNIFICATION. Unless prohibited by law, Customer will indemnify, hold harmless, and defend ANM and its affiliates, its officers, directors, employees, successors, and assigns from and against any and all damages, costs, and expenses (including reasonable attorneys' fees, expenses, and costs) incurred in connection with any third party claims, demands, suits, or proceedings relating to this Agreement.

10. LIMITATION OF LIABILITY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW AND REGARDLESS OF WHETHER ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE AND REGARDLESS OF WHAT CAUSE OF ACTION (INCLUDING NEGLIGENCE) OR CLAIM FOR RELIEF IS ASSERTED: (A) IN NO EVENT WILL EITHER PARTY OR ITS OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS, ASSIGNS, OR AFFILIATES BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR OTHER SPECIAL DAMAGES; (B) THE ONLY LIABILITY ANM WILL HAVE WITH RESPECT TO PRODUCTS PROVIDED UNDER THIS AGREEMENT AND SERVICES PERFORMED BY MANUFACTURERS WILL BE THE PRODUCT RETURN RIGHTS DESCRIBED HEREIN; AND (C) THE MAXIMUM LIABILITY OF ANM WITH

11. DISPUTES. The enforcement and interpretation of, and all claims or disputes arising out of or related to this Agreement shall be governed by the procedural and substantive laws of the State of New Mexico, including its statute of limitations, without regard to conflict of laws principles that would cause the application of another jurisdiction's laws to apply. If a dispute arises out of or relates to this Agreement, or the performance or breach thereof, the parties agree first to try in good faith to settle the dispute by negotiation before proceeding to litigation.

12. NOTICES. Any notice, demand, or request required or permitted to be given under this Agreement must be in writing and sent to the parties at the addresses set forth below via hand delivery, overnight courier, or certified or registered U.S. mail. Notices are effective upon receipt. Customer notices shall be sent to the most recent billing address on file with ANM. ANM notices shall be sent to: Advanced Network Management, Inc., ATTN: In-House Counsel, 304 Inverness Way S, Suite 400, Englewood, CO 80112.

13. SEVERABILITY. Any provision in this Agreement that is held by a court of competent jurisdiction to be unenforceable shall be modified by said court and interpreted to best accomplish the original provision to the fullest extent permitted by law. The remaining provisions of this Agreement shall remain in effect.

14. ENTIRE AGREEMENT. This Agreement, together with any Order, constitutes the entire agreement, and supersedes any and all prior agreements between the parties with regard to the subject matter hereof. Issuance of a purchase order responsive to a Quote shall constitute an agreement to this Agreement. Any boilerplate terms included on any such purchase order are expressly rejected and are not part of this Agreement unless prohibited by law.

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

Board Action Item

Re: Resolution 25-03

To: Board of Directors
From: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Marketing Allocation from City of Mesa to Allegiant Air
Date: January 21, 2025

Proposed Motion
To authorize a sole source five-year contract with Allegiant Air for Marketing Services in an amount not to exceed $100,000 per year.

Narrative

On December 17, 2024, the Phoenix-Mesa Gateway Airport Authority voted to rename the authority and airport Mesa Gateway Airport Authority (MGAA) and Mesa Gateway Airport (MGA), respectively. Marketing efforts are necessary to familiarize airport users with MGA's rebrand and will result in a public benefit by reducing user confusion and increasing airport revenues.

Allegiant Air operates the largest share of flights out of MGA and has a national presence. Non-Arizona consumers of Allegiant Air may not be as familiar with the City of Mesa, and thus, may be unfamiliar with MGA as a brand or confused by the name change. Allegiant Air has the largest existing marketing streams, including social media, targeted marketing, print, video, media placement, influencers, service placement, and search engine maximization, among others.

Staff recommends MGAA enter into a five-year marketing agreement with Allegiant Air to publicize MGA's rebrand. In exchange for $100,000/year, the agreement will require Allegiant to provide marketing services designed to promote the airport's name change and familiarizing consumers with the City of Mesa. The specific scope of the services is yet to be negotiated but will be measured by well-defined written performance benchmarks and tested against public exposure data.

Marketing expenses are a customary and usual expense of MGA. To ensure that the marketing agreement does not utilize airport revenue (as defined by the Federal Aviation Administration) and because the marketing efforts will focus on the City of Mesa's association with the airport, the proposed agreement will be funded by the City of Mesa's annual contribution to MGAA.

The proposal would specifically not authorize monies subject to the Federal Aviation Administration to be used for payment of the Agreement.

Fiscal Impact
This contract will be included in the FY26 operating budget.

Attachment(s)
N/A

RESOLUTION NO. 25-03

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

WHEREAS the Authority changed its name from Phoenix-Mesa Gateway Airport to Mesa Gateway Airport on December 17, 2024;

WHEREAS out-of-state users may be confused by the name change or unfamiliar with the City of Mesa relative to the City of Phoenix and the Greater Phoenix region;

WHEREAS the Authority is engaged in creating and implementing a marketing strategic plan that requires marketing services to familiarize airport users with the Airport's new name, and that such services will serve a public benefit of reducing confusion by public users, increasing Authority revenues, and general economic development and tourism in municipalities that are members of the Authority;

WHEREAS Allegiant Air is the largest air carrier transporting passengers from and to the Mesa Gateway Airport and, amongst existing carriers and other stakeholders, has the largest existing marketing streams, including social media, targeted marketing, print, video, media placement, influencers, service placement, and search engine maximization, among others;

WHEREAS Allegiant Air's marketing efforts reach millions of potential passengers that are interested in travelling to the Greater Phoenix region;

WHEREAS, the Authority seeks to leverage Allegiant Air's existing marketing streams as a part of its marketing strategic plan and to ensure consistency in advertising and public information deliverables, while avoiding confusion within the marketplace or public awareness;

WHEREAS the Authority desires to authorize a five-year joint strategic marketing agreement with Allegiant Air to publicize the Airport's name change;

WHEREAS, pursuant to Resolution No.: 24-59, Procurement Policy Section VI(B), the Board has determined is only Allegiant Air is capable of providing necessary marketing services and that such services are necessary to maintain compatibility with the Authority's marketing strategy plan and, as such, a sole source determination is appropriate.

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

1. **The Board of Directors of the Authority hereby authorizes the Authority to enter into a five-year strategic marketing agreement with Allegiant Air to publicize the Airport's name change. The Agreement may not exceed $100,000 per year, and Allegiant Air must agree, among other provisions, to provide negotiated marketing services to promote the Airport's name change and familiarize consumers with the City of Mesa and the Greater Phoenix region. 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 Authority is not authorized to utilize revenues subject to Federal Aviation Administration regulations for payments under the Agreement.

2. **The Board of Directors of the Authority hereby directs the Authority to identify other potential stakeholders that may be necessary and appropriate to enter into other marketing strategic agreements to support and perform the Authority's marketing strategic plan in support of the name change.**

Passed and adopted by the Authority this 21st day of January, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin Hawkins, Attorney

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

Board Action Item

Re: Resolution 25-04

To:	**Board of Directors**
From:	**Lori Collins, Business Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**SkyBridge Arizona Master Lease Adjustment Amendment – Termination of SkyB Lot 116-B Development Lease and return to Master Lease**
Date:	**January 21, 2025**

Proposed Motion

To authorize the termination of the SkyB Lot 116-B Development Lease and to concurrently return Lot 116-B to the Master Lease Agreement.

Narrative

The Mesa Gateway Airport Authority ("MGAA") 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, MGAA and SkyBridge agreed to "spin out" property from the Master Lease into Development Leases as projects became ready for vertical development.

The Development Lease for Lot 116-B was effective on June 1, 2023. SkyBridge had proposed to build two buildings collectively consisting of approximately 36,000 SF on approximately 4 acres, however that project is no longer moving forward. SkyBridge has requested to terminate the Development Lease for Lot 116-B and have Lot 116-B restored to the Master Lease. Once returned to the Master Lease, the Rentable Premises is 12,655,744.65 square feet.

Agreement and Rate

With the Termination of the Lot 116-B Development Lease and in accordance with Section 2.2.1 of the Lease, Lessee shall pay to Lessor an amount equal to the Base Rent that would have otherwise been due and payable for the Development Parcel commencing with the date the Development Parcel was removed from the Master Lease and ending with the date of Lessee's election to terminate the Development Lease. The parties agree that amount is NINE THOUSAND FORTY-ONE DOLLARS AND 60/100 CENTS ($9,041.60). In addition, Lessee shall reimburse Lessor for reasonable negotiation costs and expenses. The parties agree that amount is THREE THOUSAND EIGHT HUNDRED SIXTY-FOUR DOLLARS AND 49/100 CENTS ($3,864.49). Both are payable within TEN (10) days of full execution hereof.

Attachment(s)

Termination Agreement Lot 116-B Development Lease; Master Lease Adjustment Amendment

RESOLUTION NO. 25-04

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

WHEREAS the Authority desires to authorize the termination of the SkyB Lot 116-B Development Lease and to concurrently return Lot 116-B to 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 the termination of the SkyB Lot 116-B Development Lease and to concurrently return Lot 116-B to 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 21st day of January, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin Hawkins, Attorney

TERMINATION AGREEMENT

(Lot 116-B Development Lease)

THIS TERMINATION AGREEMENT ("**Termination Agreement**") by and between **MESA GATEWAY AIRPORT AUTHORITY**, formerly Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**") and **SKYB LOT 116-B LLC**, an Arizona limited liability company ("**Lessee**") is effective as of the 1st day of February, 2025 ("**Termination Date**").

RECITALS:

A. Lessor and Lessee entered into that certain Development Lease, dated effective June 1, 2023 ("**Lease**") with respect to the Premises (known as Lot 116-B) as described in the Lease.

B. Lessee now desires to terminate the Lease, and Lessor desires to accept the surrender of the Premises and terminate the Lease, all on the terms and conditions set forth in this Termination Agreement.

AGREEMENT:

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. 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.

2. Termination of Lease. Lessor and Lessee hereby acknowledge and agree that as of the Termination Date, the Lease and every provision thereof shall terminate and be of no further force or effect. As of the Termination Date, neither Lessor nor Lessee shall have any rights, obligations and/or liabilities under the Lease unless such right, obligation, or liability expressly survives the termination of the Lease pursuant to the terms of the Lease. All rents and other charges, if any, paid pursuant to the Lease, shall be paid and prorated as of the Termination Date.

3. Binding Effect; Counterparts. This Termination Agreement may be executed in any number of counterparts and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

4. Applicable Law. This Termination Agreement shall be construed in accordance with the laws of the State of Arizona.

5. Effectiveness of Agreement. If, concurrently with execution of this Termination Agreement, Lessor and Mesa Skybridge LLC, an Arizona limited liability company, do not mutually execute an Adjustment Amendment to Master Lease to reinclude Lot 116-B in the Master Lease dated April 1, 2018 between Lessor and Mesa SkyBridge LLC, this Termination Agreement shall be null and void.

[*Remainder of Page Left Intentionally Blank*]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Termination Agreement as of the Termination Date.

LESSOR:	**LESSEE**:
MESA GATEWAY AIRPORT AUTHORITY, formerly Phoenix-Mesa Gateway Airport Authority, an Arizona joint powers airport authority	**SKYB LOT 116-B LLC,** an Arizona Limited Liability Company
By: _____ J. Brian O'Neill, A.A.E. Executive Director/CEO	By: _____ Felipe Monroy Torres Manager

ADJUSTMENT AMENDMENT TO MASTER LEASE

(Reincluding Lot 116-B)

THIS ADJUSTMENT AMENDMENT TO MASTER LEASE ("**Amendment**") is effective as of the 1st day of February, 2025 by and between **MESA GATEWAY AIRPORT AUTHORITY**, formerly Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **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 (as amended, "**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. In accordance with the Lease, Development Parcel Lot 116-B was removed from the Lease and subjected to Development Lease No. 006 dated effective June 1, 2023, and Development Lease No. 006 is being terminated concurrently herewith by mutual agreement of the parties thereto by a Termination Agreement dated effective as of February 1, 2025.

C. The Parties desire to modify the Lease to reinclude Development Parcel Lot 116-B as part of the Property in accordance with Section 2.2.1 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. Base Rent Payment. Within TEN (10) days after the effective date hereof, Lessee shall pay to Lessor an amount equal to the Base Rent that would have otherwise been due and payable for Development Parcel Lot 116-B in accordance with the Lease commencing with the date Development Parcel Lot 116-B was initially removed from the Property in accordance with Section 2.1 of the Lease and ending with the date of termination of Development Lease No. 006. The Parties agree that such amount is NINE THOUSAND FORTY-ONE DOLLARS AND 60/100 CENTS ($9,041.60).

3. Reimbursement. Within TEN (10) days after the effective date hereof, Lessee shall reimburse Lessor for any and all reasonable Development Lease negotiation costs and expenses. The Parties agree that such amount is THREE THOUSAND EIGHT HUNDRED SIXTY FOUR DOLLARS AND 49/100 CENTS ($3,864.49)

4. Property Adjustment. Development Parcel Lot 116-B, as described in **EXHIBIT A**, is hereby added to the Lease and to the Rentable Premises of the Property. As of the date of this Amendment, after adding Lot 116-B to the Lease, the Rentable Premises is 12,665,744.65 square feet.

5. 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.

6. Effectiveness of Agreement. If, concurrently with execution of this Amendment, Lessor and SkyB Lot 116-B LLC, an Arizona limited liability company, do not execute the Termination Agreement referenced in Recital B above, this Amendment shall be null and void.

[*Remainder of Page Left Intentionally Blank*]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the day and year first above written.

LESSOR:

MESA GATEWAY AIRPORT AUTHORITY, formerly 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 OF THE PROPERTY

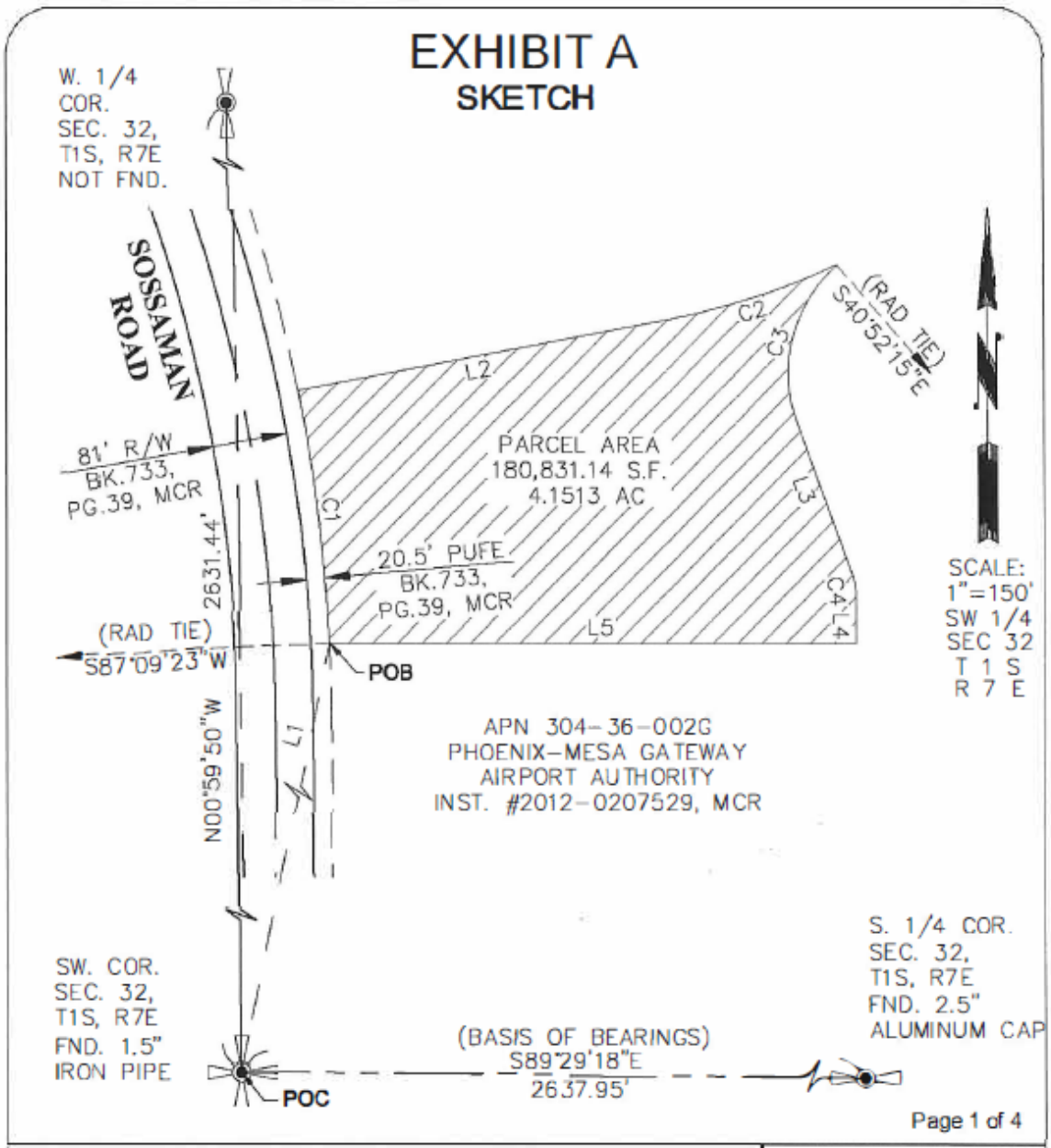


EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A
TABLES

CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CHORD	CHORD BRG
C1	08°40'07"	1811.00'	274.00'	273.74'	N07°10'41"W
C2	14°10'04"	775.00'	191.64'	191.15'	N72°11'08"E
C3	69°19'34"	155.00'	187.55'	176.31'	S14°27'58"W
C4	20°11'49"	95.00'	33.49'	33.31'	S10°05'55"E

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N04°09'50"E	1067.41'
L2	N79°16'10"E	414.41'
L3	S20°11'49"E	169.18'
L4	S00°00'00"E	44.94'
L5	N90°00'00"W	575.15'

Page 2 of 4

SKYBRIDGE
PROJECT No.: 220122
PARCEL 116B

Date: 3/2/21

Preparing Firm: RPA RITOCH-POWELL & Associates
602-263-1177
www.rpaeng.com

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R.
SANDWICK
Date Signed 3/02/21
ARIZONA, U.S.A.

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

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 NUMBER 2012-0207529, MARICOPA COUNTY RECORDS (MCR) AND AS SHOWN ON THAT ALTA/NSPS LAND TITLE SURVEY BY HUNTER ENGINEERING STAMPED AND SIGNED BY JERRY D. HEATH JR. ON 4/30/2018 LOCATED WITHIN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (FND 1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" AL CAP) BEARS S 89°29'18" E A DISTANCE OF 2637.95 FEET;

THENCE N 4°09'50" E A DISTANCE OF 1067.41 FEET TO A POINT ON THE EAST LINE OF A PUBLIC UTILITY AND FACILITY EASEMENT (PUFE) AS SHOWN ON THE MAP OF DEDICATION FOR VELOCITY WAY, SOUTH TAXIWAY CIRCLE AND SOUTH CARGO WAY RECORDED IN BOOK 733, PAGE 39, MARICOPA COUNTY RECORDS BEING THE WEST BOUNDARY LINE OF SAID ALTA/NSPS LAND TITLE SURVEY AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT FROM WHICH POINT THE RAIDIUS POINT BEARS S 87°09'23" W, THE POINT OF BEGINNING;

THENCE ACROSS SAID PHOENIX-MESA GATEWAY AIRPORT AUTHORITY TRACT THE REMAINING COURSES AND DISTANCES:

THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT AND ALONG SAID EAST PUFE LINE HAVING A RADIUS OF 1811.00 FEET, THROUGH A CENTRAL ANGLE OF 08°40'07" AND HAVING AN ARC LENGTH OF 274.00 FEET;

THENCE N 79°16'10" E A DISTANCE OF 414.41 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 775.00 FEET, THROUGH A CENTRAL ANGLE OF 14°10'04" AND HAVING AN ARC LENGTH OF 191.64 FEET TO A CUSP AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT FROM WHICH POINT THE RAIDIUS POINT BEARS S 40°52'15" E;

Page 3 of 4

SKYBRIDGE
PROJECT No.: 220122
PARCEL 116B

Date: 3/2/21

Preparing Firm: RPA RITOCH-POWELL & Associates
602-263-1177
www.rpaeng.com

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R.
SANDWICK
Date Signed 3/02/21
ARIZONA, U.S.A.

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A
LEGAL DESCRIPTION

THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 155.00 FEET, THROUGH A CENTRAL ANGLE OF 69°19'34" AND HAVING AN ARC LENGTH OF 187.55 FEET;

THENCE S 20°11'49" E A DISTANCE OF 169.18 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 95.00 FEET, THROUGH A CENTRAL ANGLE OF 20°11'49" AND HAVING AN ARC LENGTH OF 33.49 FEET;

THENCE S 00°00'00" E A DISTANCE OF 44.94 FEET;

THENCE N 90°00'00" W A DISTANCE OF 575.15 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 180,831.14 SQUARE FEET OR 4.1513 ACRES OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTIONS IS S 89°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, CITY OF MESA, MARICOPA COUNTY, ARIZONA, AS SHOWN ON THE PLSS SUBDIVISION RECORD OF SURVEY-MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS.

Page 4 of 4

SKYBRIDGE
PROJECT No.: 220122
PARCEL 116B

Date: 3/2/21



Preparing Firm: RPA RITOCH-POWELL & Associates
602-263-1177
www.rpaeng.com

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: **November 2024 Financials**
Date: **January 21, 2025**

Attached is the monthly Financials Report for November 2024.

Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
November, 2024

	Month of November 2024				Y-T-D as of November 2024			
	November FY24 Actual	November FY25 Actual	YOY Variance	B/(W)	YTD FY24 Actual	YTD FY25 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	24,366	28,670	4,304	18%	139,963	171,737	31,774	23%
Fuel Flowage Fees	53,525	47,060	(6,465)	-12%	273,702	245,007	(28,695)	-10%
Landing Fees	129,892	137,533	7,641	6%	646,309	647,679	1,370	0%
Lease Income Aero	330,072	368,464	38,392	12%	1,729,733	1,822,396	92,663	5%
Fuel Sales	569,248	747,749	178,501	31%	2,928,815	3,574,764	645,949	22%
Services Sold - Aero	517,481	426,221	(91,260)	-18%	2,465,321	2,166,922	(298,399)	-12%
Sub-total Aero Operating Revenues	1,624,584	1,755,697	131,113	8%	8,183,844	8,628,505	444,661	5%
Non-Aeronautical Operating Revenues								
Concessions	127,738	115,485	(12,253)	-10%	514,836	559,909	45,073	9%
Lease Income Non-Aero	108,315	110,180	1,865	2%	557,260	573,675	16,415	3%
Parking	427,041	364,658	(62,383)	-15%	2,325,947	2,363,055	37,108	2%
Rental Car Fees	260,966	245,622	(15,344)	-6%	800,381	972,489	172,108	22%
Svcs Sold - Non Aero	1,792	1,490	(302)	-17%	28,939	32,129	3,190	11%
Sub-total Non-Aero Operating Revenues	925,852	837,435	(88,417)	-10%	4,227,362	4,501,257	273,895	6%
Total Operating Revenues	**2,550,436**	**2,593,132**	**42,696**	**2%**	**12,411,206**	**13,129,762**	**718,557**	**6%**
Operating Expenses								
Cost of Goods Sold	712,998	479,911	233,087	33%	2,233,793	2,281,416	(47,623)	-2%
Personnel	850,795	943,236	(92,441)	-11%	4,133,910	4,479,762	(345,852)	-8%
Comm & Utilities	65,613	78,393	(12,780)	-19%	492,953	577,104	(84,151)	-17%
Contractual Services	535,665	635,825	(100,160)	-19%	2,767,212	3,064,544	(297,332)	-11%
Insurance	52,171	57,395	(5,224)	-10%	253,074	289,149	(36,075)	-14%
Other	32,323	21,605	10,718	33%	143,742	120,193	23,549	16%
Repair & Maintenance	96,837	35,835	61,002	63%	401,988	283,346	118,642	30%
Supplies & Materials	59,179	67,834	(8,655)	-15%	321,097	337,172	(16,075)	-5%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,405,581**	**2,320,034**	**85,546**	4%	**10,747,769**	**11,432,686**	**(684,917)**	-6%
Operating Income (Loss) Before Depreciation	**144,855**	**273,098**	**128,243**	89%	**1,663,437**	**1,697,076**	**33,639**	2%
	5.7%	10.5%			13.4%	12.9%		
Depreciation		1,345,735				6,744,118		

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

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **January 21, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	March 2025

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2025-005-IFB	Fire Tank Valves Replacement	January 2025	March 2025
Request for Proposals	2025-004-RFP	Airport Website Redesign	January 2025	April 2025
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	January 2025	April 2025

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $66,982.00

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

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, February 18, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

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

2. **Pledge of Allegiance**

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

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

   - **Gulfstream Report**
   - **Virgin Galactic Report**
   - **Boyer/Gateway East Report**
   - **SkyBridge Arizona Report**
   - **Gateway Commerce Center III**
   - **Redevelopment Project Report**

5. **Fiscal Year 2026 Budget Presentation** – Chuck Odom, Chief Financial Officer

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **January 21, 2025**.

   b) **Resolution No. 25-05 –** Authorizing the purchase of a vehicle from **San Tan Auto Partners, LLC**, **dba San Tan Ford (San Tan Ford)**, in an amount not to exceed $60,000 under CIP 1278.

c) **Resolution No. 25-06 –** 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 $2,225,000.

7. **Board Member Comments/Announcements**

8. **Next Meeting: Tuesday, March 18, 2025 at 9:00 a.m.**

9. **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.

Mesa Gateway Airport

- Airport Reports a 17% Increase in Passenger Activity in December
- Allegiant Begins Nonstop Service to Colorado Springs on February 12th
- Airport Holds Triennial Emergency Preparedness Exercise
- Private Development Projects Keep Airport Staff Busy
- Concrete Being Placed on Runway 12R/30L Reconstruction Project
- Real ID/Arizona Travel ID Deadline is May 7, 2025

Executive Director's Report
February 2025



Air Cargo is an Important Part of Gateway Airport's Success

Financial Snapshot

OPERATING INCOME	December		Month Variance	FYTD Comparison		FYTD Variance
	2023	2024		FY24	FY25	
Revenues	$2,391,211	$2,890,550	**$499,339**	$14,802,420	$16,020,313	**$1,217,893**
Less Expenses	$2,147,591	$2,790,850	**$643,259**	$12,895,348	$14,223,410	**$1,328,062**
Operating Income *(Before Depreciation)*	**$243,620**	**$99,700**	**($143,920)**	**$1,907,072**	**$1,796,903**	**($110,169)**

Investment Fund Balances: As of December, the Local Governmental Investment Pool (LGIP) 700 = $6,652,311; Wells Fargo; Collateralized Money Market = $5,514,077 and Commercial/Paper Brokered CD's = $57,483,612; Total $69,650,000.

Finance and Accounting

Mesa Gateway Airport Authority (MGAA, Authority) reported a net operating income of $99,700 for December 2024 and a fiscal-year-to-date 2025 (FYTD25) net income of $1,796,903.

December aeronautical revenues increased by 22% on a year-over-year monthly comparison. The increase was generated by a record month for retail fuel sales (36%) and lease income (26%). December non-aeronautical revenues increased by 19%. December was also a record month for parking revenues.

Operating expenditures for December increased by 30% and totaled $2,790,850. The increase is attributed to three payroll periods recognized during the month, resulting in a $524,599 variance from the previous year.

FYTD25 operating expenditures are 3% under budget.

Calendar Year 2023 and 2024 Operational Metrics			
METRIC	**2023**	**2024**	**% Change**
Total Commercial Passengers	1,876,110	1,886,526	1%
Total Aircraft Operations	262,097	309,191	18%
Aircraft Landing Fee Revenue	$1,571,844	$1,737,612	11%
Terminal Tenant Lease Revenue	$164,731	$182,867	11%
Airline Terminal Use Fee Revenue	$275,090	$305,800	11%
Gallons of Aviation Fuel Delivered	17,766,240	18,225,677	3%
Operating Revenue	$30,301,952	$32,678,404	8%
Terminal Concession Revenue	$1,448,418	$1,477,507	2%
Facility/Land Lease Revenue	$4,644,562	$5,085,048	9%
Ground Transportation Revenue	$246,349	$255,526	4%
Car Rental Revenue	$3,033,667	$3,216,626	6%
Vehicle Parking Revenue	$4,702,507	$5,013,835	7%
Net Operating Income	$4,297,068	$4,000,973	-7%
Fuel Sales - Gross	$6,812,352	$8,602,286	26%

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Development	March 2025
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	April 2025

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation to Bid	2025-005-IFB	Fire Tank Valves Replacement	February 2025
Request for Qualifications	2025-008-RFQ	Business Plan Continuity Development	February 2025
Request for Proposals	2025-004-RFP	Airport Website Redesign	March 2025

Airport Operations

Airport Holds Triennial Emergency Preparedness Exercise



First Responders in Action During 2025 Triennial Emergency Preparedness Exercise

MGAA would like to thank Director of Operations, Security, and Maintenance Margi EvanSon, Airport Operations Manager Ivan Smith, Security and Compliance Manager Trevor Bastien, the entire Operations Team, and many other MGAA 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. MGAA 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.

Fire Department Responders:
- Mesa Fire
- Gilbert Fire
- Queen Creek Fire
- Superstition Fire
- Chandler Fire
- Scottsdale Fire

Law Enforcement Responders:
- Mesa Police Department

Air Ambulance Service Responders:
- Banner Air (2 units)
- Native Air (1 unit)

Evaluator:
- Phoenix Fire Department ARFF

Mesa Gateway Airport:
- Airfield Operations
- Airport Control
- Gateway Aviation Services
- Terminal Operations
- Airfield Maintenance

Media:
- Channels 3, 5, 10, 12

Allegiant Begins Nonstop Service to Colorado Springs on February 12th



Lots to See and Do in Colorado Springs

Beginning February 12, 2025, Allegiant will begin offering twice-weekly nonstop service from Mesa Gateway Airport (Airport, Gateway Airport) to Colorado Springs, CO. The Colorado Springs area beckons all types of travelers, but if you're a nature lover and adventurer, you'll especially enjoy visiting Pikes Peak. Each year, visitors from around the world grab their hiking boots and cameras and explore natural sights like awe-inspiring Pikes Peak, Royal Gorge, Seven Falls, and Garden of the Gods.

Sports enthusiasts should stop by the state-of-the-art U.S. Olympic & Paralympic Training Center or the U.S. Olympic & Paralympic Museum and Hall of Fame – a must-visit for fans of the Olympic Games. For more information and to book your trip to Colorado Springs, please visit www.allegiantair.com.

PASSENGER COUNTS		December		% Change	FYTD		% Change
		2023	2024		FY24	FY25	
Passengers	TOTAL	167,210	196,249	17%	850,635	897,184	5%
	Deplaned	84,769	99,838	18%	431,734	458,509	6%
	Enplaned	82,441	96,411	17%	418,901	438,675	5%
Allegiant	Scheduled	161,250	190,254	18%	836,448	879,058	5%
Sun Country	Scheduled	5,960	5,995	1%	14,187	18,187	28%

OPERATIONS	December		% Change	FYTD		% Change
	2023	2024		FY24	FY25	
Air Carrier	1,167	1,375	18%	5,908	6,849	16%
Military	163	172	6%	1,245	1,005	-19%
General Aviation	19,459	18,903	-3%	131,451	139,645	6%
TOTAL	**20,789**	**20,450**	**-2%**	**138,604**	**147,499**	**6%**

Community Noise Report

CALLERS	December		FYTD	
	2023	2024	FY24	FY25
Total	12	8	60	49

AIRCRAFT TYPE	December		FYTD	
	2023	2024	FY24	FY25
	Callers	Callers	Callers	Callers
Commercial	7	5	29	22
GA Total	4	3	14	21
Helicopter	0	0	17	6
Military	1	0	0	0
Total	12	8	60	49

MGAA received communications from a total of 8 individuals regarding aircraft noise issues during the month of December 2024, compared to 12 individuals last December.

LOCATION	December		FYTD	
	2023	2024	FY24	FY25
Mesa	3	2	13	11
Gilbert	4	2	29	24
Gold Canyon	0	0	0	0
Queen Creek	4	1	15	5
Queen Valley	1	1	2	4
Apache Junction	0	1	0	2
San Tan Valley	0	1	1	2
Chandler	0	0	0	0
Florence	0	0	0	1
Goodyear	0	0	0	0
Phoenix	0	0	0	0
Tempe	0	0	0	0
TOTAL	12	8	60	49

Gateway Aviation Services



Jason Walker Fueling an Aircraft

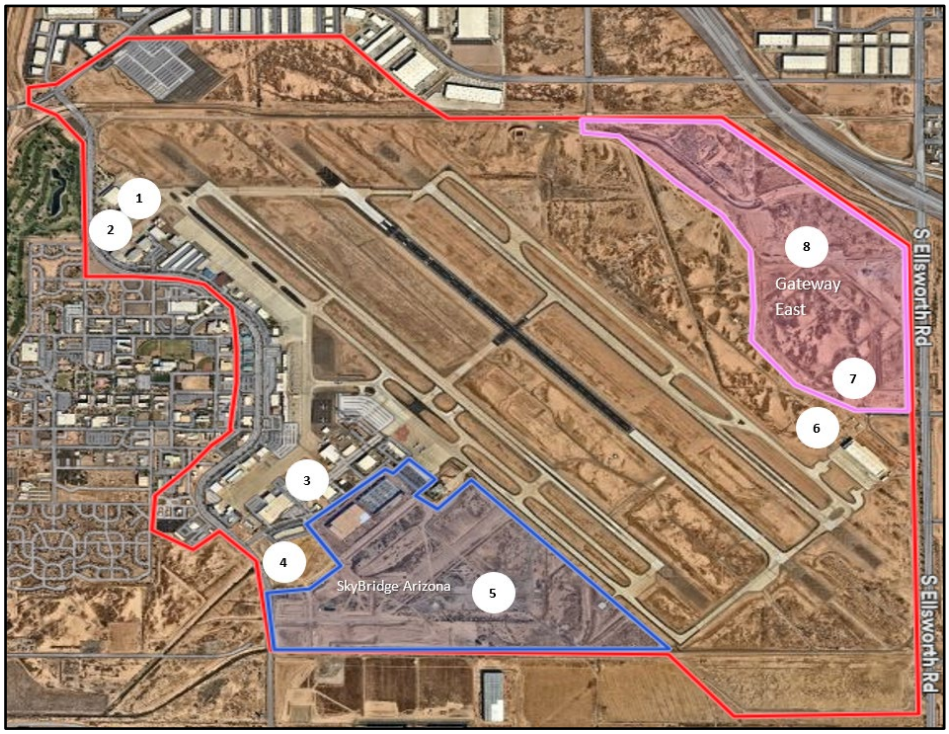
Each month, Gateway Aviation Services, the Airport Authority owned and operated fixed base operator (FBO) reports the number of gallons of fuel sold in a variety of categories. Highlights for December 2024 include a 28% increase in AvGas, a 74% increase in Retail Jet A, and a 36% increase in Commercial fuel. For the month of December, Gateway Airport's FBO pumped more than 1.88 million gallons of aviation fuel, a 30% increase compared to last December. YTD25, the Airport has pumped 8,843,408 total gallons of aviation fuel, seven percent more than the same time period last fiscal year.

FUEL (Gallons)	December			FYTD		
	2023	2024	% Change	FY24	FY25	% Change
AvGas	33,618	42,931	28%	206,622	292,112	41%
Retail Jet A	60,607	105,646	74%	331,555	515,789	56%
Contract	184,778	156,511	-15%	1,849,808	1,384,358	-25%
Commercial	1,136,116	1,545,053	36%	5,776,487	6,545,436	13%
Cargo	42,234	37,289	-12%	116,276	105,713	-9%
TOTAL	1,457,353	1,887,430	30%	8,280,748	8,843,408	7%

Business Development

Private Development Projects Keep Airport Staff Busy

On-airport private development of both aeronautical and non-aeronautical land is an important component of a successful airport. These long-term partnerships are a great opportunity to diversify an airport's revenue, create high-wage jobs, and strengthen the regional economy. Unfortunately, many airports do not have the available land to be able to attract private development.



Map of Current Private Development Projects Currently Underway at the Airport

Gateway Airport is very fortunate to have approximately 700 acres within its boundaries available for these types of private development projects and currently has more than one million square feet of private construction underway. Global industry leaders including, but not limited to, Gulfstream **(6)**, Virgin Galactic **(1)**, Boeing **(2)**, and XNRGY Climate Systems **(7)** are constructing facilities on-Airport. Other projects within SkyBridge Arizona **(5)**, a 360-acre master development, Gateway East **(8)**, a 273-acre Airport Business Park, and the Gateway Commerce Center III (4) are dramatically changing the landscape of the Phoenix East Valley. The Airport is also working with a local development team on an eight-acre aeronautical site **(3)** located in a prime location on the airfield.

Engineering, Planning, and Facilities

Concrete Being Placed on Runway 12R/30L Reconstruction Project



Concrete Being Placed on Runway 12R/30L

Over the past several years, Gateway Airport has completed several important facility projects including a new air traffic control, a 30,000 sq. ft. five-gate terminal addition, and an enclosed terminal connector. The Airport is now focusing on several airfield construction projects just as critical to the Airport's long-term operation. One project currently underway is the reconstruction of the Airport's inside runway, Runway 12R/30L. This two-year project, totaling approximately $45MM, will replace much of the

10,400-foot 1940's era runway with new 16-inch concrete. That's a staggering 20,414 cubic yards of concrete just for Phase I. The old concrete that was removed from the runway has been crushed and will be used to strengthen the base underneath the new runway. Phase I is scheduled to be completed around May 1st. Depending on the issuance of the next federal grant, Phase II will begin later this year.

MGAA Team Member Spotlight



Employee Name: Corey Gilbert
Employee Title: Fuel Facility Operator
MGAA Department: Gateway Aviation Services
Years with MGAA: 9+ Years

What are your job responsibilities for MGAA? I am responsible for operating and maintaining the Fuel Storage Facility and fuel equipment in a manner consistent with rules, regulations, and standards governing the handling of aviation fuel products. Facilitate the receipt, storage, dispensing, quality control, and record keeping of JetA, Avgas, Diesel, and Unleaded fuels. I ensure the highest level of safety and security at the Fuel Storage Facility.

What is your most memorable Gateway Airport moment? Working at Gateway Airport for almost 10 years, I have gained many memories. Over the years, I've been able to see Air Force One and multiple military aircraft up close; toured the Antonov, Boeing business jets, NASAs Super Guppy, and many others; and refueled Blue Angle F-18s and other one of a kind aircraft. But the one memory that stands out the most was when Gateway Airport had the B-29 "FIFI" here giving rides to customers. At the last minute, they had two customers no-show so they offered the two spots to the employees working that day and I was very fortunate to be one of the employees chosen for the once-in-a-lifetime experience.

What is something people may not know about you? Something people may not know about me is that I love woodworking, especially designing and building furniture and other miscellaneous items for my house.

Arizona's Travel ID Will Get You Through Airport Security After May 7, 2025

May 7, 2025 is the federal deadline for domestic airline travelers to have a federally compliant form of identification. If you plan to use your driver license or state-issued ID card for travel after that date, make an appointment at an Arizona Department of Transportation Motor Vehicle Division office to get your Arizona Travel ID.

Without the Arizona Travel ID or other form of federally compliant identification such as a valid U.S. passport, you'll risk missing an airline flight because the standard Arizona driver license and ID card will no longer be accepted at TSA checkpoints as of May 7, 2025.

Mesa Gateway Airport

Fiscal Year 2026 Budget



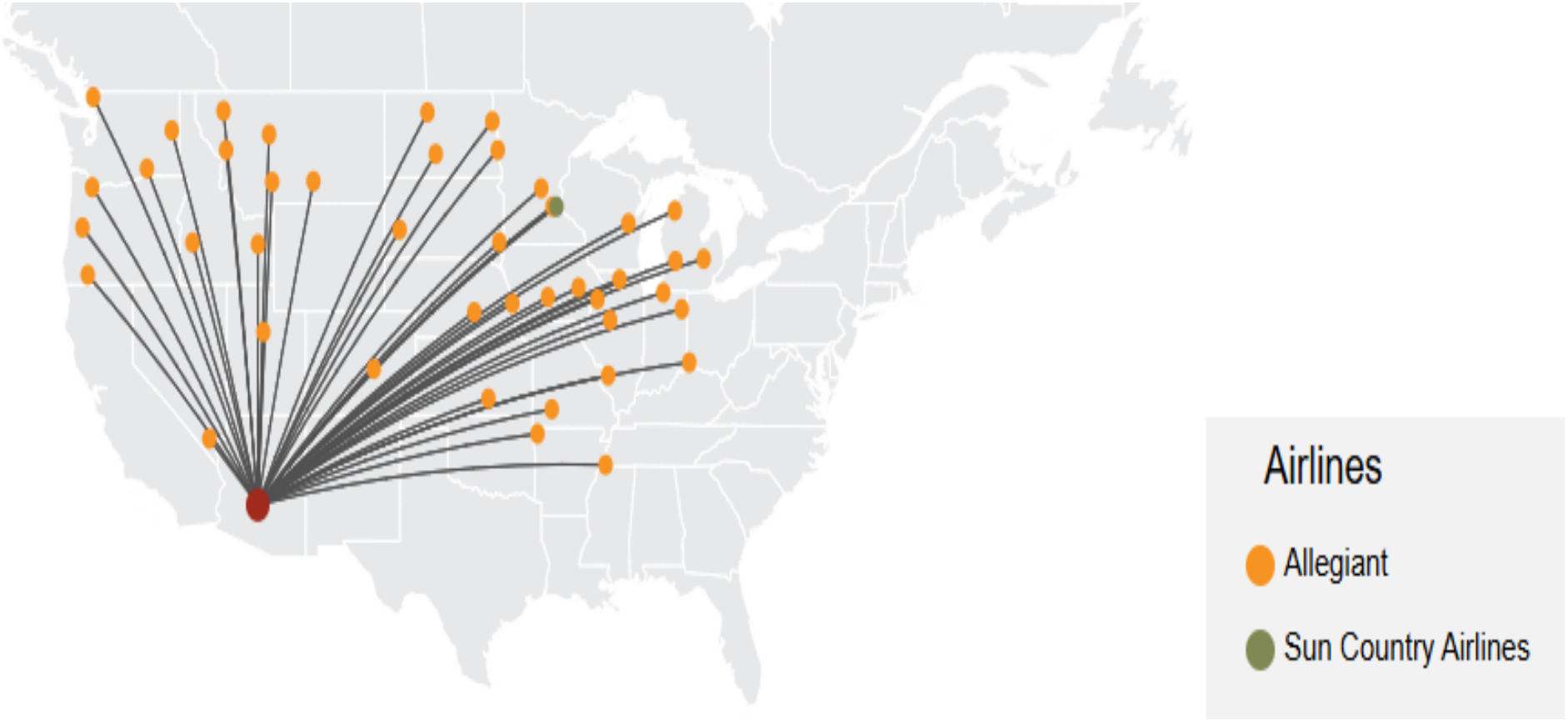
Mesa Gateway Airport

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 Mesa Gateway Airport in a safe, secure, efficient, and fiscally responsible manner.

Fiscal Year 2026 Budget

Mesa Gateway Airport



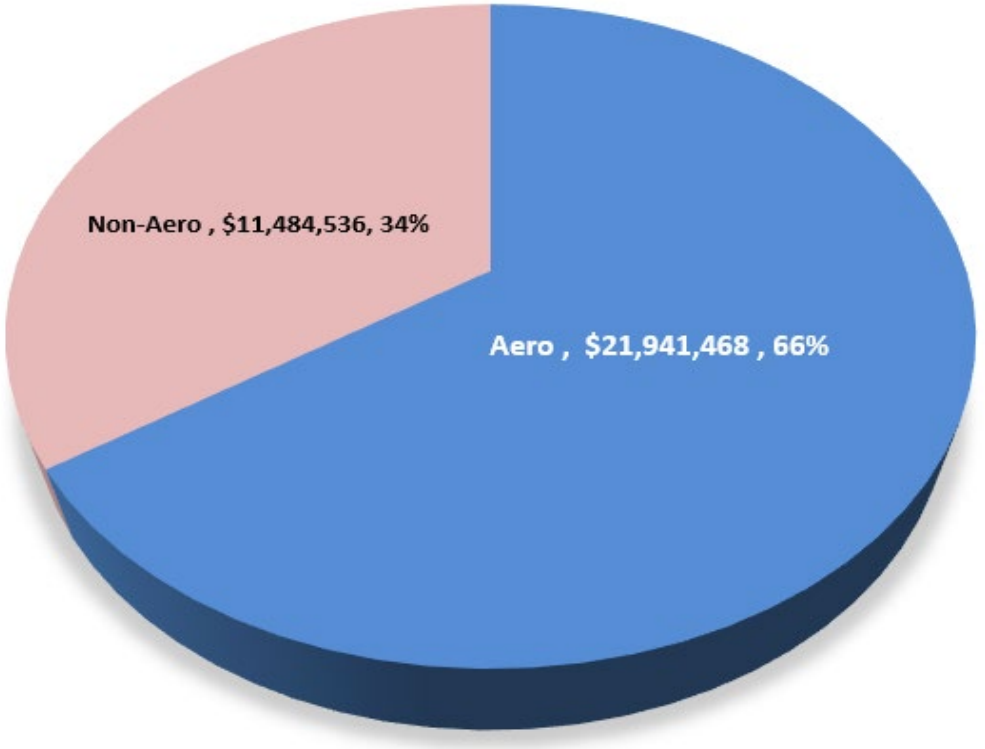
Mesa Gateway Airport

Budget Key Assumptions

1. Member contributions for FY26 will continue to partially fund capital improvements and promote the Airport.
2. Enplaning passenger activity is expected to increase in FY26's budget by 30,772 or 3% from FY25's budget.
3. Aero revenue is planned to increase $1,719,873 or 9%.
4. Non-Aero revenue is budgeted to be up $1,162,757 or 11%.
5. Air-Service Incentive Program carries over from previous fiscal year.
6. Operating Contingency is 10% of total expenses from unrestricted cash reserve.

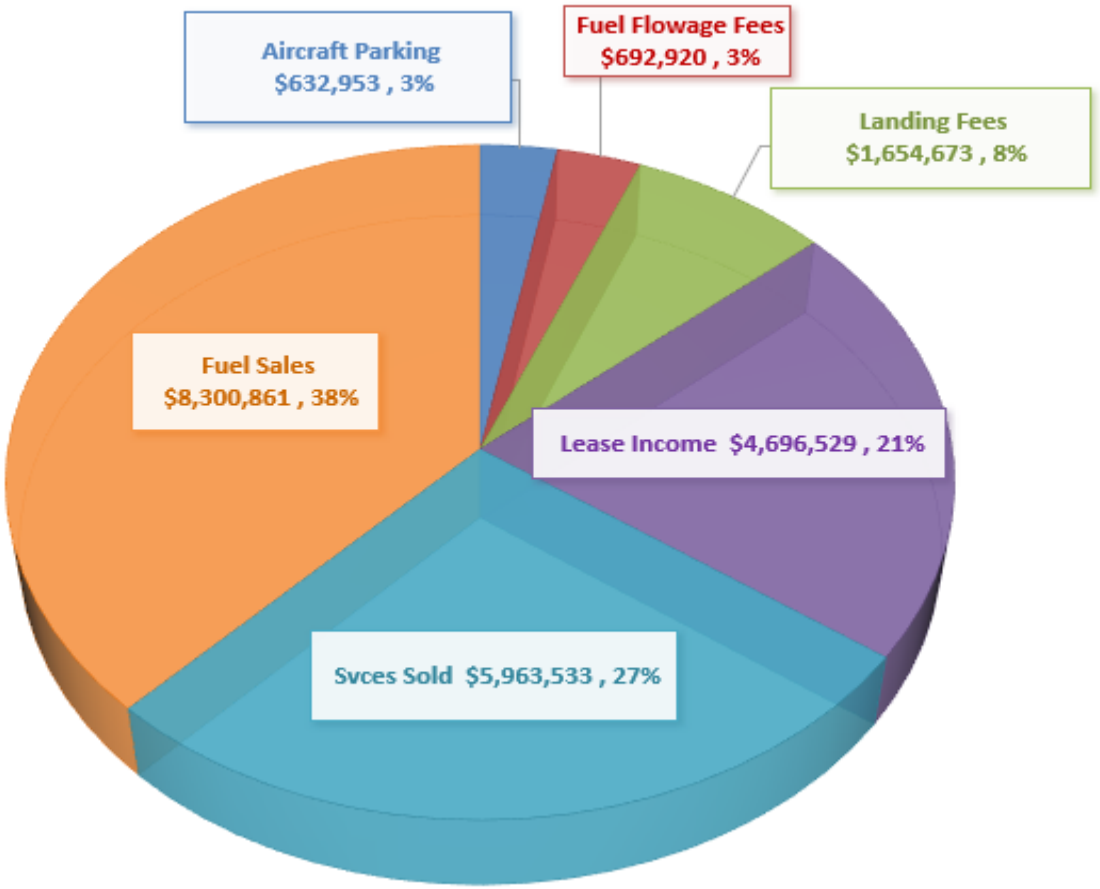
FY26 Operating Budget Revenue

Operating Revenues:	FY25 Budget	FY26 Budget	Difference	%
Aeronautical Revenue	$ 20,221,594	$ 21,941,468	$ 1,719,874	9%
Non-Aeronautical Revenue	10,321,779	11,484,536	1,162,757	11%
Total Operating Revenue	$ 30,543,373	$ 33,426,004	$ 2,882,631	9%



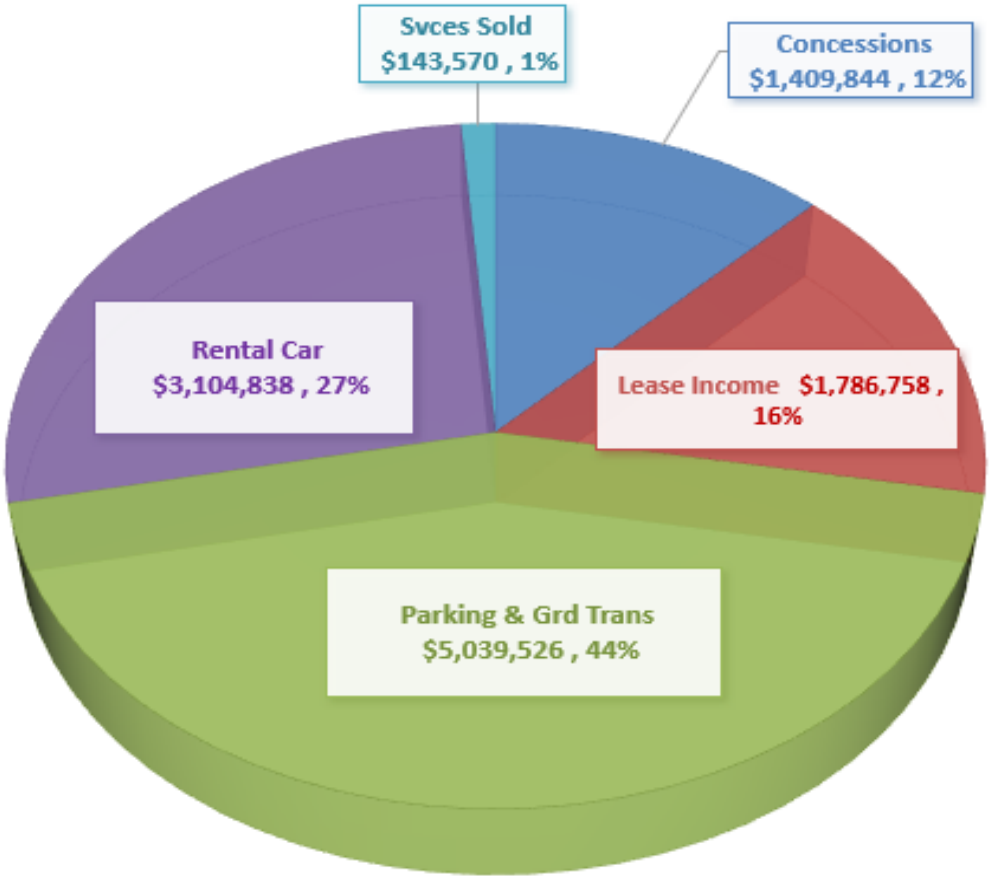
FY26 AERO Operating Revenue Graph

FY26 AERO-Operating Revenue Budget $22M



FY26 NON-AERO Operating Revenue Graph

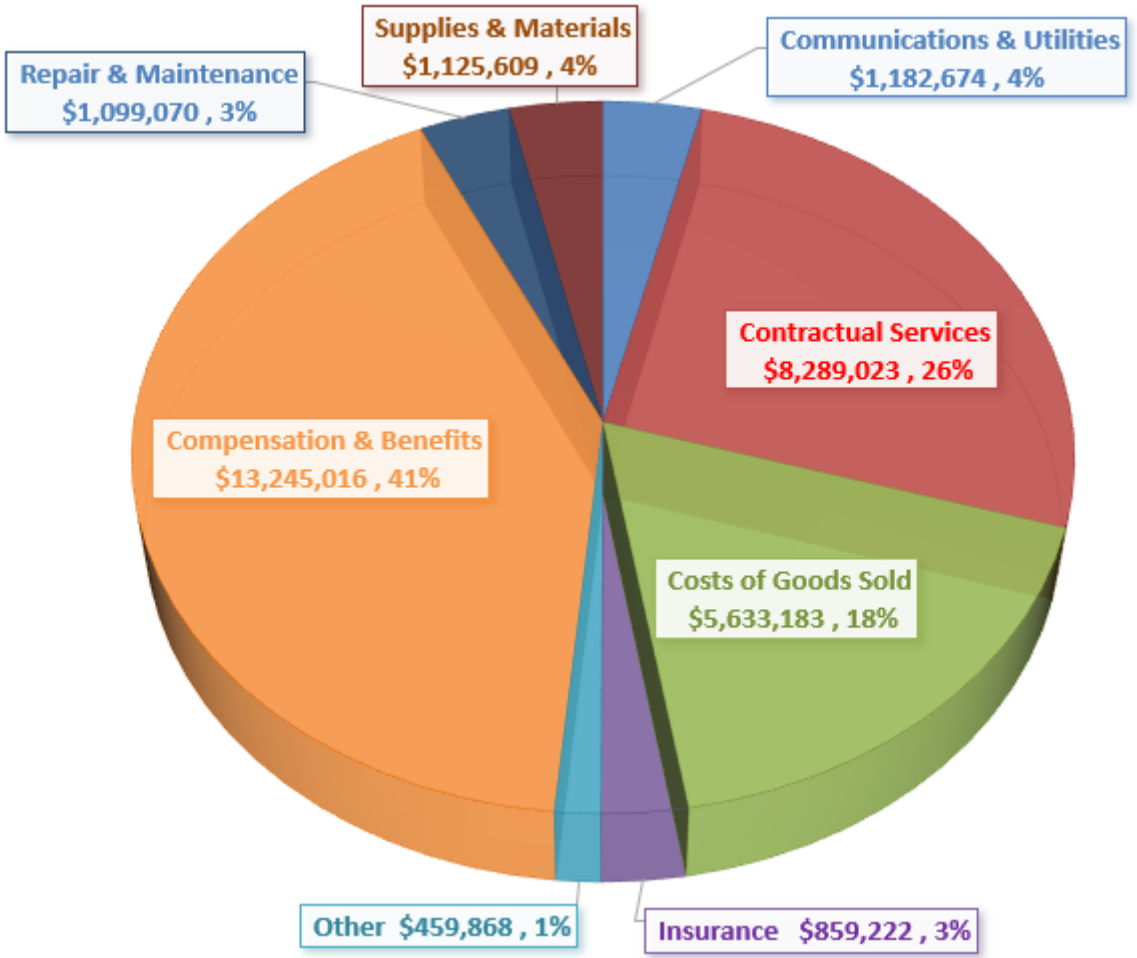
FY26 Non-Aero Revenue Budget $11M



FY26 Operating Expense Graph

Mesa Gateway Airport

FY26 Expense Budget $32M



FY26 Budget Full Time Equivalents by Department

Mesa Gateway Airport

MGAA Full Time Equivalents

Department	FY25	FY26	Difference
Accounting	9	9	0
Business Development	4	4	0
Comm Gov Relations	4	4	0
Exec Office	2	2	0
Engineering	16	16	0
Fixed Based Operator	33	33	0
Human Resources	3	3	0
Information Technology	4	4	0
Operations	41.5	44	2.5
	116.5	119	2.5

Additional Terminal Agents instead of contract curb service company

Mesa Gateway Airport

FY26 Operating Budget

Total Operating Revenue	$33,426,004
Total Operating Expenses	(31,893,666)
Operating Income	$1,532,338
Cash from Unrestricted Reserve	$5,189,367
Potential Air Incentive	(2,000,000)
10% Contingency	(3,189,367)
	0
Total Budgeted Operating Expense Capacity	$(37,083,033)

Mesa Gateway Airport

FY26 Capital Budget

FY26 Capital Budget	$62,472,957
Carry Over from FY25	8,836,755
FY26 Capital Maintenance Reserve	1,000,000
	$72,309,712

FY26 Debt Service Budget

FY26 Lease Aero Revenue (City of Mesa/Able)	$ 1,290,000
Principle Payment	(635,000)
Interest Payment	(655,000)
FY26 Debt Service Payment	($1,290,000)
Remaining Balance of Series 2012 Special Facility Revenue Bond	$13,100,000

Mesa Gateway Airport

FY26 Operating, Capital, and Debt Service Budget

Combined Summary

Total Operating Expense	$ 31,893,666
Potential Air Incentive	2,000,000
10% Contingency	3,189,367
FY26 Capital Budget	62,472,957
FY25 Carry Over Capital Projects	8,836,755
Capital Maintenance Reserve	1,000,000
Debt Service Payment	1,290,000
Total Budget Operating and Capital	$110,682,745

Mesa Gateway Airport

FY26 Capital Improvement Program
Funding Sources

FAA/TSA	$47,499,170
PFC	10,000,000
Member Contribution	2,760,000
ADOT	1,349,893
MGAA Cash Reserves	863,894
Total Capital funding Sources	$62,472,957

FY25 Capital Carry Over into FY26 Funding Summary

Mesa Gateway Airport

FY25 Capital Carry Over
Funding Sources

MGAA Cash Reserves	$7,140,635
ADOT	1,147,790
FAA/TSA	548,330
Total FY25 Carry Over	$8,836,755

FY26 5-Year Capital Project Plan

	FY26	FY27	FY28	FY29	FY30
Airfield	$32,271,962	$27,275,000	$12,500,000	$26,650,000	$25,075,000
Terminal	30,340,000				
Roadways & Parking	188,750	7,646,500			
Equipment	452,000	494,000	333,000	605,000	1,020,000
Vehicles	135,000	795,000	1,495,000	195,000	275,000
Infor & Tech	1,832,000	514,000	194,000	145,000	
Fuel Farm		1,800,000			
Bldg Improv		50,000	160,000		
Other	1,090,000				
	$ 66,309,712	$38,574,500	$14,682,000	$27,595,000	$26,370,000

Mesa Gateway Airport

5-Year Capital Plan Funding Sources

FAA/TSA Grants	$131,262,100
Member Contributions	13,800,000
PFC	11,200,000
MGAA Cash Reserves	10,703,729
ADOT	6,565,383
	$173,531,212

FY26 Budget Questions?

Comments or Questions



MINUTES OF THE PUBLIC MEETING OF THE
MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | January 21, 2025

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, January 21, 2025, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Julia Wheatley, Queen Creek
Lt. Governor Regina Antone, Gila River Indian Community
Mayor Mark Freeman, Mesa
Mayor Scott Anderson, Gilbert
Mayor Chip Wilson, Apache Junction
** Neither present nor represented*

Airport Staff Present

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

1. **Call to Order** at 9:03 a.m. (Mayor Wheatley, Chairwoman)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   Scott R. Figgins submitted to the Clerk of the Board a public comment card to speak on public safety and the triennial drill to be held at Mesa Gateway Airport on February 4, 2025.

5. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on various Airport projects.

   - Calendar Year 2024 was the second-best year ever for total passenger activity with nearly 1.9MM commercial passengers.
   - Allegiant will be adding new nonstop service to Colorado Springs, CO on February 12.
   - Allegiant is projecting a 35% year-over-year increase in flights in March and a 32% year-over-year increase in flights in April. To prepare for the increase in passengers, Mesa Gateway Airport (Airport, Gateway Airport) staff is working with TSA and with Allegiant's third-party contractor, WSF, to ensure their staffing levels will be adjusted to handle the increases in March and April.
   - With the New Year and the new Airport name comes a new branding campaign. The Authority is providing education and awareness to staff, tenants, federal, state and local governments, regional communities, business/economic development organizations and current and prospective airlines.
   - May 7, 2025 is the federal deadline for domestic airline travelers to have a federally compliant form of identification called Real ID, or in Arizona it's called Travel ID. Standard Arizona drivers' licenses and ID cards will no longer be accepted at TSA checkpoints. The Authority is advertising this deadline on the website and social media.
   - The exterior of Virgin Galactic's hangar and manufacturing facility are complete. The hangar will house the mothership and the manufacturing facility will begin production of the six-passenger Delta spaceships later in 2025. Heavy machinery/assembly equipment will be arriving in the March/April timeframe.

DRAFT

- The official Grand Opening/Ribbon Cutting for Gulfstream's new 225,000 sq. ft. West Coast Service Center was held on January 9. Many federal, state, and local elected officials and VIP's were in attendance.
- SkyBridge Arizona is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. SkyBridge has completed the construction of two 250,000 sq. ft. flex industrial buildings designed to accommodate single and multi-tenant users, a 53,000 sq. ft. industrial building, an 82,500 sq. ft. hangar, and various roadways and utility infrastructure across the site surpassing $25MM.
- Gateway East is a 273-acre Airport Business Park located on the east side of the Airport. Construction of a 275,000 sq. ft. manufacturing facility for Gateway East's first tenant, XNRGY Climate Systems, is currently underway. Phase I horizontal infrastructure – roadways, utilities, and landscaping – is substantially complete. The developer, The Boyer Company out of Salt Lake City is working with the City of Mesa for pre-design of a five-acre development at the intersection of Ellsworth Road and Gateway Boulevard that will include a hotel, two retail buildings, and a restaurant.
- Gateway Commerce Center III is being developed along the southeast corner of Sossaman Road and Velocity Way. This project includes two industrial buildings totaling approximately 98,000 sq. ft. Vertical construction will begin at the end of January/early February.
- Thanks to the continued strong support from the FAA, the reconstruction of Runway 12R-30L will be completed over the next two years. Phase I began in October 2024. Once the southern portion is completed, Phase II, the northern half of Runway 12R-30L, will be reconstructed. All of the concrete for the southern half of the 10,400-foot runway has been removed and crushed, and will be reused as the base course for the new runway. This important infrastructure project totals approximately $45MM.
- The Authority is updating the signage for the front entrance of the Airport at the intersection of Ray and Sossaman Roads. A new monument sign, landscaping, irrigation, and lighting will be in place by the end of March 2025.
- The demolition of several old Airport buildings has created a new aeronautical development opportunity at the south end of the Airport. In September a Request for Qualifications (RFQ) for the ± 8.00 acres of property designated for aeronautical redevelopment was released. The evaluation panel met on January 7, 2025 to review all qualified submittals. A candidate has been selected. The Authority will present this recommendation before the Board for consideration and approval.
- The south end of the Airport's airside service road is being reconstructed to accommodate fuel trucks traveling between the east side and west side of the airfield.
- The Authority has received a federal grant to update the airfield electrical system. Over the next two years the electrical system will be updated in conjunction with ongoing runway projects. This will include new LED lighting, upgrading the vaults, and the wiring connecting the three 10,000 ft. runways and ramp areas.

6. Consent Agenda

a) **Minutes** of the Board Meeting held on **December 17, 2024**.

b) **Resolution No. 25-01 –** Authorizing a contract with **ARINC Incorporated**, a part of **Collins Aerospace (Collins)** in an amount not to exceed $1,500,000 for equipment and installation services for the Airport's Common Use Passenger Processing System (CUPPS) and for five years (a three-

year base term with two optional one-year extensions) of support and maintenance services in an amount not to exceed $403,122.36.

c) **Resolution No. 25-02 –** Authorizing the purchase of cyber security software and services from **Advanced Network Management, Inc. (ANM)** over a three-year period in an amount not to exceed $223,285.12.

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

7. **Resolution No. 25-03 –** Authorizing a sole source five-year contract with **Allegiant Air** for Marketing Services in an amount not to exceed $100,000 per year.

Mayor Chip Wilson moved to approve Resolution No. 25-03.
Mayor Scott Anderson seconded the motion.
The motion was carried unanimously.

8. **Resolution No. 25-04 –** Authorizing the termination of the **SkyB Lot 116-B Development Lease** and to concurrently return **Lot 116-B to the Master Lease Agreement**.

Mayor Mark Freeman moved to approve Resolution No. 25-04.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

9. **Board Member Comments/Announcements.**
Chairwoman Wheatley welcomed Mesa Mayor Mark Freeman and Gilbert Mayor Scott Anderson as the newest board members of the Mesa Gateway Airport Authority.

10. **Next Meeting: Tuesday, February 18, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference.

11. **Adjournment.**
The meeting adjourned at 9:41 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-05

To:	**Board of Directors**
From:	**Margi EvanSon, Director of Operations, Security & Maintenance**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Vehicle Replacement-CIP 1278**
Date:	**February 18, 2025**

Proposed Motion
To authorize the purchase of a vehicle from San Tan Auto Partners, LLC, dba San Tan Ford (San Tan Ford), in an amount not to exceed $60,000 under CIP 1278.

Narrative
FY25 approved capital plans include the replacement of an airport operations vehicle.

Due to normal wear and tear, the 2003 Ford Excursion TRK-370 is beyond its service life and needs to be replaced.

MGAA 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 MGAA will utilize San Tan Ford for the new vehicle purchases. This contract is available upon request.

Fiscal Impact
This purchase is included in the FY25 capital budget with non-grant funding under CIP 1278

Attachment(s)
N/A

RESOLUTION NO. 25-05

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

WHEREAS the Authority desires to authorize the purchase of a vehicle from San Tan Auto Partners, LLC, dba San Tan Ford (San Tan Ford), in an amount not to exceed $60,000 under CIP 1278;

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 a vehicle from San Tan Auto Partners, LLC, dba San Tan Ford (San Tan Ford), in an amount not to exceed $60,000 under CIP 1278. 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 February, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin Hawkins, Attorney

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

Board Action Item

Re: Resolution 25-06

To:	**Board of Directors**
From:	**Matt Nebgen, Director of Gateway Aviation**
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 18, 2025**

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 $2,225,000.

Narrative
The 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 FY25. This is due to higher fuel cost and greater than anticipated sales of Avgas in the first half of the fiscal year. Plus, a projected increase in JetA sales for the remaining fiscal year. The additional $2,225,000 purchase will bring the total FY25 Jet A and 100LL Avgas purchase to $7,193,000.

Request for Proposal No. 2019-005-RFP was issued, and World Fuel was selected as the fuel provider. Board Resolution No. 19-34 approved a multi-year contract between Mesa Gateway Airport Authority and World Fuel.

Fiscal Impact
The current FY25 budget amount for Cost of Goods Sold (CGS) for Jet-A and 100LL Avgas is $4,968,000. The Airport will use operating contingency budget to increase the amount budgeted for CGS Jet-A and 100LL Avgas by $2,225,000 to account for an increase in fuel sales and higher cost of goods sold based on market factors. The increase in cost of goods sold will be offset by revenue from fuel sales.

Attachment(s)
N/A

RESOLUTION NO. 25-06

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

WHEREAS the Authority desires to authorize the purchase of Jet A and 100LL Avgas fuel from Ascent Aviation Group, Inc. (World Fuel) for Airport Authority resale in the amount of $2,225,000;

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 Authority resale in the amount of $2,225,000. 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 18th day of February, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin Hawkins, Attorney

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 2024 Financials**
Date: **February 18, 2025**

Attached is the monthly Financials Report for December 2024.

Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
December, 2024

	Month of December 2024				Y-T-D as of December 2024			
	December FY24 Actual	December FY25 Actual	YOY Variance	B/(W)	YTD FY24 Actual	YTD FY25 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	39,114	27,356	(11,758)	-30%	179,077	199,093	20,016	11%
Fuel Flowage Fees	39,126	43,669	4,543	12%	312,828	288,676	(24,152)	-8%
Landing Fees	132,086	166,024	33,938	26%	778,396	813,703	35,307	5%
Lease Income Aero	317,530	399,159	81,629	26%	2,047,264	2,221,555	174,291	9%
Fuel Sales	544,614	739,120	194,506	36%	3,473,429	4,313,884	840,455	24%
Services Sold - Aero	407,423	427,664	20,241	5%	2,872,744	2,594,586	(278,158)	-10%
Sub-total Aero Operating Revenues	1,479,893	1,802,992	323,099	22%	9,663,738	10,431,497	767,759	8%
Non-Aeronautical Operating Revenues								
Concessions	128,614	136,409	7,795	6%	643,450	696,318	52,868	8%
Lease Income Non-Aero	103,949	109,813	5,864	6%	661,210	683,488	22,278	3%
Parking	425,822	569,715	143,893	34%	2,751,769	2,932,770	181,001	7%
Rental Car Fees	250,317	270,167	19,850	8%	1,050,698	1,242,657	191,959	18%
Svcs Sold - Non Aero	2,616	1,454	(1,162)	-44%	31,555	33,583	2,028	6%
Sub-total Non-Aero Operating Revenues	911,318	1,087,558	176,240	19%	5,138,682	5,588,816	450,135	9%
Total Operating Revenues	**2,391,211**	**2,890,550**	**499,339**	**21%**	**14,802,420**	**16,020,313**	**1,217,893**	**8%**
Operating Expenses								
Cost of Goods Sold	367,945	465,752	(97,807)	-27%	2,601,737	2,747,169	(145,432)	-6%
Personnel	915,999	1,440,598	(524,599)	-57%	5,049,909	5,920,360	(870,451)	-17%
Comm & Utilities	70,472	77,720	(7,248)	-10%	563,425	654,824	(91,399)	-16%
Contractual Services	569,376	601,068	(31,692)	-6%	3,336,587	3,665,613	(329,026)	-10%
Insurance	52,258	67,772	(15,514)	-30%	305,332	356,921	(51,589)	-17%
Other	27,872	28,881	(1,009)	-4%	171,615	149,074	22,541	13%
Repair & Maintenance	63,445	41,535	21,910	35%	465,433	324,881	140,552	30%
Supplies & Materials	80,224	67,524	12,700	16%	401,310	404,567	(3,257)	-1%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,147,591**	**2,790,850**	**(643,260)**	-30%	**12,895,348**	**14,223,410**	**(1,328,060)**	-10%
Operating Income (Loss) Before Depreciation	**243,620**	**99,700**	**(143,921)**	-59%	**1,907,072**	**1,796,903**	**(110,169)**	-6%
	10.2%	3.4%			12.9%	11.2%		
Depreciation		1,368,261				8,112,379		

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 18, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	March 2025
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	April 2025

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2025-005-IFB	Fire System Valves Replacement	February 2025	April 2025
Request for Qualifications	2025-008-RFQ	Business Plan Continuity Development	February 2025	May 2025
Request for Proposals	2025-004-RFP	Airport Website Redesign	March 2025	June 2025

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $66,982.00

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

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, March 18, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

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

2. **Pledge of Allegiance**

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

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

5. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **February 18, 2025**.

   b) **Resolution No. 25-07 –** Authorizing the purchase and installation of nine (9) 5-Ton HVAC Units from **365 Mechanical, LLC** in an amount not to exceed $196,038.17.

   c) **Resolution No. 25-08 –** Authorizing a contract modification in the amount of $250,000 to the current Transportation Security Administration In-Line Checked Baggage Inspection System Project, CMAR Pre-Construction Services Contract with **The Weitz Company**, to include development of a Guaranteed Maximum Price, for a new contract total of $300,000 in TSA funding and Airport non-grant funding under CIP 1265.

   d) **Resolution No. 25-09 –** Authorizing a contract for the purchase and installation of Fire System Valves from **Cross Fire Protection LLC (Cross Fire)** in an amount not to exceed $100,255.50 under CIP 1303.

Consideration and Possible Approval of:

6. **Resolution No. 25-10 –** Adopting the proposed **Operating Budget, Capital Budget, Debt Service Budget,** and **Member Government Contributions** for the fiscal year ending June 30, 2026.

7. **Resolution No. 25-11 –** Authorizing a lease agreement with the **United States Department of Agriculture, Forest Service (USDA-FS)** for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on November 15, 2026, and terminates on November 14, 2046.

8. **Board Member Comments/Announcements**

9. **Next Meeting: Tuesday, April 15, 2025 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.

- Airport Reports Record Month for Operating Income in January
- TSA Fast-Tracks New Explosive Detection Facility at Gateway Airport
- Allegiant Begins Nonstop Service to Colorado Springs, CO
- Gateway East Planning Five-Story SpringHill Suites by Marriott Hotel
- New Airport Entrance Monument Sign Taking Shape
- Aerospace and Defense Future48 Workforce Accelerator Launched at CGCC
- Real ID/Arizona Travel ID Deadline is May 7, 2025

Executive Director's Report
March 2025



Gateway Commerce Center III Industrial Buildings Go Vertical

Financial Snapshot

OPERATING INCOME	January		Month Variance	FYTD Comparison		FYTD Variance
	2024	2025		FY24	FY25	
Revenues	$2,708,139	$3,072,071	**$363,932**	$17,510,556	$19,092,383	**$1,581,827**
Less Expenses	$2,197,982	$2,352,602	**$154,620**	$15,093,331	$16,576,204	**$1,482,873**
Operating Income *(Before Depreciation)*	**$510,157**	**$719,469**	**$209,312**	**$2,417,225**	**$2,516,179**	**$98,954**

Investment Fund Balances: As of January, the Local Governmental Investment Pool (LGIP) 700 = $6,677,006; Wells Fargo; Collateralized Money Market = $5,454,004 and Commercial/Paper Brokered CD's = $57,975,825; Total $70,106,835. MGAA invests in fixed rate instruments.

Finance and Accounting

Airport Reports Record Month for Operating Income in January

Mesa Gateway Airport Authority (MGAA, Authority) reported a net operating income of $719,469 for the month of January 2025, a new record for financial performance in January.

January aeronautical revenues increased by 15% and non-aeronautical revenues increased by 11% on a year-over-year monthly comparison. Mesa Gateway Airport (Airport, Gateway Airport) experienced a record month for retail fuel sales (30% increase), aeronautical lease income (18% increase) and a spike in rental car fees. Each of these categories were the highest monthly totals for the fiscal year.

Operating expenditures for January increased by seven percent and totaled $2,352,602. The increase was due to higher cost-of-goods-sold for aviation fuel and increases in employee compensation and contract services.

Fiscal-year-to-date operating expenditures are three percent under the FY25 MGAA Board-Approved Budget.

Authority Chief Financial Officer Chuck Odom presented the FY26 Budget to the MGAA Board at their February meeting. The Board will vote on the FY26 Budget on March 18, 2025.

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2025-005-IFB	Fire Tank Valves Replacement	March 2025
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	April 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Development	June 2025

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Qualifications	2025-008-RFQ	Business Plan Continuity Redevelopment	April 2025
Request for Proposals	2025-004-RFP	Airport Website Redesign	April 2025

Airport Operations

Allegiant Begins Nonstop Service to Colorado Springs, CO



Allegiant Flight Crew Readies for Inaugural Flight to COS

On February 12, 2025, Allegiant began twice-weekly nonstop service from Gateway Airport to Colorado Springs, CO. This exciting new service launch is part of Allegiant's plan to increase flights, and eventually, add more destinations at the Airport during 2025.

Allegiant's flight schedule for March is 35% more than March 2024, and April 2025 is 32% more than last April. MGAA appreciates Allegiant's continued investment in the greater Phoenix market.

For more information or to book your trip to Colorado Springs, please visit www.allegiantair.com.

PASSENGER COUNTS		January		% Change	FYTD		% Change
		2024	2025		FY24	FY25	
Passengers	TOTAL	158,391	169,813	7%	1,009,026	1,066,997	6%
	Deplaned	82,184	87,774	7%	513,918	546,283	6%
	Enplaned	76,207	82,039	8%	495,108	520,714	5%
Allegiant	Scheduled	154,041	165,697	8%	990,489	1,044,755	5%
Sun Country	Scheduled	4,350	4,116	-5%	18,537	22,242	20%

OPERATIONS	January		% Change	FYTD		% Change
	2024	2025		FY24	FY25	
Air Carrier	1,122	1,250	11%	7,030	8,099	15%
Military	395	246	-38%	1,640	1,251	-24%
General Aviation	21,646	23,695	9%	153,097	163,340	7%
TOTAL	**23,163**	**25,191**	**9%**	**161,767**	**172,690**	**7%**

Arizona's Travel ID Will Get You Through Airport Security After May 7, 2025

May 7, 2025 is the federal deadline for domestic airline travelers to have a federally compliant form of identification. If you plan to use your driver's license or state-issued ID card for travel after that date, make an appointment at an Arizona Department of Transportation Motor Vehicle Division office to get your Arizona Travel ID.

Without the Arizona Travel ID or other form of federally compliant identification such as a valid U.S. passport, you'll risk missing an airline flight because the standard Arizona driver's license and ID card will no longer be accepted at TSA checkpoints as of May 7, 2025.

Community Noise Report

CALLERS	January		FYTD	
	2024	2025	FY24	FY25
Total	20	14	92	63

AIRCRAFT TYPE	January		FYTD	
	2024	2025	FY24	FY25
	Callers	Callers	Callers	Callers
Commercial	5	5	41	27
GA Total	6	7	24	28
Helicopter	7	0	24	6
Military	2	2	3	2
Total	20	14	92	63

LOCATION	January		FYTD	
	2024	2025	FY24	FY25
Mesa	4	8	20	19
Gilbert	5	5	38	29
Gold Canyon	0	0	0	0
Queen Creek	4	0	23	5
Queen Valley	1	0	4	4
Apache Junction	0	0	0	2
San Tan Valley	0	1	1	3
Chandler	0	0	0	0
Florence	0	0	0	1
Goodyear	1	0	1	0
Phoenix	2	0	2	0
Tempe	3	0	3	0
TOTAL	20	14	92	63

MGAA received communications from a total of 14 individuals regarding aircraft noise issues during the month of January 2025, compared to 20 individuals last January.

Gateway Aviation Services

Gateway Aviation Services, the Airport Authority owned and operated fixed base operator (FBO) pumped more than 1.77MM gallons of aviation fuel during the month of January 2025, a 6% increase compared to last January. YTD25, the FBO has pumped a total of 10,620,241 gallons.

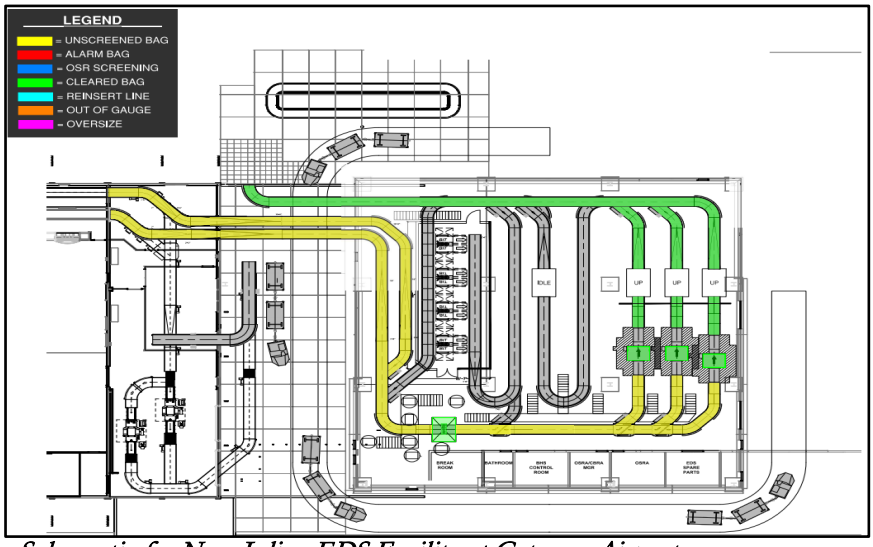
FUEL (Gallons)	January			FYTD		
	2024	2025	% Change	FY24	FY25	% Change
AvGas	36,072	56,617	57%	242,694	348,785	44%
Retail Jet A	75,083	94,849	26%	406,638	613,084	51%
Contract	274,115	228,503	-17%	2,123,923	1,615,089	-24%
Commercial	1,247,023	1,366,688	10%	7,023,510	7,912,124	13%
Cargo	35,865	25,446	-29%	152,141	131,159	-14%
TOTAL	1,668,158	1,772,103	6%	9,948,906	10,620,241	7%

Engineering, Planning, and Facilities

TSA Fast-Tracks New Explosive Detection Facility at Gateway Airport

Do you ever wonder where your checked baggage goes once they take it from you at the airline ticket counter and place it on the conveyor belt? Every checked bag must pass through and be cleared by an explosive detection system (EDS) before it's allowed to be placed in the cargo hold of your aircraft. An EDS utilizes computed tomography (CT) X-ray technology to generate detailed 3D images of the bag's

contents, allowing Transportation Security Administration (TSA) personnel to identify potential threats like explosives or weapons within the baggage. If a bag alarms during the screening process, a secondary hand screening is completed by the TSA officer.

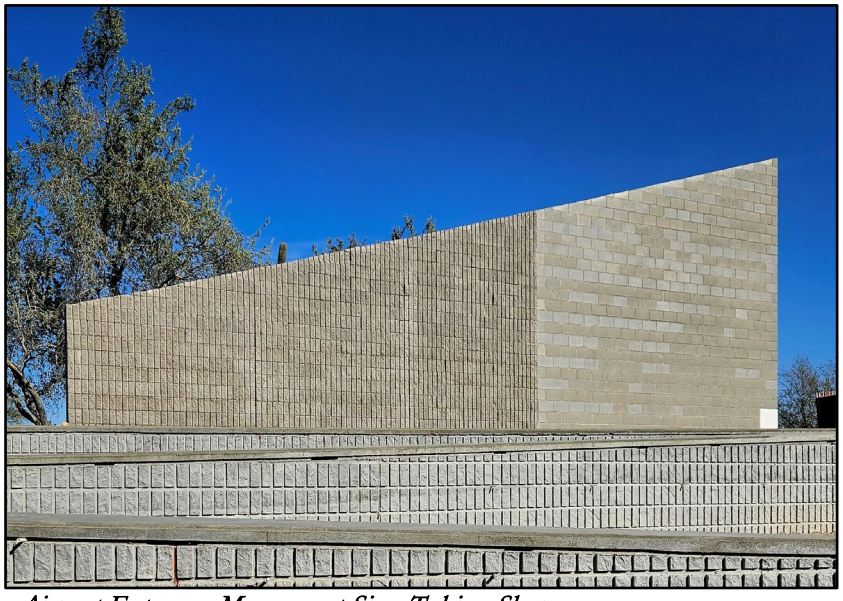


Schematic for New Inline EDS Facility at Gateway Airport

At Gateway Airport, our inline explosive detection system currently includes two EDS machines capable of processing up to 200 bags/hour each. During peak travel periods, the current system nears capacity and creates challenges for both the airlines and TSA. MGAA staff are working with TSA on a new $30MM EDS facility that will upgrade and enhance system capabilities with two new EDS machines that process up to 800-1,000 bags/hour each.

The new EDS facility was originally scheduled to be constructed during 2026, but MGAA was just informed that TSA is accelerating the project to begin in 2025. Great news for Gateway Airport!

New Airport Entrance Monument Sign Taking Shape


Airport Entrance Monument Sign Taking Shape

If you've been to the Airport recently, you can't miss the ongoing construction project at the intersection of Ray and Sossaman Roads. Crews are hard at work erecting the new Airport entrance monument signs on both sides of the intersection.

Gone are the birds, fighter jets, and the gabion walls that served as the official entrance to Gateway Airport for decades. The new structures, designed to reflect more modern aspects of flight, growth, and progress, use concrete, steel accents, lighting, and enhanced landscaping to better represent the emerging role that Gateway Airport plays in Arizona's multimodal transportation system.

At more than 22-feet tall and 54-feet long, the new entrance monument signs will be a notable first impression for the growing number of air travelers across greater Phoenix that are discovering the ease, convenience, and value of Gateway Airport. The project is scheduled to be completed in the beginning of May.

Business Development

Gateway East Planning Five-Story SpringHill Suites by Marriott Hotel



Rendering of New SpringHill Suites Hotel



Site Map Showing Hotel, Retail, and Restaurants

The Boyer Company, master developer for the 273-acre Gateway East Airport Business Park, is planning a new five-story, 125-room SpringHill Suites by Marriott hotel and retail and restaurant space at the intersection of Ellsworth Road and Gateway Blvd. This exciting project is located across the street from Arizona Athletic Grounds (AAG), the new Gulfstream West Coast Service Center, and XNRGY Climate System's new 275,000 sq. ft. manufacturing facility and U.S. Headquarters.

AAG is one of the largest youth sports and entertainment complexes in the country. The facility has over 475,000 sq. ft. of fieldhouse space and 158 fields and courts. Meg Stevens, President of AAG was excited to learn about the new SpringHill Suites by Marriott hotel being built across Ellsworth Road.

"Arizona Athletic Grounds hosts over 400 tournaments and games each year, welcoming more than 2.4 million visitors from across the country. The new SpringHill Suites hotel, conveniently located just across the street, offers an ideal accommodation option for both teams and spectators."

Meg Stevens, President of Arizona Athletic Grounds

Arizona Arsenal Soccer Club (AASC), a premier competitive youth soccer organization in Arizona, calls AAG home. Tanna Finnvik, President of AASC sees great value for her soccer club in the new hotel, retail, and restaurants planned for Gateway East.

"Arizona Arsenal Soccer Club has more than 85 teams and holds many tournaments and games at AAG throughout the year. The new SpringHill Suites by Marriott hotel will be perfect for the growing number of out-of-state soccer teams and their families visiting Arizona to compete."

Tanna Finnvik, President of Arizona Arsenal Soccer Club

The new SpringHill Suites hotel project, including the retail space and restaurant pads, is welcome news for area companies like Gulfstream and XNRGY Climate Systems, as well as the residents of Eastmark, Cadence at Gateway, and other East Mesa communities.

"XNRGY Climate Systems is excited to welcome the planned SpringHill Suites hotel by Marriott to Gateway East. This hotel and the associated retail development will provide many benefits for our employees and customers as we grow our Arizona operations in Mesa."

Wais Jalali, Chairman and CEO of XNRGY Climate Systems

Aerospace and Defense Future48 Workforce Accelerator Launched at CGCC



Governor and VIPs at Workforce Accelerator Launch

On February 19, the Maricopa County Community College District (MCCCD) and Chandler-Gilbert Community College (CGCC), joined Arizona Governor Katie Hobbs, the Arizona Commerce Authority (ACA), and partners from Boeing and Honeywell for the launch of the first-of-its-kind **Aerospace & Defense Future48 Workforce Accelerator**. The aerospace and defense-focused facility will open in the fall of 2026 at CGCC's Williams campus, across the street from Mesa Gateway Airport, bringing together students and industry partners to shape the future of Arizona's aerospace manufacturing workforce. MCCCD will receive $6 million from the ACA to support the state-of-the-art training facility. Students will have access to flexible training spaces, labs, and industry-standard equipment, creating a seamless transition between lectures and skill-based learning. The accelerator will expand CGCC's aviation programs, building on existing offerings such as Aircraft Maintenance Technology—providing affordable degree and certificate pathways in airframe, powerplant, and comprehensive maintenance—and Airway Science Technology. Flexible, accelerated training opportunities will support rapid upskilling and workforce entry in emerging aviation fields.

MGAA Team Member Spotlight



Employee Name: **John Burgmeier**
Employee Title: **Project Coordinator**
MGAA Department: **Engineering, Planning, and Facilities**
Years with MGAA: **8 Years**

What are your job responsibilities for MGAA? As a Project Coordinator, I help manage various Airport improvement projects and oversee design and construction with consultants and contractors. I maintain project schedules and budgets, ensure safety and compliance, and documentation. I coordinate with various stakeholders such as the FAA, ADOT and MGAA tenants and users, keeping staff apprised and updated while minimizing operational disruptions.

What is your most memorable Gateway Airport moment? My most memorable Gateway Airport moment would be collaborating with U.S. Marine Squadron HMX-1 to plan and execute the transportation and parking logistics for the President's Marine One VH-3 helicopter and its accompanying V-22 Ospreys in preparation for a Presidential rally in October 2018. This required extensive coordination and planning to ensure everything ran smoothly on the event day.

What is something people may not know about you I earned my Private Pilot certificate before I got my driver's license at the age of 17.

MINUTES OF THE PUBLIC MEETING OF THE
MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | February 18, 2025

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, February 18, 2025, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Julia Wheatley, Queen Creek
Lt. Governor Regina Antone, Gila River Indian Community
Mayor Mark Freeman, Mesa
Mayor Scott Anderson, Gilbert
Mayor Chip Wilson, Apache Junction
** Neither present nor represented*

Airport Staff Present

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

1. **Call to Order** at 9:01 a.m. (Mayor Wheatley, Chairwoman)

2. **Pledge of Allegiance**

3. **Call to the Public**
   Prior to the start of the Board meeting. City of Mesa Vice Mayor/District 6 Councilmember Scott Somers submitted to the Clerk of the Board a public comment card to speak on the topic of the Boyer Commercial Development and his desire to see high quality retail and hospitality development opportunities.

4. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on various Airport projects.

   - Representatives from the following companies provided a briefing on the development projects for their respective organizations. Due to a last-minute scheduling conflict, Gulfstream was unable to attend.
     - **Virgin Galactic** - Megan Hellam, Director, Technical Operations, Analysis & Performance
     - **Boyer/Gateway East** – Matt Jensen, Partner, Boyer Company
     - **SkyBridge Arizona** – Will Moseley, General Manager
     - **Gateway Commerce Center III –** David Wetta, Founder Wetta Ventures
     - **Redevelopment Project –** Devon Gentry, Senior Analyst, Phoenix Rising Investments on behalf of AMPlify
   - Air service development
     - December and January passenger activity up 17% and 7% respectively
     - Allegiant added nonstop service to Colorado Springs on February 12th
     - Allegiant's schedule shows a 35% increase in flights in March and 32% in April
     - 2025 Mead & Hunt Air Service Conference is on April 1-3, 2025 in Phoenix
   - The Triennial Emergency Preparedness Exercise was held at Mesa Gateway Airport (Airport) on February 4, 2025. The live training drill prepares the Authority, first responders, and mutual aid organizations for an actual emergency. The Authority acknowledges the 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.

DRAFT

- The U.S. Forest Service (USFS) is preparing for the 2025 wildfire season. Aircraft have begun arriving at Gateway Airport for training. The USFS plans to open its Mesa Base on the 22nd of March.
- The Authority has hosted several newly elected officials for tours of the Airport. These tours aid in understanding the economic importance of the Airport to the Phoenix East Valley and the State. The Executive Director invited all elected officials to tour the Airport or to have an Airport representative come and speak at a City or Town Council meeting.
- May 7, 2025 is the federal deadline for domestic airline travelers to have a federally compliant form of identification called Real ID, or in Arizona it's called Travel ID. Standard Arizona drivers' licenses and ID cards will no longer be accepted at TSA checkpoints.
- The reconstruction of Runway 12R-30L will be completed over the next two years. Phase I began in October 2024. Once the southern portion is completed in April, Phase II, the northern half of Runway 12R-30L, will be reconstructed after receiving the proposed grant. Concrete from the southern half of the 10,400-foot runway has been removed and crushed, and will be reused as the base course under the new concrete. This important infrastructure project totals approximately $45MM, with a majority of the funding coming from FAA grants.
- The Authority is updating the signage for the front entrance of the Airport at the intersection of Ray and Sossaman Roads. A new monument sign, landscaping, irrigation, and lighting will be completed by the end of March 2025.
- The south end of the Airport's airside service road has been reconstructed to accommodate fuel trucks traveling between the east side and west side of the airfield. The service road is paved and will be open for use by the end of February 2025.
- The Authority has received a federal grant to update the airfield electrical system. Over the next two years the electrical system will be updated in conjunction with ongoing runway projects. This will include new LED lighting, upgrading the vaults, and the wiring connecting the three 10,000 ft. runways and ramp areas.
- A new TSA checked baggage system will replace two older Reveal machines that can only clear 200 checked bags an hour. The new upgraded explosive detection equipment will be capable of clearing 800 – 1,000 bags an hour. This additional capacity will be necessary as the Airport continues to grow. This project is scheduled to get underway in August 2025.

5. Fiscal Year 2026 Budget Presentation – Chuck Odom, Chief Financial Officer

- Mr. Odom provided a presentation on MGAA's proposed FY26 Operating and Capital Budget for the Board's review. The Board will be asked to consider the budget for approval at the March 18, 2025, MGAA Board meeting.

6. Consent Agenda

a) **Minutes** of the Board Meeting held on **January 21, 2025**.

b) **Resolution No. 25-05 –** Authorizing the purchase of a vehicle from **San Tan Auto Partners, LLC**, **dba San Tan Ford (San Tan Ford)**, in an amount not to exceed $60,000 under CIP 1278.

c) **Resolution No. 25-06 –** 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 $2,225,000.

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

7. **Board Member Comments/Announcements.**
   None.

8. **Next Meeting: Tuesday, March 18, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference.

9. **Adjournment.**
   The meeting adjourned at 10:05 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-07

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:	**TSA Checkpoint HVAC Replacement Phase I – CIP 1302**
Date:	**March 18, 2025**

Proposed Motion

To authorize the purchase and installation of nine (9) 5-Ton HVAC Units from 365 Mechanical, LLC in an amount not to exceed $196,038.17.

Narrative

Due to the age and continual use of the HVAC Units in the TSA Security Checkpoint, it has been determined that many of the units have reached the end of their useful life cycle. The facilities team had initially planned to replace all 15 units in FY25, with a budget allocation of $130,000 for the project. However, after obtaining quotes for the replacement, the costs significantly exceeded the original budget. As a result, the project has been restructured into two phases. Phase I will involve the replacement of nine (9) 5-ton units and extensive piping relocation, while Phase II will focus on replacing the remaining units.

MGAA is a participating member of the Strategic Alliance for Volume Expenditures (SAVE) allowing it to utilize existing contracts entered into by other SAVE members. The HVAC Systems and Mechanical Services will be procured under the City of Tempe Contract #T22-001-01 with 365 Mechanical, LLC. This contract is available upon request.

Fiscal Impact

This project is included in the FY25 Capital Budget utilizing MGAA non-grant funding under CIP 1302.

Attachment(s)

Proposal

RESOLUTION NO. 25-07

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

WHEREAS the Authority desires to authorize the purchase and installation of nine (9) 5-Ton HVAC Units from 365 Mechanical, LLC in an amount not to exceed $196,038.17;

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 and installation of nine (9) 5-Ton HVAC Units from 365 Mechanical, LLC in an amount not to exceed $196,038.17. 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 March, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Estimate #8403

Billing Address
Mesa-Gateway Airport
6033 South Sossaman Road
Mesa AZ 85212 United States
tmcmillan@gatewayairport.c..
+1 480 688 3313

Service Address
Mesa-Gateway Airport
6033 South Sossaman Road
Mesa AZ 85212 United States
tmcmillan@gatewayairport.c..
+1 480 688 3313

Send Payment To
365 Mechanical, LLC
1817 S. Horne #10
Mesa AZ 85204
+14805038974
service@365mechanical.com
ROC 290600

Sent On	12/16/24
Total	$196,038.17
Payments	$0.00
Balance	$196,038.17

Scope of Work

MESA GATEWAY AIRPORT PROPOSAL FOR PHASE 1: REPLACE (9) 5TON WSHP FOR TSA AREA

Charges

Item	Description
Equipment	**PHASE 1 : (9) 5TON UNITS** **TRANE** **EXHK06041*0KB0RLD0101001100000000000001A** **WSHP Model EXHK0604 Unit Configuration High efficiency horizontal Nominal Capacity 5 ton Refrigerant Circuit Heating & cooling Return-Air Arrangement Left** **Supply-Air Arrangement Right** **Unit Voltage 460/60/3 External Static Pressure (ESP) 0.500 in H2O Total External SP 0.528 in H2O Total FLA 10.10 A Min Circuit Ampacity (MCA) 12.00 A Max Overload Protection (MOP) 15.00 A Motor & Fan Motor Type Variable ECM - constant torque Supply Motor HP 1.000 hp Efficiency Information @ AHRI Cooling Efficiency Ratio 17.0 EER Heating Efficiency Ratio 5.40 COP (kW/kW) Efficiency Information @ Design Cooling Power 3.82 kW Heating Power 4.00 k** **WSHP Model EXHK0247** **Unit Configuration High efficiency horizontal** **Nominal Capacity 2 ton** **Refrigerant Circuit Heating & cooling** **Return-Air Arrangement Left** **Supply-Air Arrangement Right** **Unit Voltage 265/60/1** **External Static Pressure (ESP) 0.500 in H2O** **Total External SP 0.524 in H2O** **Total FLA 12.00 A** **Min Circuit Ampacity (MCA) 15.00 A** **Max Overload Protection (MOP) 20.00 A** **Motor & Fan** **Motor Type Variable ECM - constant torque** **Supply Motor HP 0.500 hp** **Efficiency Information @ AHRI** **Cooling Efficiency Ratio 18.1 EER** **Heating Efficiency Ratio 5.60 COP (kW/kW)** **Efficiency Information @ Design** **Cooling Power 1.50 kW**

	Heating Power 1.76 kW **Coil Performance**
Commercial Install Labor	• **Remove grid and put back** • **Remove and replace water lines where needed** • **Demo old equipment** • **Install new equipment per proposal** • **Paint new unit (Flat Black)** • **Removed and install supply/return** • **Install new condensate line items (P-trap/ fittings/pipe)** • **Reused old disconnects** • **Replace fuses with new** • **Perform factory start up** ***NIGHT WORK RATE*** **EXCLUDES: REMOVING FIRE SPRINKLERS/MAIN WATER SHUT OFF VALVE REPLACEMENTS**
Material Package Water Source Heat Pump	• **Sheet metal items (pookie tape/paste)** • **Misc. copper material (soft copper pipe, elbows, insulation)** • **Hardware(all thread/bolts/washers)** • **Ceiling grid repair items** • **Misc. electrical material (fuses, wire nuts,tape)** • **Equipment recycling fee** • **Scissor lift/scaffolding** • **Painting materials** **INCLUDED: **UP TO 850$(10 UNITS ONLY NEEDED) PER UNIT/PER CONTRACTOR (TO USE YOUR CONTRACTORS FOR REMOVAL OF COMMUNICATION WIRES/FIRE ONLY**** • **EXCLUDES: **DISCONNECT BOXES/CIRCUIT SETTER*** ****ADDITIONAL 3 UNITS NEEDED FOR ADDITIONAL 1,000$ PER UNIT/PER CONTRACTOR (TO USE YOUR CONTRACTORS FOR REMOVAL OF COMMUNICATION WIRES/FIRE ONLY**** ****ADDITIONAL 3 UNITS NEEDED FOR ADDITIONAL 1,000$ PER UNIT/PER CONTRACTOR (TO USE YOUR CONTRACTORS FOR REMOVAL OF COMMUNICATION WIRES/FIRE ONLY****

Subtotal	$196,038.17
Tax	$0.00
Total	**$196,038.17**

Notes

EXCLUSIONS: Any labor or material not stated as scope of work

Credit card payments are subject of additional 3.5% surcharge. Financing available, please call office for details. THIS OFFER IS GOOD FOR 30 DAYS.

Terms

Pursuant to Arizona law, Owner has the right to file a written complaint against Contractor with the Arizona Registrar of Contractors for an alleged violation of A.R.S. § 32-1154, subsection A, and the acts and omissions set forth therein. The telephone number for the Arizona Registrar of Contractor's is (602) 542-1525 and the website is https://roc.az.gov/. Complaints must be made within the applicable time period as set forth in A.R.S. § 32-1155, subsection A.

Signatures

Name	Signature	Reason	Requested	Signed	Document
	Waiting for customer to sign	Approve the estimate	Feb 10 2025 8:52 am		Estimate
	Waiting for customer to sign	Approve the estimate	Feb 7 2025 12:02 pm		Estimate
	Waiting for customer to sign	Approve the estimate	Dec 16 2024 12:33 pm		Estimate
	Waiting for customer to sign	Approve the estimate	Dec 16 2024 8:08 am		Estimate

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

Board Action Item

Re: Resolution 25-08

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:	**TSA In-Line Checked Baggage System Design Contract Modification, The Weitz Company – CIP 1265**
Date:	**March 18, 2025**

Proposed Motion

To authorize a contract modification in the amount of $250,000 to the current Transportation Security Administration (TSA) In-Line Checked Baggage Inspection System (CBIS) Project, CMAR Pre-Construction Services Contract with The Weitz Company, to include development of a Guaranteed Maximum Price (GMP), for a new contract total of $300,000 in TSA funding and Airport non-grant funding under CIP 1265.

Narrative

Due to the increase in passenger traffic at the Mesa Gateway Airport (MGAA), it was determined that the existing Baggage Handling System (BHS) will not be able to adequately keep up with the number of bags being checked. MGAA staff are working with Studdiford Technical Solutions, LLC (STS), an Engineering and Design Architectural Firm, and the Weitz Company, a Contractor, to provide project planning, design support, and CMAR Pre-Construction Services for a new in-line CBIS. This project is being done in collaboration and coordination with the TSA, airlines and other airport stakeholders to deliver a system which meets the screening requirements set forth by the TSA.

The scope of this contract modification is to provide additional project planning, design support, and pre-construction services to develop the GMP for the new in-line CBIS. The design portion will include a second runout conveyor to increase capacity and sorting options along with supporting electrical and communication integration. The CMAR Pre-Construction Services will include the continuation of constructability reviews, evaluation for efficiency and cost savings, current and projected market conditions for labor and materials, and GMP preparation and submission.

Fiscal Impact

This project is included in the FY25 Capital Budget utilizing TSA funds and MGAA non-grant Passenger Facility Charges, under CIP 1265.

Attachments: Proposal

RESOLUTION NO. 25-08

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

WHEREAS the Authority desires to authorize a contract modification in the amount of $250,000 to the current Transportation Security Administration In-Line Checked Baggage Inspection System Project, CMAR Pre-Construction Services Contract with The Weitz Company, to include development of a Guaranteed Maximum Price, for a new contract total of $300,000 in TSA funding and Airport non-grant funding under CIP 1265;

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 modification in the amount of $250,000 to the current Transportation Security Administration In-Line Checked Baggage Inspection System Project, CMAR Pre-Construction Services Contract with The Weitz Company, to include development of a Guaranteed Maximum Price, for a new contract total of $300,000 in TSA funding and Airport non-grant funding under CIP 1265. 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 March, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

2111 E. Highland Avenue, Suite 400
Phoenix, Arizona 85016
P: 602.225.0225
F: 602.273.6622
AZ ROC #165033 // AZ ROC #165034

January 13, 2025

Proposed BHS Development Pre-Construction Service Agreement (Extension)

To: Bob Draper
From: Mina Wassef
RE: Pre-Construction Scope and Service Rates

As we wrap up the initial 30% schematic budget, Weitz would like to propose the following extension (amendment) to the existing preconstruction agreement through the GMP process, anticipated to start in March upon receiving final design documents with completion of GMP by June. Our objective is to deliver a final GMP cost proposal which will include the following:

- General Understanding and Project Planning
  - Driving completion of project planning, design development with project team, and project construction documents.
  - Validating solution viability and risk.
  - Continued advocate for safety and quality execution in execution planning.
- Attending Meetings
  - Assist in design program analysis.
  - Provide project planning site usage and improvements, design and schedule assistance.
- Financial Analysis
  - Cash flow analysis.
  - Cost estimating including square foot analysis, soliciting trade partner proposals, pricing detailed estimates, development and submittal of GMP proposals, documented knowledge of marketplace conditions, bid coordination.
  - Value engineering includes Bulldog monitoring of project changes, subcontractor pre-qualification, selection, and award.
- Constructability Reviews
  - Identify errors, omissions, conflicts, quality issues and potential cost problems through design phase.
  - Virtual design construction.
- Detail Project Schedule
  - Lean strategies for execution
  - Permit management, time and integration, procurement planning, milestone and contingency impact planning.
- Preliminary Information Gathering and Analysis
  - Special systems, equipment, materials, environmental, site preparation, and construction enabling
  - Environmental preparation planning and other considerations
  - Design and construction contingency
- Logistics
  - Safety and hazard analysis
  - Security planning and coordination

The services will be limited to Mesa Gateway Airport BHS development activities and reporting to Gateway Airport authority (Owner). **Wavier of Consequential Damages and Limitation of Liability:** Notwithstanding any other term or condition in this Agreement to the contrary, the Owner agrees to waive all claims against the Construction Manager (Weitz) for consequential damages that may arise out of or relate to this Agreement, including but not limited to the Owner's loss of use of the Project, any rental expenses incurred, loss of income, profit or financing related to the Project, as well as the loss of business, loss of financing, principal office overhead and expenses, loss of profits, loss of reputation, or insolvency. The Owner further agrees that Construction Manager's maximum liability arising from or related to this Agreement shall not exceed the total compensation paid to the Construction Manager for services performed pursuant to this Agreement. The provisions of this section shall also apply to the termination of this Agreement and shall survive such termination.

Estimated of Guarantee Maximum Cost:
Total increase to the executed agreement (executed October 7th, 2024) **is not to exceed $250,000.00 USD increase**, bringing the total agreement value to $300,000.00, which Weitz will not exceed without specific written approval of amendment of this agreement by Mesa Gateway Airport Authority. Weitz asks for a 90-day review concerning the continuation of the Pre-Construction service agreement or if it should be authorized to be extended. Pay applications will be provided each month following an initial review and approval by Mesa Gateway authority. Services will be provided on a time and material basis according to the following rate schedule noted below.

Rate Schedule
Rate Creation: Rates are based on the average wage for the position which make up 60-70% of the rate, remaining distributed among benefits, liability insurance, payroll taxes and office overhead, travel and logistic costs, and contractor fees.

			Cost
Position	Preconstruction Director / Executive / JSM /Sundt		$250 / hour
	Senior BHS Designer, VP Program Services		$225 / hour
	Senior Project Manager		$180 / hour
	Senior Preconstruction Manager		$180 / hour
	Project Coordinator / Pre-Construction Coordinator		$80/ hour
	Senior Estimator		$165 / hour
	Scheduler		$160 / hour
	VDC Engineer		$120 / hour
	Project Safety Manager		$150 / hour
	Field Superintendent		$125 / hour
	Field Engineer		$105 / hour
Insurance	General Liability Insurance	$5,000,000	
	Auto Liability Insurance	$5,000,000	
	Workers Compensation and Employer's Liability	$ 100,000	
	Total Not to Exceed $300,000		

The Owner and the Construction Manager accept the relationship of trust and confidence established between themselves by this Agreement. Each covenant with the other to cooperate with one another and the Architect/Engineer in furthering the best interests of the Project; to treat one another with fairness and in good faith; and as to Construction Manager, to furnish its best skill and judgment.

Extent of Agreement: This Agreement represents the entire agreement for Preconstruction Services between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements. This Agreement may be amended only by written instrument signed by both the Owner and the Construction Manager.

See attached estimated hours by staff position for the amendment to this agreement.

Thank you,

Mina Wassef
General Manager
The Weitz Company, LLC / Orascom Construction USA, Inc.
2111 E. Highland Avenue, Suite 400, Phoenix, AZ 85016
O: 832-962-7448 | C: 571-305-3518 | E: mina.wassef@weitz.com

Job Cost Projection Report

Begin Month: 1/1/2025 **End Month:** 6/1/2025

Cost Code	Month	Employee Name	Position	Reg. Rate	Total Hours	Wage Amount
120 Southwest						
S123899	**Mesa Gateway In-Line Baggage Precon Budget to GMP**					
PreCon	1/1/2025	P. Schoeffler	Sr. Precon	180.00	10.00	$1,800.00
PreCon	2/1/2025	P. Schoeffler	Sr. Precon	180.00		
PreCon	3/1/2025	P. Schoeffler	Sr. Precon	180.00	50.00	$9,000.00
PreCon	4/1/2025	P. Schoeffler	Sr. Precon	180.00	70.00	$12,600.00
PreCon	5/1/2025	P. Schoeffler	Sr. Precon	180.00	70.00	$12,600.00
PreCon	6/1/2025	P. Schoeffler	Sr. Precon	180.00	70.00	$12,600.00
					270.00	**$48,600.00**
PreCon	1/1/2025	C. Harper	Precon Dir	250.00	4.00	$1,000.00
PreCon	2/1/2025	C. Harper	Precon Dir	250.00		
PreCon	3/1/2025	C. Harper	Precon Dir	250.00	5.00	$1,250.00
PreCon	4/1/2025	C. Harper	Precon Dir	250.00	5.00	$1,250.00
PreCon	5/1/2025	C. Harper	Precon Dir	250.00	8.00	$2,000.00
PreCon	6/1/2025	C. Harper	Precon Dir	250.00	15.00	$3,750.00
					37.00	**$9,250.00**
PreCon	1/1/2025	M. Zessin	Sr. PM	180.00	5.00	$900.00
PreCon	2/1/2025	M. Zessin	Sr. PM	180.00		
PreCon	3/1/2025	M. Zessin	Sr. PM	180.00	5.00	$900.00
PreCon	4/1/2025	M. Zessin	Sr. PM	180.00	10.00	$1,800.00
PreCon	5/1/2025	M. Zessin	Sr. PM	180.00	10.00	$1,800.00
PreCon	6/1/2025	M. Zessin	Sr. PM	180.00	10.00	$1,800.00
					40.00	**$7,200.00**
PreCon	1/1/2025	B. Mayfield	Sr. Precon	180.00	10.00	$1,800.00
PreCon	2/1/2025	B. Mayfield	Sr. Precon	180.00		
PreCon	3/1/2025	B. Mayfield	Sr. Precon	180.00	50.00	$9,000.00
PreCon	4/1/2025	B. Mayfield	Sr. Precon	180.00	70.00	$12,600.00
PreCon	5/1/2025	B. Mayfield	Sr. Precon	180.00	70.00	$12,600.00
PreCon	6/1/2025	B. Mayfield	Sr. Precon	180.00	70.00	$12,600.00
					270.00	**$48,600.00**
PreCon	1/1/2025	K. Kwake	Sr. Precon	180.00	10.00	$1,800.00
PreCon	2/1/2025	K. Kwake	Sr. Precon	180.00		
PreCon	3/1/2025	K. Kwake	Sr. Precon	180.00	50.00	$9,000.00
PreCon	4/1/2025	K. Kwake	Sr. Precon	180.00	70.00	$12,600.00
PreCon	5/1/2025	K. Kwake	Sr. Precon	180.00	70.00	$12,600.00
PreCon	6/1/2025	K. Kwake	Sr. Precon	180.00	70.00	$12,600.00
					270.00	**$48,600.00**

Job Cost Projection Report

Begin Month: 1/1/2025 **End Month:** 6/1/2025

Cost Code	Month	Employee Name	Position	Reg. Rate	Total Hours	Wage Amount
120 Southwest						
S123899	**Mesa Gateway In-Line Baggage Precon Budget to GMP**					
PreCon	1/1/2025	M. Shamsoun	Sr. Est	165.00	10.00	$1,650.00
PreCon	2/1/2025	M. Shamsoun	Sr. Est	165.00		
PreCon	3/1/2025	M. Shamsoun	Sr. Est	165.00	50.00	$8,250.00
PreCon	4/1/2025	M. Shamsoun	Sr. Est	165.00	70.00	$11,550.00
PreCon	5/1/2025	M. Shamsoun	Sr. Est	165.00	70.00	$11,550.00
PreCon	6/1/2025	M. Shamsoun	Sr. Est	165.00	70.00	$11,550.00
					270.00	**$44,550.00**
PreCon	1/1/2025	T. Moore	Sr. PS	180.00	5.00	$900.00
PreCon	2/1/2025	T. Moore	Sr. PS	180.00		
PreCon	3/1/2025	T. Moore	Sr. PS	180.00	5.00	$900.00
PreCon	4/1/2025	T. Moore	Sr. PS	180.00	5.00	$900.00
PreCon	5/1/2025	T. Moore	Sr. PS	180.00	5.00	$900.00
PreCon	6/1/2025	T. Moore	Sr. PS	180.00	4.72	$850.00
					24.72	**$4,450.00**
PreCon	1/1/2025	JSM	Consultant	250.00	5.00	$1,250.00
PreCon	2/1/2025	JSM	Consultant	250.00		
PreCon	3/1/2025	JSM	Consultant	250.00	20.00	$5,000.00
PreCon	4/1/2025	JSM	Consultant	250.00	30.00	$7,500.00
PreCon	5/1/2025	JSM	Consultant	250.00	50.00	$12,500.00
PreCon	6/1/2025	JSM	Consultant	250.00	50.00	$12,500.00
					155.00	**$38,750.00**
S123899	**Mesa Gateway In-Line Baggage Precon Budget to GMP**				**1,336.72**	**$250,000.00**

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

Board Action Item

Re: Resolution 25-09

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: Fire System Valves Replacement and Installation – Cross Fire Protection LLC – CIP 1303
Date: March 18, 2025

Proposed Motion
To authorize a contract for the purchase and installation of Fire System Valves from Cross Fire Protection LLC (Cross Fire) in an amount not to exceed $100,255.50 under CIP 1303.

Narrative
The Fire Pump Valves, which are located at two separate locations, the South Central (Fire Tanks), and the 1083 Pump House, have reached the end of their useful life cycle and are in need of replacement. The current costs to repair and maintain these valves is increasing significantly, many parts are no longer available, and downtime would cause a safety issue due to having no fire protection to the buildings supported by these fire pumps.

The Invitation for Bid (IFB), Solicitation 2025-005-IFB - Fire System Valves Replacement and Installation, was issued on January 27, 2025, and advertised in the Arizona Business Gazette on 1/30, 2/6, 2/13 and 2/20/25. It was also posted on the AzAA and Mesa Gateway Airport Authority Website. In addition, the IFB was emailed to a list of 5 prospective vendors. The bid opening was held on February 27, 2025, and one (1) bid was received.

Cross Fire Protection LLC $100,255.50

Following MGAA's Procurement Policy 24-59 when only one submittal is received, staff confirmed that the specifications contained in the IFB were not overly restrictive and performed a price analysis to ensure the pricing received was in line with the services requested. MGAA staff are recommending to award the purchase and installation of the Fire System Valves to Cross Fire.

Fiscal Impact
This purchase was included in the FY25 Capital Budget and is funded with MGAA non-grant funds under CIP 1303.

Attachment(s): Contract

RESOLUTION NO. 25-09

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

WHEREAS the Authority desires to authorize a contract for the purchase and installation of Fire System Valves from Cross Fire Protection LLC (Cross Fire) in an amount not to exceed $100,255.50 under CIP 1303;

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 purchase and installation of Fire System Valves from Cross Fire Protection LLC (Cross Fire) in an amount not to exceed $100,255.50 under CIP 1303. 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 March, 2025.

Julia Wheatley, 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:

MESA GATEWAY AIRPORT AUTHORITY, formally known as 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:

Cross Fire Protection
19445 W. Indian School Road, Suite 102-107
Litchfield Park, AZ 85340

D. PROJECT:

Fire System Valves Replacement
Authority Project No. 1303

E. WORK TO BE PERFORMED:

The intent of the *Fire System Valves Replacement* project is to replace the existing fire system valves at the Airport's fire protection systems which have reached the end of their useful life.

The Contractor 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.

F. RECITALS:

The Owner intends to remove the existing fire system valves and replace them with new valves and other items as necessary for the full and efficient use of the project in connection with Mesa Gateway Airport located in Mesa, Arizona. The Owner desires to contract for certain services and materials, and the Contractor desires to provide 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:

G. AGREEMENTS:

ARTICLE 1 THE CONTRACT

The Contract consists of (1) this Construction Contract, (2) The Bidding Requirements, (3) Drawings, Technical Specifications and other documents or amendments referenced in Article 17 of this Construction Contract, and (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").

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. The Contractor shall be solely responsible for and have control over methods, techniques, sequences, safety, and procedures associated with its work and for coordinating all portions of the work under this Contract.

ARTICLE 3 CONTRACT TIME

The Contractor shall achieve Final Completion (as defined in Article 10) of Schedule I no later than a total of **60 Calendar Days** from the date of issuance of the Notice to Proceed and includes lead time for ordering equipment.

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 $100,255.50 (One Hundred Thousand Two Hundred Fifty-Five Dollars and Fifty Cents), 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, 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 SUBCONTRACTORS

5.1 Nothing contained in the Contract shall create any contractual relationship between the Owner and any Subcontractor.

5.2 The Owner shall have the right to reject any proposed Subcontractor, including additional or replacement subcontractors, for whom Owner has a reasonable objection. The Owner will promptly provide to the Contractor, in writing, a statement on whether or not the Owner, after due investigation, has reasonable objection to any such proposed person or entity.

5.3 If the Owner has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner has no reasonable objection. No increase in the Contract Sum or Contract Time shall be allowed for such change. The right of the Owner to reject proposed

Subcontractors shall not diminish the Contractor's responsibility for the performance of the Contractor's Subcontractors.

5.4 The Contractor will not change any Subcontractor that has been previously approved by Owner without the prior written consent of the Owner. Nor shall the Contractor add any additional Subcontractors without the prior written consent of the Owner.

5.5 The Contractor shall require each Subcontractor, to the extent of the work to be performed by the Subcontractor, to be bound to the Contractor by the terms of the Contract, and to assume toward the Contractor all the obligations and responsibilities which the Contractor assumes toward the Owner. All Contractor's subcontractors shall 1) guarantee the work to be performed will be in compliance with this Contract and, 2) purchase and maintain insurance and comply with all insurance provisions required by this Contract.

ARTICLE 6 WORK HOURS

6.1 Contractor shall submit to the Owner for review, its proposed schedule within seven (7) calendar days from the date of award of the contract.

6.2 Except as otherwise provided in the Contract, work can be performed six (6) days per week, excluding Sundays and 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 Contractor will not be entitled to additional compensation for work performed outside of regular working hours, except to the extent the Owner approves, in writing, 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 Contractor be entitled to additional compensation for work performed outside regular hours where occasioned by delays, need for repairs or other causes attributable to Contractor or its Subcontractors. Notwithstanding the foregoing and unless overtime has been requested by the Owner, the Contractor shall bear all costs of standby contractors or subcontractors, if any. In the event the Contractor performs any of the work on night shifts, overtime, weekends or holidays, the Contractor shall comply with all laws, ordinances, codes, rules, and regulations applicable thereto (including, without limitation, those relating to noise).

ARTICLE 7 CHANGE ORDERS

A Change Order is a written order to the Contractor 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 Contractor or its Subcontractors shall not perform any work for which the Contractor intends to seek additional money or an extension of time unless the Contractor obtains a written Change Order or written approval by the Owner prior to performing the work. A Change Order signed by the Contractor indicates the Contractor's agreement therewith, including without limitation, any adjustment in the Contract Sum or Contract Time. A Change Order signed by the Contractor without any indication of change in the Contract Sum or Contract Time indicates the Contractor's agreement that there will be no change in the Contract Sum or Contract Time (collectively "Change Order").

ARTICLE 8 TAXES, PERMITS, AND FEES

The Contractor 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 Contractor.

ARTICLE 9 PAYMENTS

9.1 Upon Final Completion, the Contractor shall submit to the Owner an itemized application requesting payment for work completed, substantiating the Contractor's right to payment as the Owner may require ("Application for Payment").

9.2 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.

9.3 Disputes with Subcontractors. Applications for Payment may not include requests for payment of amounts the Contractor does not intend to pay to a Subcontractor because of a dispute or other reason.

9.4 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 Contractor 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 the Owner's Invitation for Bid (solicitation 2025-005-IFB) 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.

9.5 Lien Waivers. The Contractor 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 Contractor 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 Contractor, 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 Contractor 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 Contractor's Application for Payment, the Contractor shall furnish a bond satisfactory to the Owner against such possible lien prior to payment. Payment shall not be due until Contractor furnishes such bond. The Contractor 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.

9.6 Payments to Subcontractors shall be in accordance with Arizona Revised Statutes Title 32. The Owner shall have no obligation to pay or to see to the payment of money to a subcontractor.

ARTICLE 10 FINAL COMPLETION AND FINAL PAYMENT

10.1 Upon completion of the work, the Contractor 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 an Application for Payment. Upon receipt, the Owner will promptly make such inspection. When the Owner finds the work acceptable under the Contract and the Contract fully performed ("Final Completion"), 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 Contract Sum is due, less authorized deductions, if any.

10.2 Conditions to Payment. Payment to the Contractor shall be made within thirty (30) days after compliance with Article 10.1 and 10.2. Payment shall not become due until the Contractor 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) the manufacturer's warranties and instructions for maintenance and operation of each item of equipment and apparatus included in the work, and (3) a full and final release and waiver of liens from the Contractor and all Subcontractors.

10.3 Waiver of Claims. Acceptance of payment by the Contractor 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 Application for Payment.

ARTICLE 11 TERMINATION

11.1 Termination by the Owner for Cause

11.1.1 Criteria for Termination for Cause. The Contractor shall be considered in default of his or her 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. Disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction, or
j. Breaches any provision of the contract, or
k. For any other cause whatsoever, fails to carry on the work in an acceptable manner.

11.1.2 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.

11.1.3 Effect of Termination for Cause. When any of the above conditions exist, the Owner may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's Surety, if any, ten (10) days' written notice, terminate the Contract and may, subject to any prior rights of the Surety:

a. take possession of the Site and all materials, equipment, tools, and construction

equipment machinery thereon owned by the Contractor;
b. accept assignment of subcontracts pursuant; and
c. finish the work by whatever reasonable method the Owner may deem expedient.

11.1.4 Contractor Right to Receive Payment. When the Owner terminates the Contract for one of the reasons stated in Article 11.1.1, the Contractor shall not be entitled to receive further payment until the work is finished.

11.1.5 Costs for Finishing Work. If the unpaid balance of the Contract Sum exceeds costs of finishing the work, including charges incurred by the Owner, such excess shall be paid to the Contractor. If such costs exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor 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.

11.2 Owner's Termination for Convenience

11.2.1 Effect of Termination for Convenience. The Owner reserves the right to terminate the Contract for convenience and without cause even if Contractor has not failed to perform any part of the Contract. Termination of the work hereunder shall be affected by written notice to the Contractor. Upon receipt of such notice, Contractor shall, unless the notice otherwise directs:

a. Immediately discontinue the work and the placing of all orders and subcontracts in connection with this Contract;
b. Immediately cancel all of the existing orders and subcontracts made hereunder;
c. Immediately transfer to the Owner all materials, supplies, work in progress, appliances, facilities, machinery and tools acquired by the Contractor 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;
d. Deliver all plans, Drawings, Specifications and other necessary information to the Owner; and
e. Complete performance of the work not terminated by the notice.

11.2.2 Contractor's Exclusive Remedy. If the Owner terminates the Contract for convenience, the following shall be the Contractor's exclusive remedy:

a. Reimbursement of all actual expenditures and costs approved by the Owner as having been made or incurred in performing the work;
b. Reimbursement of expenditures made and costs incurred with the Owner's prior written approval in settling or discharging outstanding commitments entered into by the Contractor in performing the Contract;
c. Reasonable and substantiated claims, costs, and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and
d. Reasonable and substantiated expenses to the Contractor directly attributable to Owner's termination action.

11.3 Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

11.4 The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

ARTICLE 12 INSURANCE

Contractor agrees to provide insurance at the times and in the amounts as provided for in the Owner's Invitation for Bid (Solicitation 2025-005-IFB) to Owner prior to any work commencing.

ARTICLE 13 CLEANING UP

13.1 Daily Clean Up. The Contractor shall, on a daily basis, clean up after its operation by removing rubbish, including old and surplus materials. The Contractor shall use its best efforts to prevent dust. All waste materials, rubbish and debris resulting from Contractor's work shall be removed regularly from the Site and disposed in accordance with federal, state, and local laws.

13.2 Final Clean Up. At the completion of the work, the Contractor 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 Contractor 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 Contractor shall be responsible for the overall cleanliness and neatness of the work.

13.3 Failure to Clean Up. If the Contractor 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 Contractor. The Owner shall have the right to retain such costs from payments due Contractor.

ARTICLE 14 SAFETY

14.1 The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

a. employees on the work and other persons who may be affected thereby;
b. 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 Contractor or the Contractor's Subcontractors;
c. other property at the Site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction; and
d. construction or operations by the Owner or other Contractors.

14.2 If the Contractor fails to maintain the safety precautions required by law, the Owner may take action as necessary and charge the Contractor therefore. However, the failure of the Owner to take any such action shall not relieve the Contractor of its obligations set forth in Article 14.1. If the Contractor fails to maintain the safety precautions required by law, the Contractor shall, if directed by the Owner, remove all forces from the Project without cost or loss to the Owner until the Contractor complies with such safety precautions.

ARTICLE 15 WARRANTY

15.1 The Contractor 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.

15.2 The Contractor shall assign to the Owner, before Final Payment is due, all manufacturer's warranties relating to equipment, materials, and labor used in the work.

ARTICLE 16 INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall fully protect, indemnify, defend and hold harmless Owner, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees") 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 work 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 Contractor or Subcontractor or anyone for whose acts either of them may be liable. But in no event shall Contractor be required to indemnify Owner for Owner's negligence. The Contractor'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 Article 16. The Contractor 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.

ARTICLE 17 CONTRACT DOCUMENTS

17.1 The Contract, except for modifications issued after the effective date of the Construction Contract, consists of the following documents:

17.1.1 The *Construction Contract*.
17.1.2 The Bidding Requirements.
17.1.3 MGAA Standard Terms and Conditions stated in the IFB (2025-006-IFB).
17.1.4 Plans, Specifications and Addenda attached.
17.1.5 All Exhibits to this Contract.
17.1.6 Bid Documents as follows:

a. Bid Proposal Cover Sheet signed and dated February 26, 2025.
b. Contractor Bid Proposal dated February 26, 2025.
c. Certificate of Insurability dated February 26, 2025.
d. Standard Certifications signed by and dated February 26, 2025.

17.1.7 Amendments or modifications to the Contract, if any, to which the parties may agree during Contract performance.

17.2 There are no Contract Documents other than those listed above in this Article 17. The Contract Documents may only be amended, modified, or supplemented as provided for in this Contract.

17.3 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 Owner 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 17.

ARTICLE 18 MISCELLANEOUS

18.1 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.

18.2 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.

18.3 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 Article 18.3 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.

18.4 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.

18.5 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 Article 18.3, assigns and delegates.

18.6 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.

18.7 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.

18.8 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.

18.9 The Contractor 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.

18.10 The Contractor shall confine operations at the Site to areas permitted by 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.

18.11 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract, be secured by the Contractor and promptly delivered to the Owner.

Executed as of the Effective Date.

CONTRACTOR
Cross Fire Protection

By: P. Shayne Castellani

Name: P. Shayne Castellani

Title: Owner

Date: 3/12/2025

OWNER
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 1
SCHEDULE 1

Mesa Gateway Airport

Attachment A
Offeror's Bid

Item	Price
Removal of existing fire system valves. F&I New fire system valves: • Two 8" Cla-Val Atmospheric fill valves at South Central on the North and South Tank • One 6" OS&Y valve at South Central on the South Tank • One 12" PIV outside of MGAA Building 1083 for Isolation • One 12" valve inside of MGAA Building 1083 • One 8" bypass valve inside of MGAA Building 1083 • Four 8" OS&Y valves on the discharge side of pumps • MGAA Building 1083 Test Header Valve to include all new 2.5" Hose Valves Installation of new fire system valves, complete.	$ 95,815.00
Sales Tax, 8.3% MGAA is NOT tax exempt.	$ 4,440.50 Tax amount is on parts only, not labor. Invoice will delineate this.
Total	$ 100,255.50

Brand of Valves Offeror bid above: Landsdale, Anvil, ASC

Shayne Castellani
Printed Name

Signature

2/26/2025
Date

EXHIBIT 2
FEDERAL CONTRACT PROVISIONS

1. Civil Rights – General Provisions

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

2. 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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- 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 § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by 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 (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. 74087 (2005)];

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).

3. Title VI Compliance with Nondiscrimination Requirements

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

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, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. 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.

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

Board Action Item

Re: Resolution 25-10

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, 2026**
Date:	**March 18, 2025**

Proposed Motion
To adopt the proposed Operating Budget, Capital Budget, Debt Service Budget, and Member Government Contributions for the fiscal year ending June 30, 2026.

Narrative
The following is an overview of the proposed budgets.

Key Assumptions for FY26 Budget

1. Member contributions will continue to partially fund capital improvements and promote the Airport.
2. Enplaning passenger activity is expected to increase in FY26's budget by 30,772 or 3% from FY25's budget.
3. Aeronautical revenue is planned to increase $1,719,873 or 9%; Non-Aero revenue is budgeted to be up $1,162,757 or 11%.
4. Air-Service Incentive Program carries over from previous fiscal year.
5. Operating Contingency is 10% of total expenses from unrestricted cash reserve.

Operating Revenues:	FY25 Budget	FY26 Budget	Difference	%
Aero Op Rev: Aircraft Parking	$ 297,349	$ 632,953	$ 335,604	113%
Aero Op Rev: Fuel Flowage	668,538	692,920	24,381	4%
Aero Op Rev: Landing Fees	1,557,120	1,654,673	97,553	6%
Aero Op Rev: Lease Income	4,125,549	4,696,529	570,980	14%
Aero Op Rev: Svcs Sold	5,549,638	5,963,533	413,895	7%
Aero Op Rev: Fuel Sales	8,023,400	8,300,861	277,461	3%
Total Aero Op Revenue	20,221,594	21,941,468	1,719,873	9%
Non-Aero Op Rev: Concess	1,339,200	1,409,844	70,644	5%
Non-Aero Op Rev: Lease Inc	1,518,321	1,786,758	268,437	18%
Non-Aero Op Rev: Parking	4,431,271	5,039,526	608,255	14%
Non-Aero Op Rev: Rental Car	2,889,717	3,104,838	215,121	7%
Non-Aero Op Rev: Svcs Sold	143,270	143,570	300	0%
Total Non-Aero Op Revenue	10,321,779	11,484,536	1,162,757	11%
Total Operating Revenue	$ 30,543,373	$ 33,426,004	$ 2,882,630	9%
Operating Expenditures:				
Communication & Utilities	$ 1,014,627	$ 1,182,674	$ 168,047	17%
Contractual Services	7,874,410	8,289,023	414,613	5%
Cost of Goods Sold	5,512,871	5,633,183	120,312	2%
Insurance	803,926	859,222	55,296	7%
Other	527,073	459,868	(67,205)	-13%
Compensation & Benefits	12,423,601	13,245,016	821,415	7%
Repair & Maintenance	1,122,100	1,099,070	(23,030)	-2%
Supplies & Materials	1,141,571	1,125,609	(15,962)	-1%
Total Operating Expense	$ 30,420,180	$ 31,893,666	$ 1,473,486	5%
Operating Income	$ 123,194	$ 1,532,338	$ 1,409,144	1144%
Total Operating Expense	$ 30,420,180	$ 31,893,666	1,473,486	5%
Potential Air Incentive	2,000,000	2,000,000	-	0%
10% Contingency	3,042,018	3,189,367	147,349	5%
Total Budgeted Operating Expense Capacity	$ 35,462,198	$ 37,083,033	$ 1,620,835	5%

The proposed capital budget for FY26 is $62,472,957. The projects are listed in Attachment 1 with more detailed description of the projects in Attachment 2. The carry over capital projects from FY25 total $8,836,755 and are listed in Attachment 3 with the descriptions in Attachment 4.

FY26 Capital Improvement Program Funding Summary

FAA/TSA	$47,499,170
PFC	10,000,000
Member Contribution	2,760,000
ADOT	1,349,893
MGAA Cash Reserves	863,894
	$62,472,957

FY25 Carry Over Capital Funding Sources

MGAA Cash Reserves	$7,140,635
ADOT	1,147,790
FAA/TSA	548,330
	$8,836,755

Total Operating, Capital and Debt Service Budget Combined

Total Operating Expense	$31,893,666
Potential Air Service	2,000,000
10% Contingency	3,189,367
FY26 Capital Budget	62,472,957
FY25 Carry Over Capital Projects	8,836,755
Capital Maintenance Reserve	1,000,000
Debt Service Payment	1,290,000
	$110,682,745

Attachment(s)

1. FY26 Proposed Capital Budget
2. FY26 Capital Improvement Project Descriptions
3. FY25 Carry Over Capital Improvement Projects
4. FY25 Carry Over Capital Improvement Project Descriptions
5. FY26 Capital Projects Location Map

RESOLUTION NO. 25-10

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

WHEREAS the Authority 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, debt service budget, and Member Government Contributions for each fiscal year; and

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

The Mesa Gateway Airport Authority Board of Directors hereby adopts the Mesa Gateway Airport Authority Fiscal year 2026 Operating Budget in the amount of $37,083,033, the Fiscal Year 2026 Mesa Gateway Airport Authority Capital Improvement Program and Debt Service in the amount of $73,599,712, 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 (61.60 %); Gila River Indian Community $450,000 (16.30%); Town of Gilbert $350,000 (12.68 %); Town of Queen Creek $130,000 (4.71 %); City of Apache Junction $130,000 (4.71 %).

Passed and adopted by the Authority this 18th day of March, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

MGAA FY26 Capital Budget

ACIP		Funding Source					
Project ID - Project Name	**Cost Estimate Latest**	FAA/TSA	ADOT	MGAA Match	MGAA Non-Grant	PFC	Project Total
1072 RWY 12R/30L Reconstruction Ph2	$25,366,978	$23,099,170	$1,133,904	$1,133,904			$25,366,978
1265-TSA Bag Make-up Expansion/In-Line Checked Baggage System Construction	$30,000,000	$20,000,000				$10,000,000	$30,000,000
741-Twy H between Twy B Design & Reconstruct BIL	$4,831,979	$4,400,000	$215,989	$215,989			$4,831,979
1320-Terminal Paging System	$540,000				$540,000		$540,000
1306-Airfield Asphalt Pavement Mx	$325,000				$325,000		$325,000
1319-VoIP Phone System Replacement	$300,000				$300,000		$300,000
1030-Replc 2010 ADA Boarding RAMP 240 & 241	$193,000				$193,000		$193,000
1307-Replc Terminal Seats Ph 3	$160,000				$160,000		$160,000
1308-VMWare Host Servers, Backup Servers & Phone System Servers	$139,000				$139,000		$139,000
1309-Landside Asphalt Pavement Mx	$120,000				$120,000		$120,000
1310-Explosive Detection System Equipment	$100,000				$100,000		$100,000
1315-Replc 2009 Pavement Truck 1 Ton TRK-312	$72,000				$72,000		$72,000
1321-Wireless System Refresh	$68,000				$68,000		$68,000
1316-Replc 2011 Baggage Tug MIA30 -EQP271	$50,000				$50,000		$50,000
1292- Replc 2005 Silverado 2500 HD 3/4 Ton TRK -315	$45,000				$45,000		$45,000
1044-Replc 2016 Ford F150 XL Pickup TRK-260	$45,000				$45,000		$45,000
1291-Replc 2013 Toyota Tacoma TRK-215	$45,000				$45,000		$45,000
0864-US Customs Technology Refresh	$35,000				$35,000		$35,000
1286-Replc 2019 FBO Floor Scrubber E-200	$22,000				$22,000		$22,000
1317-Purchase one WAAG A/C Fuel Stands	$15,000				$15,000		$15,000
	$62,472,957	$47,499,170	$1,349,893	$1,349,893	$2,274,000	$10,000,000	$62,472,957

MGAA Total	$3,623,893	
Member Contributions	$2,760,000	$100,000 will be used for Promoting Airlines
Over/(Under)	$863,893	

Mesa Gateway Airport Authority
FY26 Capital Budget

Project # Name	Amount	Description
1072- RWY 12R/30L Reconstruction Ph2	$25,366,978	Reconstruction and relocation of Taxiway Hotel between taxiway Brave and 12R/30L also included in the work scope. Project will include runway and taxiway PCCP replacement, should work, lighting, striping and signage components.
1265-TSA Bag Make-up Expansion/In-Line Checked Baggage System	$30,000,000	Installation for the new in-line Checked Baggage Inspection System (CBIS}. Project includes collaboration and coordination with the Transportation Security Administration (TSA}, airlines and other airport stakeholders to deliver a system which meets the screening requirements set forth by the TSA.
741- TWY H Between TWY B Design & Reconstruct BIL	$4,831,979	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.
1320-Terminal Paging System	$540,000	Replace existing analog paging/mass notification system in terminal complex with a modern VoIP based system.
1306-Airfield Asphalt Pavement Mx	$325,000	Asphalt pavement maintenance 30R/12L, (30L/12R overruns Mill&Pave), crack seal, stripe. Service RD random crack seal.
1319-VoIP Phone System Replacement	$300,000	Avaya has filed for bankruptcy twice between 2016 - 2023. Due to the risk of having a phone system with no manufacture's support, PMGAA is looking to move to a new phone system.
1030-Replc 2010 ADA Boarding RAMP 240 & 241	$193,000	Replace Ramp 240 & Ramp 241 which were purchased in 2010.
1307-Replc Terminal Seats Ph 3	$160,000	Existing terminal beamline seating varies in age from 8-12 years. Existing seats are maintenance intensive, specifically with upholstery. Proposed replacement seats would match those of the Terminal Modernization Project in FY23.
1308-VMWare Host Servers, Backup Servers & Phone System Servers	$139,000	Replc VMWare Host Servers, Backup Servers, & Phone System (Avaya) Servers based on the ITS organization refresh program based on industry standards for life cycle replacements.
1309-Landside Asphalt Pavement Mx	$120,000	Asphalt pavement maintenance parking areas Admin,GA,HGR 46, Terminal driv lanes, Hourly lot,Economy Lot Phase III. Crack seal, seal coat & stripe.
1310-Explosive Detection System Equipment	$100,000	TSA mandates the full implementation of NA 23-02 by 11/2025 which includes the mandate for airports to have the ability to detect unauthorized explosives, weapons, and incendiaries during non-TSA checkpoint security screening. The TSA directive requires full implementation of EDSE screening
1315-Replc 2009 Pavement Truck 1 Ton TRK-312	$72,000	Purchase new one ton service truck to replace 2009 specialized Dodge truck. Includes upfitting and special equipment for expediting airfield pavement repairs.
1321-Wireless System Refresh	$68,000	Lifecycle replacement for our wireless system controllers and wireless access points. This is on a five year basis.
1316-Replc 2011 Baggage Tug MIA30 -EQP271	$50,000	Replace 15 yr old baggage tug based on hour usage and maintenance costs.
1292- Replc 2005 Silverado 2500 HD 3/4 Ton TRK -315	$45,000	Replace 2005 Silverado 2500 HD 3/4 Ton TRK -315
1044-Replc 2016 Ford F150 XL Pickup TRK-260	$45,000	Replace 2016 Ford F150 XL Pickup TRK-260
1291-Replc 2013 Toyota Tacomas TRK-215	$45,000	Replace 2013 Toyota Tacoma TRK-215
0864-US Customs Technology Refresh	$35,000	Perform technology refresh on US Customs computer network and equipment.
1286-Replc FBO Floor Scrubber E-200	$22,000	Replace FBO Floor Scrubber E-200
1317-Purchase one WAAG A/C Fuel Stands	$15,000	We currently have two old style stands, purchased is 2013, that are taller and have greater potential to impact an aircraft. The hoses require more maintenance and industry checks. One new stand will standarize our fuel stands across all operations and are almost maintenance free. The current stands require more maintenance and upkeep due to the fuel hose attaching to the stand.
	$62,472,957	

			Carry Over Projects FY25-FY26 Funding Sources					
Carry Overs Projects		**FY25-FY26**	**Federal Aviation Admin (FAA)**	**TSA**	**State of Arizona (ADOT)**	**MGAA Grant Match Funds**	**MGAA Non-Grant Funds**	**Project Totals**
500AIR0741	TWY H Between TWY B Design & Reconstruct	$1,248,005			$1,123,205	$124,801		$1,248,005
700SEC0952	Badging Office Identity Security system	$1,000,000					$1,000,000	$1,000,000
900ITS1290	Common Use Passenger Processing Ecosystem	$750,000					$750,000	$750,000
500MAM1318	Airfield Electrical Upgrades	$500,000	$455,300		$22,350	$22,350		$500,000
500MFM1302	TSA Checkpoint AC Replacement Ph1	$130,000					$130,000	$130,000
500PKG1281	Mill & Replace 2" Hourly Parking Lot	$50,000					$50,000	$50,000
500TRM1265	TSA Bag Make Up Expansion/In Line Checked Baggage System Desig	$50,000		$47,500		$2,500		$50,000
700PLN0975	Safety Management System Implementation	$50,000	$45,530		$2,235	$2,235		$50,000
900PLN1289	Business Continuity Plan Development	$40,000					$40,000	$40,000
200PKG1294	Hourly Parking Lot Shades for Entry/Exit Plaza	$18,750					$18,750	$18,750
	Capacity Increase to carry over	$5,000,000					$5,000,000	$5,000,000
Total Carry Over from FY25		$8,836,755	$500,830	$47,500	$1,147,790	$151,886	$6,988,750	$8,836,755

Mesa Gateway Airport Authority
FY25 Carry Over into FY26 Capital Budget

Project # Name	Amount	Description
741-TWY H Between TWY B Design & Reconstruct	$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.
952-Badging Office Identity Security system	$1,000,000	This system automates the security media credentialing application and administrative processes. It enables badge applicants, Company Signatory Media Authorities, and the Airport Authority to manage badge applications electronically, eliminating the need for paper resources. It increases security through electronically logging who has accessed badging records and by strictly enforcing regulatory requirements for badge applications. In addition, the system automatically submits documentation for vetting to the appropriate aviation channeling service such as the Transportation Security Clearinghouse.
1290-Common Use Passenger Processing Ecosystem	$750,000	Replace Common use Passenger Processing, Flight Information Display System, Gate Management System, Contract and Billing systems
1318-Airfield Electrical Upgrades	$500,000	This major airfield maintenance project is needed due to the age, deterioration and poor conditions of electrical components at TWY A, B, P and Charlie C1-C3.
1302-TSA Checkpoint AC Replacement Ph1	$130,000	Replace Air Conditioning units in the TSA Checkpoint Area
1281 -Mill & Replace 2" Hourly Parking Lot	$50,000	Mill & Replace top 2" of asphalt and stripe according to plans. Sections to be completed are PTERMPRK:15 42,274 sq ft and PTERMPRK: 10 13,168 sq ft for a total of 55,442 sq ft
1265- TSA Bag Make Up Expansion/In Line Checked Baggage System Desig	$50,000	It has been determined that the existing baggage handing system will not be able to adequately keep up with the number of bags being checked. The current system will be removed and replaced with a new network of conveyor belts that will transport checked baggage to the new CBIS comprising in-line explosives detection system, followed by transport of cleared bags to a common existing make up unit for loading onto carts and transport to the aircraft.
975-Safety Management System Implementation	$50,000	Engage a consultant to perform a safety system gap analysis, produce an SMS implementation plan, and produce a Safety Management System manual. Comply with FAR139 sub E and using AC 150/5200-37 guidance. FAA issued Part 139 SMS rule requiring small hub airports to create and submit an implementation plan for the Airport Safety Management System
1289-Business Continuity Plan Development	$40,000	TSA National Amendment for the ASP, TSA-NA-22-01 requires airports to have a Business Continuity Plan.
1294-Hourly Parking Lot Shades for Entry/Exit Plaza	$18,750	Procure and construct install shade structures for the Hourly parking Entry & Exit plaza
Capacity Increase to carry over	$5,000,000	This budget will cover any new projects that come up or existing projects that are delayed and need to carry over into FY25
	$8,836,755	

Attachment 5



Mesa Gateway Airport

FY26 CIP
Project Locations

Projects not on map

864	1308
1030	1310
1044	1315
1265	1316
1286	1317
1291	1319
1292	1320
1307	1321

N

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

Board Action Item

Re: Resolution 25-11

To: **Board of Directors**
From: **Lori Collins, Business and Economic Development Director**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **USDA-Forest Service, Alpha Apron Lease Agreement**
Date: **March 18, 2025**

Proposed Motion

To authorize a lease agreement with the United States Department of Agriculture, Forest Service (USDA-FS) for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on November 15, 2026, and terminates on November 14, 2046.

Narrative

The USDA-FS Air Tanker Base, which is located at 6335 S. Downwind Circle, Mesa, AZ 85212, requires exclusive use of a large portion of apron for aircraft parking related to their wildfire operations. Alpha Apron Phase 3 consists of 276,699 square feet and is located adjacent to the current USDA-FS operations building. The lease term is twenty (20) years, fifteen (15) firm, beginning November 15, 2026.

The USDA-FS currently leases a portion of the building at 6335 S. Downwind Circle from SGP Mesa, LLC and has an existing lease with the Airport Authority for the Alpha Apron Phase 3. In 2024, Airport Staff responded to a Government Services Administration (GSA) Request for Lease Proposals (RLP) in coordination with SGP Mesa, LLC to retain the Forest Service operations at Mesa Gateway Airport for the long-term. The new apron lease is intended to be coterminous with the building lease.

Agreement Term and Rate

The term of the lease agreement commences on November 15, 2026, and terminates on November 14, 2046.

The USDA-FS will pay annual rent of $244,325.22, at a rate of $20,360.44 per month. This rate is currently levelized at $0.883/SF/year until 2029 when annual escalations of 2% begin.

Attachment(s): Lease No. 127EAB25L1206

RESOLUTION NO. 25-11

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

WHEREAS the Authority desires to authorize a lease agreement with the United States Department of Agriculture, Forest Service (USDA-FS) for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on November 15, 2026, and terminates on November 14, 2046;

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 lease agreement with the United States Department of Agriculture, Forest Service (USDA-FS) for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on November 15, 2026, and terminates on November 14, 2046. 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 March, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

A. This Lease is made and entered into between

Phoenix-Mesa Gateway Airport Authority

(Lessor), whose principal place of business is **5835 S Sossaman Rd, Mesa, AZ 85212-6014**, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the USDA, upon the terms and conditions set forth herein.

B. Witnesseth**:** WHEREAS, pursuant to 41 CFR Ch. 102, §102-73.170, the GOVERNMENT wishes to lease certain land herein described, owned by the LESSOR and located as described in Exhibit A, Leased Premises, of this Lease, to be used for Government purposes;

NOW THEREFORE, in consideration of the premises and of other good and valuable consideration herein mentioned, the Parties hereto covenant and mutually agree as follows:

The Lessor hereby leases to the Government the following described premises, to be used for Government purposes: approximately 6.35 acres (276,699 SF) contained within State Parcel No. 304-36-002G. See Exhibit A, attached hereto and made a part hereof.

Maricopa County, Arizona Parcel No. 304-36-002G
USDA NRM Real Property Unique (RPU) ID Land Asset No. FS7300118010602

C. LEASE TERM

TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on 11/15/2026 through 11/14/2046, subject to termination and renewal rights as may be hereinafter set forth and conditional upon the passage of an applicable appropriation or authorization by Congress from which expenditures may be made and shall not obligate the United States of America upon failure of Congress to so act.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

_____

Name: _____

Title: _____

Entity: _____

Date: _____

FOR THE GOVERNMENT:

_____

Name: _____

Title: Lease Contracting Officer

Entity: USDA

Date: _____

WITNESSED FOR THE LESSOR BY:

_____

Name: _____

Title: _____

Date: _____

The information collection requirements contained in this Solicitation/Contract, that are not required by regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0086.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS 5
1.01 THE PREMISES (OCT 2022) 5
1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013) 5
1.03 RENT AND OTHER CONSIDERATION (OCT 2023) 5
1.04 ~~BROKER COMMISSION AND COMMISSION CREDIT (OCT 2016)~~ INTENTIONALLY DELETED 6
1.05 TERMINATION RIGHTS (OCT 2016) 6
1.06 ~~RENEWAL RIGHTS (OCT 2016)~~ INTENTIONALLY DELETED 6
1.07 DOCUMENTS INCORPORATED IN THE LEASE (OCT 2023) 6
1.08 ~~TENANT IMPROVEMENT RENTAL ADJUSTMENT (OCT 2016)~~ – INTENTIONALLY DELETED 6
1.09 ~~TENANT IMPROVEMENT AND BSAC FEE SCHEDULE (OCT 2022)~~ - INTENTIONALLY DELETED 6
1.10 ~~BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)~~ INTENTIONALLY DELETED 6
1.11 ~~BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)~~ INTENTIONALLY DELETED 6
1.12 ~~PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (OCT 2023)~~ – INTENTIONALLY DELETED 6
1.13 ~~REAL ESTATE TAX BASE (SEP 2013)~~ – INTENTIONALLY DELETED 6
1.14 ~~OPERATING COST BASE (OCT 2016)~~ - INTENTIONALLY DELETED 6
1.15 ~~RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)~~ – INTENTIONALLY DELETED 7
1.16 ~~HOURLY OVERTIME HVAC RATES (OCT 2016)~~ – INTENTIONALLY DELETED 7
1.17 ~~ADJUSTMENT FOR REDUCED SERVICES (OCT 2018)~~ – INTENTIONALLY DELETED 7
1.18 ~~BUILDING IMPROVEMENTS (OCT 2023)~~ – INTENTIONALLY DELETED 7
1.19 LESSOR'S UNIQUE ENTITY IDENTIFIER (OCT 2022) 7

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS 8
2.01 DEFINITIONS AND GENERAL TERMS (OCT 2023) 8
2.02 AUTHORIZED REPRESENTATIVES (OCT 2016) 9
2.03 ALTERATIONS REQUESTED BY THE GOVERNMENT (OCT 2022) 9
2.04 WAIVER OF RESTORATION (OCT 2023) 9
2.05 ~~PAYMENT OF BROKER (OCT 2021)~~ 'INTENTIONALLY DELETED" 10
2.06 CHANGE OF OWNERSHIP/NOVATION (OCT 2021) 10
2.07 ~~REAL ESTATE TAX ADJUSTMENT (OCT 2023)~~ – INTENTIONALLY DELETED 10
2.08 ~~GSAR 552.270-16 ADJUSTMENT FOR VACANT PREMISES (DEVIATION) (SEP 2022)~~ – INTENTIONALLY DELETED 10
2.09 ~~OPERATING COSTS ADJUSTMENT (JUN 2012)~~ INTENTIONALLY DELETED 10
2.10 ~~ADDITIONAL POST-AWARD FINANCIAL AND TECHNICAL DELIVERABLES (OCT 2023)~~ – INTENTIONALLY DELETED 10
2.11 ~~RELOCATION ASSISTANCE ACT (APR 2011)~~ – INTENTIONALLY DELETED 10
2.12 ENTITY NAME (OCT 2023) 10

SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS 11
3.01 ~~LABOR STANDARDS (OCT 2022)~~ – INTENTIONALLY DELETED 11
3.02 WORK PERFORMANCE (JUN 2012) 11
3.03 ~~EXISTING FIT-OUT, SALVAGED, OR REUSED BUILDING MATERIAL (OCT 2019)~~ – INTENTIONALLY DELETED 11
3.04 ~~CONSTRUCTION WASTE MANAGEMENT (OCT 2021)~~ – INTENTIONALLY DELETED 11
3.05 ~~WOOD PRODUCTS (OCT 2023)~~ – INTENTIONALLY DELETED 11
3.06 ~~ADHESIVES AND SEALANTS (OCT 2022)~~ – INTENTIONALLY DELETED 11
3.07 ~~BUILDING SHELL REQUIREMENTS (OCT 2016)~~ – INTENTIONALLY DELETED 11
3.08 RESPONSIBILITY OF THE LESSOR AND LESSOR'S ARCHITECT/ENGINEER (OCT 2022) 11
3.09 ~~QUALITY AND APPEARANCE OF BUILDING (JUN 2012)~~ INTENTIONALLY DELETED 11
3.10 ~~VESTIBULES (OCT 2020)~~ INTENTIONALLY DELETED 11
3.11 ~~MEANS OF EGRESS (MAY 2015)~~ INTENTIONALLY DELETED 11
3.12 ~~AUTOMATIC FIRE SPRINKLER SYSTEM (OCT 2023)~~ INTENTIONALLY DELETED 11
3.13 ~~FIRE ALARM SYSTEM (SEP 2013)~~ INTENTIONALLY DELETED 11
3.14 ~~ENERGY INDEPENDENCE AND SECURITY ACT (MAR 2016)~~ INTENTIONALLY DELETED 11
3.15 ~~ELEVATORS (OCT 2020)~~ INTENTIONALLY DELETED 11
3.16 ~~BUILDING DIRECTORY (OCT 2021)~~ INTENTIONALLY DELETED 11
3.17 ~~FLAGPOLE (SEP 2013)~~ – INTENTIONALLY DELETED 11
3.18 ~~DEMOLITION (JUN 2012)~~ – INTENTIONALLY DELETED 11
3.19 ACCESSIBILITY (FEB 2007) 11
3.20 ~~CEILINGS (OCT 2022)~~ INTENTIONALLY DELETED 12
3.21 ~~EXTERIOR AND COMMON AREA DOORS AND HARDWARE (SEP 2013)~~ INTENTIONALLY DELETED 12
3.22 ~~DOORS: IDENTIFICATION (APR 2011)~~ INTENTIONALLY DELETED 12
3.23 ~~WINDOWS (OCT 2020)~~ INTENTIONALLY DELETED 12
3.24 ~~PARTITIONS: GENERAL (OCT 2023)~~ INTENTIONALLY DELETED 12
3.25 ~~PARTITIONS: PERMANENT (OCT 2023)~~ INTENTIONALLY DELETED 12
3.26 ~~INSULATION: THERMAL, ACOUSTIC, AND HVAC (OCT 2022)~~ INTENTIONALLY DELETED 12
3.27 ~~WALL FINISHES – SHELL (SEP 2015)~~ INTENTIONALLY DELETED 12
3.28 ~~PAINTING – SHELL (OCT 2022)~~ INTENTIONALLY DELETED 12
3.29 ~~FLOORS AND FLOOR LOAD (OCT 2019)~~ INTENTIONALLY DELETED 12
3.30 ~~FLOOR COVERING AND PERIMETERS – SHELL (OCT 2022)~~ INTENTIONALLY DELETED 12
3.31 ~~MECHANICAL, ELECTRICAL, PLUMBING: GENERAL (APR 2011)~~ – INTENTIONALLY DELETED 12
3.32 ~~BUILDING SYSTEMS (APR 2011)~~ – INTENTIONALLY DELETED 12
3.33 ~~ELECTRICAL (OCT 2023)~~ – INTENTIONALLY DELETED 12

3.34 ~~ADDITIONAL ELECTRICAL CONTROLS (JUN 2012)~~ INTENTIONALLY DELETED 12
3.35 ~~PLUMBING (JUN 2012)~~ – INTENTIONALLY DELETED 12
3.36 ~~DRINKING FOUNTAINS (OCT 2023)~~ INTENTIONALLY DELETED 12
3.37 ~~RESTROOMS (OCT 2022)~~ INTENTIONALLY DELETED 12
3.38 ~~PLUMBING FIXTURES: WATER CONSERVATION (OCT 2022)~~ INTENTIONALLY DELETED 12
3.39 ~~JANITOR CLOSETS (SEP 2015)~~ – INTENTIONALLY DELETED 12
3.40 ~~HEATING, VENTILATION, AND AIR CONDITIONING - SHELL (OCT 2023)~~ INTENTIONALLY DELETED 12
3.41 ~~TELECOMMUNICATIONS: DISTRIBUTION AND EQUIPMENT (OCT 2023)~~ INTENTIONALLY DELETED 12
3.42 ~~TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (JUN 2012)~~ – INTENTIONALLY DELETED 12
3.43 ~~LIGHTING: INTERIOR AND PARKING - SHELL (OCT 2023)~~ – INTENTIONALLY DELETED 12
3.44 ~~ACOUSTICAL REQUIREMENTS (OCT 2022)~~ INTENTIONALLY DELETED 12
3.45 ~~SECURITY FOR NEW CONSTRUCTION (OCT 2022)~~ INTENTIONALLY DELETED 12
3.46 ~~SEISMIC SAFETY FOR NEW CONSTRUCTION (OCT 2020)~~ INTENTIONALLY DELETED 12
3.47 ~~FIRE PROTECTION FOR NEW CONSTRUCTION (APR 2015)~~ INTENTIONALLY DELETED 12
3.48 ~~GREEN BUILDING RATING CERTIFICATION FOR NEW CONSTRUCTION (OCT 2016)~~ INTENTIONALLY DELETED 12
3.49 ~~GREEN BUILDING RATING CERTIFICATION FOR TENANT INTERIORS (OCT 2023)~~ INTENTIONALLY DELETED 12
3.50 ~~INDOOR AIR QUALITY DURING CONSTRUCTION (OCT 2021)~~ INTENTIONALLY DELETED 12
3.51 ~~SYSTEMS COMMISSIONING (OCT 2023)~~ INTENTIONALLY DELETED 12
3.52 DUE DILIGENCE AND NATIONAL ENVIRONMENTAL POLICY ACT REQUIREMENTS – LEASE (OCT 2023) 12
3.53 ~~NATIONAL HISTORIC PRESERVATION ACT REQUIREMENTS - LEASE (SEP 2014)~~ "INTENTIONALLY DELTED" 13

SECTION 4 DESIGN, CONSTRUCTION, AND POST AWARD ACTIVITIES 14
4.01 ~~SCHEDULE FOR COMPLETION OF SPACE (OCT 2023)~~ INTENTIONALLY DELETED 14
4.02 ~~CONSTRUCTION DOCUMENTS (OCT 2023)~~ INTENTIONALLY DELETED 14
4.03 ~~TENANT IMPROVEMENTS PRICE PROPOSAL (OCT 2023)~~ INTENTIONALLY DELETED 14
4.04 ~~BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) PRICE PROPOSAL (OCT 2023)~~ INTENTIONALLY DELETED 14
4.05 ~~GREEN LEASE SUBMITTALS (OCT 2023)~~ INTENTIONALLY DELETED 14
4.06 ~~CONSTRUCTION SCHEDULE AND INITIAL CONSTRUCTION MEETING (OCT 2022)~~ INTENTIONALLY DELETED 14
4.07 ~~PROGRESS REPORTS (OCT 2023)~~ INTENTIONALLY DELETED 14
4.08 ~~CONSTRUCTION INSPECTIONS (OCT 2023)~~ INTENTIONALLY DELETED 14
4.09 ~~ACCESS BY THE GOVERNMENT PRIOR TO ACCEPTANCE (OCT 2022)~~ – INTENTIONALLY DELETED 14
4.10 ~~ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (OCT 2021)~~ – INTENTIONALLY DELETED 14
4.11 LEASE TERM COMMENCEMENT DATE AND RENT RECONCILIATION (OCT 2021) 14
4.12 ~~AS-BUILT DRAWINGS (OCT 2021)~~ – INTENTIONALLY DELETED 14
4.13 ~~GSAR 552.270-15 LIQUIDATED DAMAGES (DEVIATION) (SEP 2022)~~ INTENTIONALLY DELETED 14
4.14 ~~SEISMIC RETROFIT (OCT 2020)~~ INTENTIONALLY DELETED 14
4.15 ~~LESSOR'S PROJECT MANAGEMENT RESPONSIBILITIES (OCT 2023)~~ – INTENTIONALLY DELETED 14
4.16 ~~GOVERNMENT PROJECT MANAGEMENT SYSTEM (OCT 2023)~~ INTENTIONALLY DELETED 14

SECTION 5 TENANT IMPROVEMENT COMPONENTS 15
5.01 ~~TENANT IMPROVEMENT REQUIREMENTS (OCT 2016)~~ INTENTIONALLY DELETED 15
5.02 ~~TENANT IMPROVEMENT SPECIFICATIONS (SEP 2015)~~ INTENTIONALLY DELETED 15
5.03 ~~FINISH SELECTIONS (SEP 2015)~~ INTENTIONALLY DELETED 15
5.04 ~~WINDOW COVERINGS (OCT 2023)~~ INTENTIONALLY DELETED 15
5.05 ~~DOORS: SUITE ENTRY (OCT 2022)~~ INTENTIONALLY DELETED 15
5.06 ~~DOORS: INTERIOR (OCT 2022)~~ INTENTIONALLY DELETED 15
5.07 ~~DOORS: HARDWARE (SEP 2013)~~ INTENTIONALLY DELETED 15
5.08 ~~DOORS: IDENTIFICATION (JUN 2012)~~ INTENTIONALLY DELETED 15
5.09 ~~PARTITIONS: SUBDIVIDING (OCT 2023)~~ INTENTIONALLY DELETED 15
5.10 ~~WALL FINISHES (OCT 2019)~~ INTENTIONALLY DELETED 15
5.11 ~~PAINTING – TI (OCT 2022)~~ INTENTIONALLY DELETED 15
5.12 ~~FLOOR COVERINGS AND PERIMETERS (OCT 2023)~~ INTENTIONALLY DELETED 15
5.13 ~~HEATING AND AIR CONDITIONING (JUN 2012)~~ INTENTIONALLY DELETED 15
5.14 ~~ELECTRICAL: DISTRIBUTION (SEP 2015)~~ INTENTIONALLY DELETED 15
5.15 ~~TELECOMMUNICATIONS: DISTRIBUTION AND EQUIPMENT (JUN 2012)~~ INTENTIONALLY DELETED 15
5.16 ~~TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (AUG 2008)~~ INTENTIONALLY DELETED 15
5.17 ~~DATA DISTRIBUTION (OCT 2020)~~ INTENTIONALLY DELETED 15
5.18 ~~ELECTRICAL, TELEPHONE, DATA FOR SYSTEMS FURNITURE (OCT 2022)~~ INTENTIONALLY DELETED 15
5.19 ~~LIGHTING: INTERIOR AND PARKING – TI (SEP 2015)~~ INTENTIONALLY DELETED 15
5.20 ~~AUTOMATIC FIRE SPRINKLER SYSTEM - TI (OCT 2016)~~ INTENTIONALLY DELETED 15

SECTION 6 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM 16
6.01 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS (OCT 2022) 16
6.02 UTILITIES (OCT 2022) 16
6.03 ~~UTILITIES SEPARATE FROM RENTAL/BUILDING OPERATING PLAN (OCT 2020)~~ INTENTIONALLY DELETED 16
6.04 ~~GSAR 552.270-99 LESSOR REPORTING OF GREEN BUILDING EFFICIENCY (SEP 2023)~~ INTENTIONALLY DELETED 16
6.05 ~~HEATING AND AIR CONDITIONING (OCT 2022)~~ INTENTIONALLY DELETED 16
6.06 ~~OVERTIME HVAC USAGE (OCT 2023)~~ INTENTIONALLY DELETED 16
6.07 ~~JANITORIAL SERVICES (OCT 2021)~~ INTENTIONALLY DELETED 16

6.08 ~~SELECTION OF CLEANING PRODUCTS (OCT 2022)~~ INTENTIONALLY DELETED 16
6.09 ~~SELECTION OF PAPER PRODUCTS (OCT 2022)~~ INTENTIONALLY DELETED 16
6.10 ~~SNOW REMOVAL (OCT 2020)~~ – INTENTIONALLY DELETED 16
6.11 MAINTENANCE AND TESTING OF SYSTEMS (OCT 2022) 16
6.12 ~~MAINTENANCE OF PROVIDED FINISHES (OCT 2016)~~ INTENTIONALLY DELETED 16
6.13 ~~ASBESTOS ABATEMENT (OCT 2021)~~ – INTENTIONALLY DELETED 16
6.14 ONSITE LESSOR MANAGEMENT (APR 2011) 16
6.15 IDENTITY VERIFICATION OF PERSONNEL (OCT 2022) 16
6.16 ~~SCHEDULE OF PERIODIC SERVICES (OCT 2020)~~ INTENTIONALLY DELETED 17
6.17 ~~LANDSCAPING (OCT 2022)~~ INTENTIONALLY DELETED 17
6.18 ~~LANDSCAPE MAINTENANCE (APR 2011)~~ INTENTIONALLY DELETED 17
6.19 ~~RECYCLING AND COMPOSTING (OCT 2023)~~ INTENTIONALLY DELETED 17
6.20 ~~RANDOLPH-SHEPPARD COMPLIANCE (SEP 2013)~~ INTENTIONALLY DELETED 17
6.21 ~~SAFEGUARDING AND DISSEMINATION OF CONTROLLED UNCLASSIFIED INFORMATION (CUI) BUILDING INFORMATION (OCT 2022)~~ INTENTIONALLY DELETED 17
6.22 ~~INDOOR AIR QUALITY (OCT 2023)~~ INTENTIONALLY DELETED 17
6.23 ~~RADON IN AIR (OCT 2023)~~ INTENTIONALLY DELETED 17
6.24 ~~RADON IN WATER (JUN 2012)~~ INTENTIONALLY DELETED 17
6.25 HAZARDOUS MATERIALS (OCT 2023) 17
6.26 ~~MOLD AND WATER INTRUSION (OCT 2023)~~ INTENTIONALLY DELETED 18
6.27 OCCUPANT EMERGENCY PLANS (OCT 2020) 18
6.28 FLAG DISPLAY (OCT 2016) 18

SECTION 7 ADDITIONAL TERMS AND CONDITIONS 19
7.01 ~~SECURITY REQUIREMENTS (OCT 2021)~~ INTENTIONALLY DELETED 19
7.02 ~~MODIFIED LEASE PARAGRAPHS (OCT 2016)~~ INTENTIONALLY DELETED 19
7.03 ~~NO FEDERALLY ELECTED OFFICIALS TO BENEFIT (OCT 2023)~~ INTENTIONALLY DELETED 19
7.04 ~~DAILY OCCUPANCY DATA (OCT 2021)~~ INTENTIONALLY DELETED 19
7.05 ~~PROVISIONAL ACCEPTANCE (FEB 2021)~~ INTENTIONALLY DELETED 19
7.06 ~~SWING SPACE – LEASE (OCT 2022)~~ INTENTIONALLY DELETED 19
7.07 ADDITIONAL TERMS AND CONDITIONS 19

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (OCT 2022)

The Premises are described as follows:

A. Airport Ramp Space. 6.35 Acres (276,699 square feet), and related space on the **Alpha Apron Phase 3 ramp**, as depicted on the site plan(s) attached hereto as Exhibit **A**.

B. INTENTIONALLY DELETED

C. INTENTIONALLY DELETED

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking. Parking for two Very Large Air Tankers (VLATs), two Large Air Tankers (LATs) and four light fixed wing aircraft. The Lessor shall provide parking only for aircraft on the exclusive ramp space. No additional parking spaces shall be required beyond what is necessary for this use.

B. INTENTIONALLY DELETED.

1.03 RENT AND OTHER CONSIDERATION (OCT 2023)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

Year	Shell Rent[1]	Operating Costs[2]	Total Annual Rent
1	$244,325.22	$0.00	$244,325.22
2	$244,325.22	$0.00	$244,325.22
3	$244,325.22	$0.00	$244,325.22
4	$249,211.72	$0.00	$249,211.72
5	$254,195.07	$0.00	$254,195.07
6	$259,278.03	$0.00	$259,278.03
7	$264,463.37	$0.00	$264,463.37
8	$269,753.86	$0.00	$269,753.86
9	$275,149.49	$0.00	$275,149.49
10	$280,653.03	$0.00	$280,653.03

Year	Shell Rent[1]	Operating Costs[2]	Total Annual Rent
11	$286,264.48	$0.00	$286,264.48
12	$291,989.39	$0.00	$291,989.39
13	$297,830.50	$0.00	$297,830.50
14	$303,787.83	$0.00	$303,787.83
15	$309,861.38	$0.00	$309,861.38
16	$316,059.43	$0.00	$316,059.43
17	$322,382.00	$0.00	$322,382.00
18	$328,829.09	$0.00	$328,829.09
19	$335,403.46	$0.00	$335,403.46
20	$342,113.41	$0.00	$342,113.41

[1]Shell rent reflects rental rates as follows:
(Year 1) $**0.88** per RSF, as rounded to the nearest penny.
(Year 2) $**0.88** per RSF, as rounded to the nearest penny.
(Year 3) $**0.88** per RSF, as rounded to the nearest penny.
(Year 4) $**0.90** per RSF, as rounded to the nearest penny.
(Year 5) $**0.92** per RSF, as rounded to the nearest penny.
(Year 6) $**0.94** per RSF, as rounded to the nearest penny.
(Year 7) $**0.96** per RSF, as rounded to the nearest penny.
(Year 8) $**0.97** per RSF, as rounded to the nearest penny.
(Year 9) $**0.99** per RSF, as rounded to the nearest penny.
(Year 10) $**1.01** per RSF, as rounded to the nearest penny.
(Year 11) $**1.03** per RSF, as rounded to the nearest penny.
(Year 12) $**1.06** per RSF, as rounded to the nearest penny.
(Year 13) $**1.08** per RSF, as rounded to the nearest penny.
(Year 14) $**1.10** per RSF, as rounded to the nearest penny.
(Year 15) $**1.12** per RSF, as rounded to the nearest penny.
(Year 16) $**1.14** per RSF, as rounded to the nearest penny.
(Year 17) $**1.17** per RSF, as rounded to the nearest penny.
(Year 18) $**1.19** per RSF, as rounded to the nearest penny.
(Year 19) $**1.21** per RSF, as rounded to the nearest penny.
(Year 20) $**1.24** per RSF, as rounded to the nearest penny.

[2]Operating Costs reflects a rate of $**0.00** per RSF, as rounded to the nearest penny.

B. INTENTIONALLY DELETED.

C. INTENTIONALLY DELETED.

D. INTENTIONALLY DELETED.

E. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 6.35 Acres (**276,699** square feet) based upon the methodology outlined under the "Payment" clause of GSA 3517B, General Clauses.

F. INTENTIONALLY DELETED.

G. INTENTIONALLY DELETED.

H. If the Government leases the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days leased for that month.

I. Rent shall be paid to Lessor by electronic funds transfer (EFT) in accordance with the provisions of the General Clauses. Rent shall be payable using the EFT information contained in the System for Award Management (SAM). In the event the EFT information changes, the Lessor shall be responsible for providing the updated information to SAM. Failure by the Lessor to maintain an active registration in SAM may result in delay of rental payments until such time as the SAM registration is activated.

J. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described herein in the paragraph entitled "The Premises."

2. INTENTIONALLY DELETED

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

K. INTENTIONALLY DELETED

1.04 ~~BROKER COMMISSION AND COMMISSION CREDIT (OCT 2016)~~ INTENTIONALLY DELETED

1.05 TERMINATION RIGHTS (OCT 2016)

The Government may terminate this Lease, in whole or in parts, at any time effective after the Firm Term of this Lease, by providing not less than **90** days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 ~~RENEWAL RIGHTS (OCT 2016)~~ INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (OCT 2023)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
SITE PLAN(S)	1	A
AGENCY SPECIFIC REQUIREMENTS	4	B
GSA 3517B GENERAL CLAUSES	23	C

1.08 ~~TENANT IMPROVEMENT RENTAL ADJUSTMENT (OCT 2016)~~ – INTENTIONALLY DELETED

1.09 ~~TENANT IMPROVEMENT AND BSAC FEE SCHEDULE (OCT 2022)~~ - INTENTIONALLY DELETED

1.10 ~~BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)~~ INTENTIONALLY DELETED

1.11 ~~BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)~~ INTENTIONALLY DELETED

1.12 ~~PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (OCT 2023)~~ – INTENTIONALLY DELETED

1.13 ~~REAL ESTATE TAX BASE (SEP 2013)~~ – INTENTIONALLY DELETED

1.14 ~~OPERATING COST BASE (OCT 2016)~~ - INTENTIONALLY DELETED

1.15 ~~RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)~~ – INTENTIONALLY DELETED

1.16 ~~HOURLY OVERTIME HVAC RATES (OCT 2016)~~ – INTENTIONALLY DELETED

1.17 ~~ADJUSTMENT FOR REDUCED SERVICES (OCT 2018)~~ – INTENTIONALLY DELETED

1.18 ~~BUILDING IMPROVEMENTS (OCT 2023)~~ – INTENTIONALLY DELETED

1.19 LESSOR'S UNIQUE ENTITY IDENTIFIER (OCT 2022)

Lessor's Unique Entity Identifier (UEI)

UEI: **JW3NR3BRPFF6**

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (OCT 2023)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

A. General Contract Terms.

1. "Contract" means lease.

2. "Contractor" means Lessor.

3. "Days" means calendar days, unless specified otherwise.

4. "Delivery Date" means the date specified in or determined pursuant to the provisions of the lease for delivery of the premises to the Government, improved in accordance with the provisions of the lease and substantially complete, as such date may be modified in accordance with the provisions of the lease.

5. "Excusable Delays" mean delays arising without the fault or negligence of Lessor and Lessor's subcontractors and suppliers at any tier, and shall include, without limitation:

   a. Acts of God or of the public enemy,

   b. Acts of the United States of America in either its sovereign or contractual capacity,

   c. Acts of another contractor in the performance of a contract with the Government,

   d. Fires,

   e. Floods,

   f. Epidemics,

   g. Quarantine restrictions,

   h. Strikes,

   i. Freight embargoes,

   j. Unusually severe weather, or

   k. Delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Lessor and any such subcontractor or supplier.

6. "Lease Award Date" means the date the LCO executes the lease and furnishes written notification of the executed lease to the successful offeror (usually the date on which the parties' obligations under the lease begin).

7. "Lease Term Commencement Date" means the date on which the lease term commences.

8. "Substantially Complete" or "Substantial Completion" means that the work and all other things necessary for the Government's access to the premises and occupancy, possession, use and enjoyment thereof, as provided in this lease, have been completed or obtained, excepting only such minor matters as do not interfere with or materially diminish such access, occupancy, possession, use or enjoyment. The space shall be considered substantially complete only if the space may be used for its intended purpose.

9. "Work" means all alterations, improvements, modifications, and other things required for the preparation or continued occupancy of the premises by the Government as specified in this lease.

B. Real Property Terms.

1. "ANSI/BOMA" is an acronym for American National Standards Institute/Building Owners and Managers Association.

2. "ANSI/BOMA Occupant Area" or "ABOA" means the measurement standard (Z65.1-2017) provided by ANSI/BOMA for Occupant Area, which is "the total aggregated area used by an Occupant before Load Factors are applied, consisting of Tenant Area and Tenant Ancillary Area." The Method A – Multiple Load Factor Method shall apply.

3. “Appurtenant Areas” means those areas and facilities on the property that are not located within the premises, or for which rights are expressly granted under this lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the premises and express appurtenant rights (e.g., parking areas).

4. “Broker” means GSA’s broker, if GSA awarded this lease using a contract real estate broker.

5. INTENTIONALLY DELETED

6. “Commission Credit” means the amount of commission that is credited to the lease, if GSA’s broker agreed to forgo a percentage of its commission, in connection with the award of this lease.

7. “Common Area Factor (CAF)” means a conversion factor determined and applied by the building owner to determine the rentable square feet for the leased space. The CAF is expressed as a percentage of the difference between the amount of rentable square feet (SF) and ABOA SF, divided by the ABOA SF. The CAF shall be determined in accordance with the applicable ANSI/BOMA standard for the type of space to which the CAF shall apply.

8. “Firm Term” means the part of the lease term that is not subject to termination rights.

9. “Non-Firm Term” means the part of the lease term following the end of the firm term, which is subject to termination rights.

10. “Premises” means the total occupant area or other type of space, together with all associated common areas described in the lease. Appurtenant areas (e.g., parking areas) to which the Government has rights under this lease are not included in the premises.

11. “Property” means the land in which the premises are located, including all appurtenant areas (e.g., parking areas) to which the Government is granted rights.

12. “Rentable Space or Rentable Square Feet (RSF)” means the area for which a tenant is charged rent. It is determined by the building owner and may vary by city or by building within the same city. Rentable space may include a share of common areas such as elevator lobbies, building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. Rentable space does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts. To determine the RSF, the ABOA SF is multiplied by the sum of one (1) plus the CAF, for each type of space included in the premises.

13. “Space” means that part of the premises to which the Government has exclusive use, such as occupant area, or other types of space. Appurtenant areas (e.g., parking areas) to which the Government has rights under the lease are not included in the space.

2.02 AUTHORIZED REPRESENTATIVES (OCT 2016)

Signatories to this Lease shall have full authority to bind their respective principals with regard to all matters relating to this Lease. No other persons shall be understood to have any authority to bind their respective principals, except to the extent that such authority may be explicitly delegated by notice to the other party, or to the extent that such authority is transferred by succession of interest. The Government shall have the right to substitute its Lease Contracting Officer (LCO) by notice, without an express delegation by the prior LCO.

2.03 ALTERATIONS REQUESTED BY THE GOVERNMENT (OCT 2022)

A. The Government may request the Lessor to provide alterations during the term of the Lease. Alterations will be ordered by issuance of a Lease Amendment, GSA Form 300, Order for Supplies or Services, or a tenant agency-approved form when specifically authorized to do so by the LCO. The General Services Administration Acquisition Manual (“GSAM”) clause, 552.270-31, Prompt Payment, including its invoice requirements, shall apply to orders for alterations. All orders are subject to the terms and conditions of this Lease and may be placed by the LCO or a warranted contracting officer’s representative (COR) in USDA when specifically authorized to do so by the LCO.

B. INTENTIONALLY DELETED

C. INTENTIONALLY DELETED

D. INTENTIONALLY DELETED

2.04 WAIVER OF RESTORATION (OCT 2023)

Lessor shall have no right to require the Government to restore the Premises upon expiration or earlier termination (full or partial) of the Lease, and waives all claims against the Government for:

A. Waste, or,

B. Damages, or restoration arising from or related to:

1. The Government's normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as

2. Any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Government.

At its sole option, the Government may abandon property in the Space following expiration or earlier termination (full or partial) of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

2.05 ~~PAYMENT OF BROKER (OCT 2021)~~ "INTENTIONALLY DELETED"

2.06 CHANGE OF OWNERSHIP/NOVATION (OCT 2021)

A. If during the term of the Lease, title to the Property is transferred or the Lessor changes its legal name, the Lessor and its successor shall comply with the requirements of FAR Subpart 42.12. If title is transferred, the Lessor shall notify the Government within five days of the transfer of title.

B. The Government and the Lessor may execute a Change of Name Agreement if the Lessor is changing only its legal name, and the Government's and the Lessor's respective rights and obligations remain unaffected.

C. If title to the Property is transferred, the Government, the original Lessor (Transferor), and the new owner or assignee (Transferee) shall execute a Novation Agreement providing for the transfer of Transferor's rights and obligations under the Lease to the Transferee. When executed on behalf of the Government, a Novation Agreement will be made part of the Lease via Lease Amendment.

D. In addition to all documents required by FAR 42.1204, the LCO may request additional information (e.g., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the Transferor or Transferee to verify the parties' representations regarding the transfer, and to determine whether the transfer of the Lease is in the Government's interest.

E. If the LCO determines that recognizing the Transferee as the Lessor will not be in the Government's interest, the Transferor shall remain fully liable to the Government for the Transferee's performance of obligations under the Lease, notwithstanding the transfer. Under no condition shall the Government be obligated to release the Transferor of obligations prior to (a) the rent commencement date; and (b) any amounts due and owing to the Government under the Lease that have been paid in full or completely set off against the rental payments due under the Lease.

F. As a condition for being recognized as the Lessor and entitlement to receiving rent, the Transferee must register in the System for Award Management (SAM) for purposes of "All Awards" (See FAR 52.232-33), and complete all required representations and certifications within SAM. In addition, for leases FSL III or above, the Transferee must also complete 552.270-33 Foreign Ownership and Financing Representation for High Security Leased Space. This representation must be completed annually.

G. If title to the Property is transferred, rent shall continue to be paid to the original Lessor, subject to the Government's rights as provided for in this Lease. The Government's obligation to pay rent to the Transferee shall commence on the effective date of the Lease Amendment incorporating the Novation Agreement. The Lease Amendment will not be issued until the Government has received all information reasonably required by the LCO, the Government has determined that recognizing the Transferee as the Lessor is in the Government's interest (which determination will be prompt and not unreasonably withheld), and the Transferee has met all conditions specified in sub-paragraph F. The original Lessor must maintain an active registration in SAM until the Novation process is complete.

2.07 ~~REAL ESTATE TAX ADJUSTMENT (OCT 2023)~~ – INTENTIONALLY DELETED

2.08 ~~GSAR 552.270-16 ADJUSTMENT FOR VACANT PREMISES (DEVIATION) (SEP 2022)~~ – INTENTIONALLY DELETED

2.09 ~~OPERATING COSTS ADJUSTMENT (JUN 2012)~~ INTENTIONALLY DELETED

2.10 ~~ADDITIONAL POST-AWARD FINANCIAL AND TECHNICAL DELIVERABLES (OCT 2023)~~ – INTENTIONALLY DELETED

2.11 ~~RELOCATION ASSISTANCE ACT (APR 2011)~~ – INTENTIONALLY DELETED

2.12 ENTITY NAME (OCT 2023)

Lessor may not use Federal agency name(s) and/or acronym(s), e.g., USDA , in its entity name that owns and/or leases Space to USDA.

SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS

3.01 ~~LABOR STANDARDS (OCT 2022)~~ – INTENTIONALLY DELETED

3.02 WORK PERFORMANCE (JUN 2012)

All work in performance of this Lease shall be done by skilled workers or mechanics and shall be acceptable to the LCO. The LCO may reject the Lessor's workers 1) if such are unlicensed, unskilled, or otherwise incompetent, or 2) if such have demonstrated a history of either untimely or otherwise unacceptable performance in connection with work carried out in conjunction with either this contract or other government or private contracts.

3.03 ~~EXISTING FIT-OUT, SALVAGED, OR REUSED BUILDING MATERIAL (OCT 2019)~~ – INTENTIONALLY DELETED

3.04 ~~CONSTRUCTION WASTE MANAGEMENT (OCT 2021)~~ – INTENTIONALLY DELETED

3.05 ~~WOOD PRODUCTS (OCT 2023)~~ – INTENTIONALLY DELETED

3.06 ~~ADHESIVES AND SEALANTS (OCT 2022)~~ – INTENTIONALLY DELETED

3.07 ~~BUILDING SHELL REQUIREMENTS (OCT 2016)~~ – INTENTIONALLY DELETED

3.08 RESPONSIBILITY OF THE LESSOR AND LESSOR'S ARCHITECT/ENGINEER (OCT 2022)

A. The Lessor shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by the Lessor under this contract. The Lessor shall, without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, or other services.

B. The Lessor remains solely responsible for designing, constructing, operating, and maintaining the leased premises in full accordance with the requirements of the Lease. The Government retains the right to review and approve many aspects of the Lessor's design, including without limitation, review of the Lessor's design and construction drawings, shop drawings, product data, finish samples, and completed base building and TI construction. Such review and approval are intended to identify potential design flaws, to minimize costly misdirection of effort, and to assist the Lessor in its effort to monitor whether such design and construction comply with applicable laws and satisfy all Lease requirements.

C. Neither the Government's review, approval or acceptance of, nor payment through rent of the services required under this contract, shall be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the performance of this contract, and the Lessor shall be and remain liable to the Government in accordance with applicable law for all damages to the Government caused by the Lessor's negligent performance of any of the services required under this Lease.

D. Design and construction and performance information is contained throughout several of the documents which comprise this Lease. The Lessor shall provide to space planners, architects, engineers, construction subcontractors, etc., all information required whether it is found in this Lease, special requirements and attachments, price lists, or design intent drawings. Reliance upon one of these documents to the exclusion of any other may result in an incomplete understanding of the scope of the work to be performed and/or services to be provided.

3.09 ~~QUALITY AND APPEARANCE OF BUILDING (JUN 2012)~~ INTENTIONALLY DELETED

3.10 ~~VESTIBULES (OCT 2020)~~ INTENTIONALLY DELETED

3.11 ~~MEANS OF EGRESS (MAY 2015)~~ INTENTIONALLY DELETED

3.12 ~~AUTOMATIC FIRE SPRINKLER SYSTEM (OCT 2023)~~ INTENTIONALLY DELETED

3.13 ~~FIRE ALARM SYSTEM (SEP 2013)~~ INTENTIONALLY DELETED

3.14 ~~ENERGY INDEPENDENCE AND SECURITY ACT (MAR 2016)~~ INTENTIONALLY DELETED

3.15 ~~ELEVATORS (OCT 2020)~~ INTENTIONALLY DELETED

3.16 ~~BUILDING DIRECTORY (OCT 2021)~~ INTENTIONALLY DELETED

3.17 ~~FLAGPOLE (SEP 2013)~~ – INTENTIONALLY DELETED

3.18 ~~DEMOLITION (JUN 2012)~~ – INTENTIONALLY DELETED

3.19 ACCESSIBILITY (FEB 2007)

The Building, leased Space, and areas serving the leased Space shall be accessible to persons with disabilities in accordance with the Architectural Barriers Act Accessibility Standard (ABAAS), Appendices C and D to 36 CFR Part 1191 (ABA Chapters 1 and 2, and Chapters 3 through 10). To the extent the standard referenced in the preceding sentence conflicts with local accessibility requirements, the more stringent shall apply.

3.20 ~~CEILINGS (OCT 2022)~~ INTENTIONALLY DELETED

3.21 ~~EXTERIOR AND COMMON AREA DOORS AND HARDWARE (SEP 2013)~~ INTENTIONALLY DELETED

3.22 ~~DOORS: IDENTIFICATION (APR 2011)~~ INTENTIONALLY DELETED

3.23 ~~WINDOWS (OCT 2020)~~ INTENTIONALLY DELETED

3.24 ~~PARTITIONS: GENERAL (OCT 2023)~~ INTENTIONALLY DELETED

3.25 ~~PARTITIONS: PERMANENT (OCT 2023)~~ INTENTIONALLY DELETED

3.26 ~~INSULATION: THERMAL, ACOUSTIC, AND HVAC (OCT 2022)~~ INTENTIONALLY DELETED

3.27 ~~WALL FINISHES – SHELL (SEP 2015)~~ INTENTIONALLY DELETED

3.28 ~~PAINTING – SHELL (OCT 2022)~~ INTENTIONALLY DELETED

3.29 ~~FLOORS AND FLOOR LOAD (OCT 2019)~~ INTENTIONALLY DELETED

3.30 ~~FLOOR COVERING AND PERIMETERS – SHELL (OCT 2022)~~ INTENTIONALLY DELETED

3.31 ~~MECHANICAL, ELECTRICAL, PLUMBING: GENERAL (APR 2011)~~ – INTENTIONALLY DELETED

3.32 ~~BUILDING SYSTEMS (APR 2011)~~ – INTENTIONALLY DELETED

3.33 ~~ELECTRICAL (OCT 2023)~~ – INTENTIONALLY DELETED

3.34 ~~ADDITIONAL ELECTRICAL CONTROLS (JUN 2012)~~ INTENTIONALLY DELETED

3.35 ~~PLUMBING (JUN 2012)~~ – INTENTIONALLY DELETED

3.36 ~~DRINKING FOUNTAINS (OCT 2023)~~ INTENTIONALLY DELETED

3.37 ~~RESTROOMS (OCT 2022)~~ INTENTIONALLY DELETED

3.38 ~~PLUMBING FIXTURES: WATER CONSERVATION (OCT 2022)~~ INTENTIONALLY DELETED

3.39 ~~JANITOR CLOSETS (SEP 2015)~~ – INTENTIONALLY DELETED

3.40 ~~HEATING, VENTILATION, AND AIR CONDITIONING - SHELL (OCT 2023)~~ INTENTIONALLY DELETED

3.41 ~~TELECOMMUNICATIONS: DISTRIBUTION AND EQUIPMENT (OCT 2023)~~ INTENTIONALLY DELETED

3.42 ~~TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (JUN 2012)~~ – INTENTIONALLY DELETED

3.43 ~~LIGHTING: INTERIOR AND PARKING - SHELL (OCT 2023)~~ – INTENTIONALLY DELETED

3.44 ~~ACOUSTICAL REQUIREMENTS (OCT 2022)~~ INTENTIONALLY DELETED

3.45 ~~SECURITY FOR NEW CONSTRUCTION (OCT 2022)~~ INTENTIONALLY DELETED

3.46 ~~SEISMIC SAFETY FOR NEW CONSTRUCTION (OCT 2020)~~ INTENTIONALLY DELETED

3.47 ~~FIRE PROTECTION FOR NEW CONSTRUCTION (APR 2015)~~ INTENTIONALLY DELETED

3.48 ~~GREEN BUILDING RATING CERTIFICATION FOR NEW CONSTRUCTION (OCT 2016)~~ INTENTIONALLY DELETED

3.49 ~~GREEN BUILDING RATING CERTIFICATION FOR TENANT INTERIORS (OCT 2023)~~ INTENTIONALLY DELETED

3.50 ~~INDOOR AIR QUALITY DURING CONSTRUCTION (OCT 2021)~~ INTENTIONALLY DELETED

3.51 ~~SYSTEMS COMMISSIONING (OCT 2023)~~ INTENTIONALLY DELETED

3.52 DUE DILIGENCE AND NATIONAL ENVIRONMENTAL POLICY ACT REQUIREMENTS – LEASE (OCT 2023)

A. Environmental Due Diligence. Lessor is responsible for performing all necessary "response" actions (as that term is defined at 42 U.S.C. § 9601(25) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)) with regard to all "recognized environmental conditions," as that term is defined in ASTM Standard E1527-21, as such standard may be revised from time to time. This obligation extends to any contamination of the Property where such contamination is not attributable to the Government. Lessor must provide the Government with a summary report demonstrating completion of all required response actions prior to Substantial Completion. Any

remediation performed by or on behalf of Lessor must be undertaken in strict compliance with all applicable federal, state and local laws and regulations.

B. National Environmental Policy Act. The National Environmental Policy Act regulations provide for analyzing proposed major federal actions to determine if there are ways to mitigate the impact of the proposed actions to avoid, minimize, rectify, reduce, or compensate for environmental impacts associated with such actions. Where the Government has determined that any or all of these mitigation measures should be or must be adopted to lessen the impact of these proposed actions, Lessor must incorporate all mitigation measures identified and adopted by the Government in the design and construction drawings and specifications. All costs and expenses for development of design alternatives, mitigation measures and review submittals for work to be performed under the Lease are the sole responsibility of Lessor.

3.53 ~~NATIONAL HISTORIC PRESERVATION ACT REQUIREMENTS - LEASE (SEP 2014)~~ "INTENTIONALLY DELTED"

SECTION 4 DESIGN, CONSTRUCTION, AND POST AWARD ACTIVITIES

4.01 ~~SCHEDULE FOR COMPLETION OF SPACE (OCT 2023)~~ INTENTIONALLY DELETED

4.02 ~~CONSTRUCTION DOCUMENTS (OCT 2023)~~ INTENTIONALLY DELETED

4.03 ~~TENANT IMPROVEMENTS PRICE PROPOSAL (OCT 2023)~~ INTENTIONALLY DELETED

4.04 ~~BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) PRICE PROPOSAL (OCT 2023)~~ INTENTIONALLY DELETED

4.05 ~~GREEN LEASE SUBMITTALS (OCT 2023)~~ INTENTIONALLY DELETED

4.06 ~~CONSTRUCTION SCHEDULE AND INITIAL CONSTRUCTION MEETING (OCT 2022)~~ INTENTIONALLY DELETED

4.07 ~~PROGRESS REPORTS (OCT 2023)~~ INTENTIONALLY DELETED

4.08 ~~CONSTRUCTION INSPECTIONS (OCT 2023)~~ INTENTIONALLY DELETED

4.09 ~~ACCESS BY THE GOVERNMENT PRIOR TO ACCEPTANCE (OCT 2022)~~ – INTENTIONALLY DELETED

4.10 ~~ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (OCT 2021)~~ – INTENTIONALLY DELETED

4.11 LEASE TERM COMMENCEMENT DATE AND RENT RECONCILIATION (OCT 2021)

At acceptance, the Space shall be measured in accordance with the standards set forth in this Lease to determine the total ABOA SF in the Space. The rent for the Space will be adjusted based upon the measured ABOA square footage as outlined under the Payment clause of the General Clauses. At acceptance, the Lease term shall commence. The Lease Term Commencement Date, final measurement of the Space, reconciliation of the annual rent, and amount of Commission Credit, if any, shall be memorialized by Lease Amendment.

4.12 ~~AS-BUILT DRAWINGS (OCT 2021)~~ – INTENTIONALLY DELETED

4.13 ~~GSAR 552.270-15 LIQUIDATED DAMAGES (DEVIATION) (SEP 2022)~~ INTENTIONALLY DELETED

4.14 ~~SEISMIC RETROFIT (OCT 2020)~~ INTENTIONALLY DELETED

4.15 ~~LESSOR'S PROJECT MANAGEMENT RESPONSIBILITIES (OCT 2023)~~ – INTENTIONALLY DELETED

4.16 ~~GOVERNMENT PROJECT MANAGEMENT SYSTEM (OCT 2023)~~ INTENTIONALLY DELETED

SECTION 5 TENANT IMPROVEMENT COMPONENTS

5.01 ~~TENANT IMPROVEMENT REQUIREMENTS (OCT 2016)~~ INTENTIONALLY DELETED

5.02 ~~TENANT IMPROVEMENT SPECIFICATIONS (SEP 2015)~~ INTENTIONALLY DELETED

5.03 ~~FINISH SELECTIONS (SEP 2015)~~ INTENTIONALLY DELETED

5.04 ~~WINDOW COVERINGS (OCT 2023)~~ INTENTIONALLY DELETED

5.05 ~~DOORS: SUITE ENTRY (OCT 2022)~~ INTENTIONALLY DELETED

5.06 ~~DOORS: INTERIOR (OCT 2022)~~ INTENTIONALLY DELETED

5.07 ~~DOORS: HARDWARE (SEP 2013)~~ INTENTIONALLY DELETED

5.08 ~~DOORS: IDENTIFICATION (JUN 2012)~~ INTENTIONALLY DELETED

5.09 ~~PARTITIONS: SUBDIVIDING (OCT 2023)~~ INTENTIONALLY DELETED

5.10 ~~WALL FINISHES (OCT 2019)~~ INTENTIONALLY DELETED

5.11 ~~PAINTING – TI (OCT 2022)~~ INTENTIONALLY DELETED

5.12 ~~FLOOR COVERINGS AND PERIMETERS (OCT 2023)~~ INTENTIONALLY DELETED

5.13 ~~HEATING AND AIR CONDITIONING (JUN 2012)~~ INTENTIONALLY DELETED

5.14 ~~ELECTRICAL: DISTRIBUTION (SEP 2015)~~ INTENTIONALLY DELETED

5.15 ~~TELECOMMUNICATIONS: DISTRIBUTION AND EQUIPMENT (JUN 2012)~~ INTENTIONALLY DELETED

5.16 ~~TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (AUG 2008)~~ INTENTIONALLY DELETED

5.17 ~~DATA DISTRIBUTION (OCT 2020)~~ INTENTIONALLY DELETED

5.18 ~~ELECTRICAL, TELEPHONE, DATA FOR SYSTEMS FURNITURE (OCT 2022)~~ INTENTIONALLY DELETED

5.19 ~~LIGHTING: INTERIOR AND PARKING – TI (SEP 2015)~~ INTENTIONALLY DELETED

5.20 ~~AUTOMATIC FIRE SPRINKLER SYSTEM - TI (OCT 2016)~~ INTENTIONALLY DELETED

SECTION 6 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM

6.01 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS (OCT 2022)

A. The Government's normal hours of operations are generally **6:00 AM to 6:00 PM**, seven days a week. However, during periods of high fire activity, April 15th through August15th, the facility may be staffed 24 hours a day for extended periods of time. Services, maintenance, and utilities shall be provided during these hours at no additional cost. The Government shall have access to the Premises and its Appurtenant Areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, restrooms, lights, and electric power. Cleaning shall be performed during normal hours.

B. The Lessor and the Lessor's representatives, employees and subcontractors shall demonstrate a cooperative, positive, welcoming, respectful, professional and business-like demeanor and shall present a neat, clean, job-appropriate (professional) appearance.

6.02 UTILITIES (OCT 2022)

A. The Lessor is responsible for providing all utilities necessary for base Building and tenant operations as part of the rental consideration.

B. INTENTIONALLY DELETED

6.03 ~~UTILITIES SEPARATE FROM RENTAL/BUILDING OPERATING PLAN (OCT 2020)~~ INTENTIONALLY DELETED

6.04 ~~GSAR 552.270-99 LESSOR REPORTING OF GREEN BUILDING EFFICIENCY (SEP 2023)~~ INTENTIONALLY DELETED

6.05 ~~HEATING AND AIR CONDITIONING (OCT 2022)~~ INTENTIONALLY DELETED

6.06 ~~OVERTIME HVAC USAGE (OCT 2023)~~ INTENTIONALLY DELETED

6.07 ~~JANITORIAL SERVICES (OCT 2021)~~ INTENTIONALLY DELETED

6.08 ~~SELECTION OF CLEANING PRODUCTS (OCT 2022)~~ INTENTIONALLY DELETED

6.09 ~~SELECTION OF PAPER PRODUCTS (OCT 2022)~~ INTENTIONALLY DELETED

6.10 ~~SNOW REMOVAL (OCT 2020)~~ – INTENTIONALLY DELETED

6.11 MAINTENANCE AND TESTING OF SYSTEMS (OCT 2022)

A. The Lessor is responsible for the total maintenance and repair of the leased Premises. Such maintenance and repairs include the site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems shall be done in accordance with current applicable codes, and inspection certificates shall be displayed as appropriate. Upon request, copies of all records in this regard shall be forwarded to the Government's designated representative.

B. INTENTIONALLY DELETED

6.12 ~~MAINTENANCE OF PROVIDED FINISHES (OCT 2016)~~ INTENTIONALLY DELETED

6.13 ~~ASBESTOS ABATEMENT (OCT 2021)~~ – INTENTIONALLY DELETED

6.14 ONSITE LESSOR MANAGEMENT (APR 2011)

The Lessor shall provide an onsite Building superintendent or a locally designated representative available to promptly respond to deficiencies, and immediately address all emergency situations.

6.15 IDENTITY VERIFICATION OF PERSONNEL (OCT 2022)

A. The Government reserves the right to verify identities of personnel with routine and/or unaccompanied access to the Government's Space, including both pre and post occupancy periods. The Lessor shall comply with USDA personal identity verification requirements, identified in GSA Order 2181.1 GSA HSPD-12 Personal Identity Verification and Credentialing Handbook. The Lessor can find the policy and additional information at HTTP://WWW.GSA.GOV/HSPD12. This policy requires the Government to conduct background investigations and make HSPD-12 compliant suitability determinations for all persons with routine or unaccompanied access to Government leased Space. By definition, this includes at a minimum each employee of the Lessor, as well as employees of the Lessor's contractors or subcontractors who will provide building operating services requiring routine access to the Government's leased Space for a period greater than 6 months. The Government may also require this information for the Lessor's employees, contractors, or subcontractors who will be engaged to perform alterations or emergency repairs in the Government's Space.

B. Application Process: The background investigation will be done using the Government's prescribed process. The Lessor must provide information on each of their contractor/personnel meeting the above criteria to the Government, whereupon each identified contractor/personnel will be notified with instructions for completing the identity verification application within a given time frame. The application process will include completing supplemental information forms that must be inputted into the identity verification system in order for the application to be considered complete. Additionally, the Lessor must ensure prompt completion of the fingerprint process for their contractor/personnel. Email notifications will be sent with instructions on the steps to be taken to schedule an appointment for fingerprinting at an approved regional location along with instructions on how to complete the background investigation application.

C. The Lessor must ensure the Lease Contracting Officer (or the Lease Contracting Officer's designated representative) has all of the requested documentation timely to ensure the completion of the investigation.

D. Based on the information furnished, the Government will conduct background investigations. The Lease Contracting Officer will advise the Lessor in writing if a person fails the investigation, and, effective immediately, that person will no longer be allowed to work or be assigned to work in the Government's Space.

E. Throughout the life of the Lease, the Lessor shall provide the same data for any new employees, contractors, or subcontractors who will be assigned to the Government's Space in accordance with the above criteria. All Lessor's contractor(s) and subcontractor(s) shall follow the requirements of background investigation in accordance with GSA HSPD-12 policy.

F. The Lessor is accountable for not allowing contractors to start work without the successful completion of the appropriate background investigation as required by GSA policy.

G. Access Card Retrieval/Return: Upon an Entry on Duty notification, the Government will issue a Personal Identity Verification (PIV) credential that is sometimes referred to as a USDA Access card. Lessors are responsible for all PIV credential issued to their contractors/personnel pursuant to this Lease. Lessors are specifically responsible for ensuring that all USDA PIV access cards are returned to the Lease Contracting Officer or their designee whenever their employees or a contractor no longer require access to the Space (such as When no longer needed for contract performance, upon completion of the Contractor employee's employment, and upon contract completion or termination). Additionally, the Lessor must notify the Lease Contracting Officer or their designee whenever a USDA PIV Access card is lost or stolen in which event the Lessor may be responsible for reimbursing the Government for replacement credentials at the current cost per PIV HSPD12 credential. Unreturned PIV Access cards will be considered as lost or stolen cards.

H. The Government reserves the right to conduct additional background checks on Lessor personnel and contractors with routine access to Government leased Space throughout the term of the Lease to determine who may have access to the Premises.

I. The Lease Contracting Officer may delay final payment under a contract if the Contractor fails to comply with these requirements.

J. The Lessor shall insert this paragraph in all subcontracts when the subcontractor is required to have physical access to a federally controlled facility or access to a federal information system.

6.16 ~~SCHEDULE OF PERIODIC SERVICES (OCT 2020)~~ INTENTIONALLY DELETED

6.17 ~~LANDSCAPING (OCT 2022)~~ INTENTIONALLY DELETED

6.18 ~~LANDSCAPE MAINTENANCE (APR 2011)~~ INTENTIONALLY DELETED

6.19 ~~RECYCLING AND COMPOSTING (OCT 2023)~~ INTENTIONALLY DELETED

6.20 ~~RANDOLPH-SHEPPARD COMPLIANCE (SEP 2013)~~ INTENTIONALLY DELETED

6.21 ~~SAFEGUARDING AND DISSEMINATION OF CONTROLLED UNCLASSIFIED INFORMATION (CUI) BUILDING INFORMATION (OCT 2022)~~ INTENTIONALLY DELETED

6.22 ~~INDOOR AIR QUALITY (OCT 2023)~~ INTENTIONALLY DELETED

6.23 ~~RADON IN AIR (OCT 2023)~~ INTENTIONALLY DELETED

6.24 ~~RADON IN WATER (JUN 2012)~~ INTENTIONALLY DELETED

6.25 HAZARDOUS MATERIALS (OCT 2023)

A. The leased Space shall be free of hazardous materials, hazardous substances, and hazardous wastes, as defined by and according to applicable Federal, state, and local environmental regulations. Should there be reason to suspect otherwise, the Government reserves the right, at Lessor's expense, to require documentation or testing to confirm that the Space is free of all hazardous materials, substances, and wastes.

B. Lessor shall, to the extent of its knowledge, notify the Government of the introduction of any hazardous materials, substances, and wastes onto the Property by Lessor.

C. Lessors are encouraged to prioritize products used in the build-out of Space that do not contain Per- and Polyfluoroalkyl Substances (PFAS). To view the current list of EPA standards and ecolabels that either restrict or eliminate the use of PFAS in certified products, visit HTTPS://WWW.EPA.GOV/GREENERPRODUCTS/

6.26 ~~MOLD AND WATER INTRUSION (OCT 2023)~~ INTENTIONALLY DELETED

6.27 OCCUPANT EMERGENCY PLANS (OCT 2020)

The Lessor is required to cooperate, participate and comply with the development and implementation of the Government's Occupant Emergency Plan (OEP) and a supplemental Shelter-in Place (SIP) Plan. Periodically, the Government may request that the Lessor assist in reviewing and revising its OEP and SIP. The Plan, among other things, will include evacuation procedures and an annual emergency evacuation drill, emergency shutdown of air intake procedures, and emergency notification procedures for the Lessor, security, local emergency personnel, and Government agency personnel.

6.28 FLAG DISPLAY (OCT 2016)

If the Lessor has supplied a flagpole on the Property as a requirement of this Lease, the Lessor shall be responsible for flag display on all workdays and Federal holidays. The Lessor may illuminate the flag in lieu of raising and lowering the flag daily.

SECTION 7 ADDITIONAL TERMS AND CONDITIONS

7.01 ~~SECURITY REQUIREMENTS (OCT 2021)~~ INTENTIONALLY DELETED

7.02 ~~MODIFIED LEASE PARAGRAPHS (OCT 2016)~~ INTENTIONALLY DELETED

7.03 ~~NO FEDERALLY ELECTED OFFICIALS TO BENEFIT (OCT 2023)~~ INTENTIONALLY DELETED

7.04 ~~DAILY OCCUPANCY DATA (OCT 2021)~~ INTENTIONALLY DELETED

7.05 ~~PROVISIONAL ACCEPTANCE (FEB 2021)~~ INTENTIONALLY DELETED

7.06 ~~SWING SPACE – LEASE (OCT 2022)~~ INTENTIONALLY DELETED

7.07 ADDITIONAL TERMS AND CONDITIONS

A. The Lessor shall furnish to the Government the following at no cost to the Government:

24 hours a day, seven days a week unrestricted ingress/egress access to the leased premises through the initial and any subsequent terms of this lease. Lessee is granted the right of reasonable access to and from the Premises via such portions of the Airport as necessary for its operations, in accordance with Airport Rules and Regulations.

B. In the event of a holdover past the term of the lease the tenancy shall continue on a month-to-month basis at the same rental rate in effect at the time of the lease's expiration and all terms and conditions of the lease shall continue in full force and effect. Any claims by the LESSOR resulting from the holdover shall be handled through the process established in the Contract Disputes Act of 1978, as amended, and the tenancy shall continue throughout the resolution of the dispute.

C. The Lessor warrants that it has the authority to execute this lease, to allow the Government to use and occupy land, and to provide unrestricted legal access to the land.

D. Airport ramp is provided as is - where is. All additional improvements will be at the expense of the Government or tenant(s).

EXHIBIT A

DEPICTION OF PREMISES



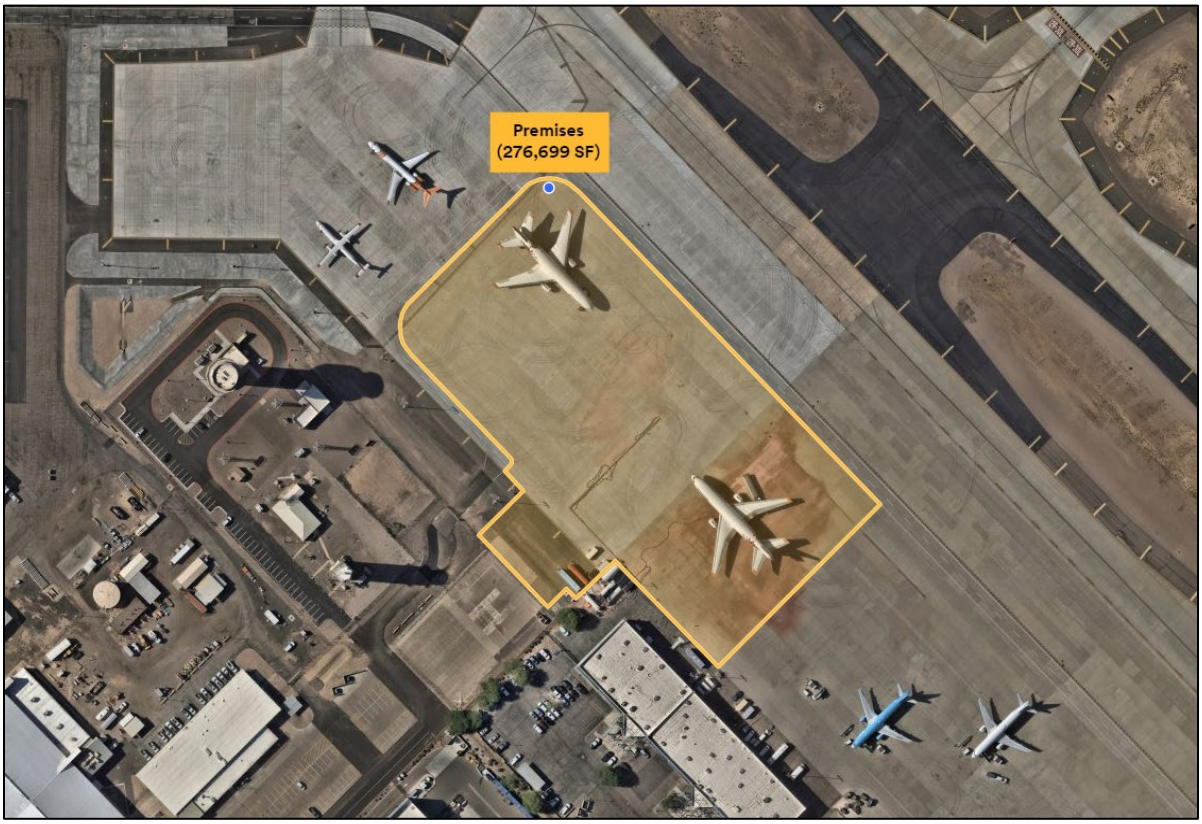


EXHIBIT B

Tonto National Forest
Phoenix Interagency Fire / Mobilization Center
Agency Specific Requirements
U.S. Forest Service

The Agency Specific Requirements (ASRs) do not reduce the minimum requirements contained within the Lease. These ASRs provides specific agency requirements, which may be complementary, more specific, or more stringent than those of the Lease minimum requirements.

ADDITIONAL REQUIREMENTS

A permanent retardant base typically requires several acres to allow for airtankers, lead planes, a retardant mix plant, an operations building, and a warehouse. Additional space, services, and utilities will be required if Single Engine Air Tanker (SEAT) operations, rotorwing operations, passenger and cargo loading, or other operations are to be located on the site.

Special agreements to upgrade runways or taxiways that will not be leased to the agency are not part of this solicitation package. Runway and taxiway use is generally provided for under a document called the Airport Runway Use Agreement, which covers such items as use of overweight aircraft, inspection and repair of damages, cleanup of spillage, and payment of landing and temporary offsite aircraft parking fees.

See attached Interagency Retardant Base Planning Guide for additional information.

Ramp

An apron or “ramp” is a defined area on a land airport intended to accommodate aircraft for purposes of loading or unloading passengers or cargo, refueling, parking, or maintenance. The portion of the aircraft apron or ramp area used for access between taxiways and aircraft-parking positions (pads) is called a taxilane. The Lessor shall provide the following:

- Provide sufficient parking for two Very Large Air Tankers (VLATs), two Large Air Tankers (LATs) and four light fixed wing aircraft.
- Tarmac shall be capable of supporting the weight of fully loaded wild-land firefighting VLAT and LAT aircraft.
- Runway and ramp shall have appropriate apron markings and lighting as required by FAA and local Airport Authority.
- Site lighting is needed throughout the ramp for security and work areas used after dark.

Pads/Pits

Loading pads are often referred to as “pits.” A pad or pit (also called gate position) is a specific parking place for an aircraft to load/unload, refuel, washdown, tiedown, or do maintenance. The standard large airtanker loading pad is 100’ X 100’. These pads are subject to spillage, leakage, and after-drop dripping. Retardants that contain ammonium sulfate will erode most concretes and guar gum will spall (flake, chip, or fragment) asphalt surfaces. Retardant loading pads should be constructed with type-15 (sulfate erosion resistant) concrete with appropriate air entrainment to prevent damage from winter freezing. The structural design should conform to the FAA design method for rigid pavement. This will typically require that the concrete used by aircraft be specified by tensile strength requirements.

Each pad requires a retardant delivery manifold provided by the Government contractor consisting of two (2) approximate 6” pipes capable of delivering retardant from the Tank Farm to the Pad. Piping that carries retardant should not be buried but can either be placed above ground OR in a concrete trench covered with steel grating. This allows the pipe to be removed easily for repair or replacement and also provides some protection from direct sunlight. These trenches should be designed to be a

part of the containment and disposal system for spills and washdown water. The Lessor shall provide the following:

- Minimum of four pads needed for two VLATs and two LATs.

The Lessor may provide the following options:

- One quadraplex 110V electrical outlet per pad for powering portable A/C units.
- Each pad shall be plumbed for 1" to 1½" hose with approximately 200 GPM flow rate for wash down.
- Light fixed wing aircraft do not require retardant manifolds but require one quadraplex electrical outlet for powering portable A/C units and plumbing for 1" to 1½" hose with approximately 200 GPM flow rate for wash down.
- Pads shall be designed with trenches or grading to provide containment for wash down or spillage.

Spill Containment and Drainage

Spill containment and drainage should be considered during the site planning and layout process. The layout of secondary containment structures for the loading pads and retardant mix plant must be connected to the spill containment tanks or lagoons, the washdown water disposal system (sand/oil separator), and the stormwater disposal system.

Fencing

Fencing for security and functional separation is an important consideration in base layout. The layout should maximize functional separation while minimizing the amount of fencing required. Security fencing will be required to separate the restricted operational areas from the public and visitor areas in accordance with the airport and base security plans. Often this fencing can be configured to allow partial public access to the site so that parking, trash pickup, public viewing, and base visitor entry can be accommodated without impacting base personnel. Operational fencing is sometimes required to separate areas within the secured or restricted area. Fencing should be the last resort, but can be used to keep visitors, passengers, or other personnel from wandering into operational areas that might be hazardous.

Shade Structures/Shelters

Shade structures or shelters are often provided near the operations building, mix plant, or loading pads. Locate these structures to provide a convenient place for pilots, loaders, mix-plant personnel, or others to relax out of the sun between work activities. Size and location should be appropriate for the function being served. Location and height must stay within the FAA parameters set for buildings.

Contractor (Government) Furnished Equipment

The Government contractor shall furnish continuous flow or batch mixing equipment that is not owned by the agency and available at the base to handle, store, mix, recirculate, load, and off-load the

retardant product, as directed. Government contractor-furnished equipment may include, but is not limited to:

a) Handling equipment (forklifts), generator, blending equipment, storage equipment, water systems, recirculation equipment, retardant dispensing pump, above-ground pipe, manifold, fittings, hose, and valves necessary to mix and load aircraft to meet minimum requirements. The contractor shall provide equipment to remove and return unused retardant solution from loaded aircraft to storage, as directed.

b) Sampling valve to be installed between the loading pump and aircraft loading valve for quality assurance testing.

c) Instruments (Refractometer, Marsh Funnel) and material needed to measure specific gravity and viscosity of retardant solutions.

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property – AIRPORT RAMP)

CATEGORY	CLAUSE NO.	48 CFR REF.	CLAUSE TITLE
GENERAL	1	GSAR 552.270-4	DEFINITIONS (DEVIATION)
	2	GSAR 552.270-5	SUBLETTING AND ASSIGNMENT (DEVIATION)
	3	GSAR 552.270-11	SUCCESSORS BOUND
	4	GSAR 552.270-23	SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT
	5	GSAR 552.270-24	STATEMENT OF LEASE
	6	GSAR 552.270-25	SUBSTITUTION OF TENANT AGENCY
	7	GSAR 552.270-26	NO WAIVER
	8	GSAR 552.270-27	INTEGRATED AGREEMENT
	9	GSAR 552.270-28	(DEVIATION) MUTUALITY OF OBLIGATION
PERFORMANCE	10	GSAR 552.270-10	DEFAULT BY LESSOR (DEVIATION)
	11	GSAR 552.270-9	INSPECTION – RIGHT OF ENTRY
	12	GSAR 552.270-17	DELIVERY AND CONDITION
	~~13~~	~~GSAR 552.270-19~~	(DEVIATION) ~~PROGRESSIVE OCCUPANCY~~
	14	GSAR 552.270-6	MAINTENANCE OF THE PROPERTY, RIGHT TO INSPECT (DEVIATION)
	15	GSAR 552.270-7	FIRE AND CASUALTY DAMAGE (DEVIATION)
	16	GSAR 552.270-8	COMPLIANCE WITH APPLICABLE LAW (DEVIATION)
	17	GSAR 552.270-12	ALTERATIONS
	18	GSAR 552.270-29	ACCEPTANCE OF LAND ~~SPACE~~ AND CERTIFICATE OF OCCUPANCY (DEVIATION)
PAYMENT	19	FAR 52.204-13	SYSTEM FOR AWARD MANAGEMENT MAINTENANCE
	20	GSAR 552.270-31	PROMPT PAYMENT
	21	FAR 52.232-23	ASSIGNMENT OF CLAIMS
	22	GSAR 552.270-20	PAYMENT (DEVIATION)
	23	FAR 52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER—SYSTEM FOR AWARD MANAGEMENT
STANDARDS OF CONDUCT	24	FAR 52.203-13	CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT
	25	GSAR 552.270-32	COVENANT AGAINST CONTINGENT FEES
	26	FAR 52.203-7	ANTI-KICKBACK PROCEDURES

	27	FAR 52.223-6	DRUG-FREE WORKPLACE
	~~28~~	~~FAR 52.203-14~~	~~DISPLAY OF HOTLINE POSTER(S)~~
ADJUSTMENTS	29	GSAR 552.270-30	PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY
	30	FAR 52.215-10	PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA
	31	GSAR 552.270-13	PROPOSALS FOR ADJUSTMENT
	32	GSAR 552.270-14	CHANGES (DEVIATION)
AUDITS	33	GSAR 552.215-70	EXAMINATION OF RECORDS BY GSA
	34	FAR 52.215-2	AUDIT AND RECORDS—NEGOTIATION
DISPUTES	35	FAR 52.233-1	DISPUTES
LABOR STANDARDS	36	FAR 52.222-26	EQUAL OPPORTUNITY
	37	FAR 52.222-21	PROHIBITION OF SEGREGATED FACILITIES
	38	FAR 52.219-28	POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION
	39	FAR 52.222-35	EQUAL OPPORTUNITY FOR VETERANS
	40	FAR 52.222-36	EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES
	41	FAR 52.222-37	EMPLOYMENT REPORTS ON VETERANS
SMALL BUSINESS	42	FAR 52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT
	43	FAR 52.215-12	SUBCONTRACTOR CERTIFIED COST OR PRICING DATA
	44	FAR 52.219-4	NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZONE SMALL BUSINESS CONCERNS
	45	FAR 52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS
	46	FAR 52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN
	47	FAR 52.219-16	LIQUIDATED DAMAGES—SUBCONTRACTING PLAN
	48	FAR 52.204-10	REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS
CYBERSECURITY	49	FAR 52.204-2	SECURITY REQUIREMENTS
	50	FAR 52.204-9	PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL

	51	GSAR 552.204-9	PERSONAL IDENTITY VERIFICATION REQUIREMENTS
	52	FAR 52.204-21	BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS
	53	FAR 52.204-23	PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB AND OTHER COVERED ENTITIES
	54	FAR 52.204-25	PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT
	55	FAR 52.204-27	PROHIBITION ON A BYTEDANCE COVERED APPLICATION
	56	FAR 52.204-30	FEDERAL ACQUISITION SUPPLY CHAIN SECURITY ACT ORDERS - PROHIBITION
OTHER	57	FAR 52.204-19	INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS
	58	FAR 52.252-2	CLAUSES INCORPORATED BY REFERENCE

The information collection requirements contained in this solicitation/contract that are not required by regulation have been approved by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0086.

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

1. GSAR 552.270-4 DEFINITIONS (AUG 2023) (DEVIATION)

When a solicitation or contract uses a word or term that is defined in the Federal Acquisition Regulation (FAR) or General Services Acquisition Manual (GSAM), the word or term has the same meaning as the definition in FAR 2.101, GSAM 502.101, or GSAM 570.102 in effect at the time the solicitation was issued or lease contract was awarded, unless

(a) The solicitation, amended solicitation, or lease contract provides a different definition (e.g., R100, L100);

(b) An applicable part, subpart, or section of the FAR or GSAM provides a different meaning.

2. GSAR 552.270-5 SUBLETTING AND ASSIGNMENT (SEP 2022) (DEVIATION)

The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting. The Government may at any time assign this lease, and be relieved from all obligations to Lessor under this lease excepting only unpaid rent and other liabilities, if any, that have accrued to the date of said assignment. Any subletting or assignment shall be subject to prior written consent of the Lessor, which shall not be unreasonably withheld.

3. GSAR 552.270-11 SUCCESSORS BOUND (SEP 1999)

This lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

4. GSAR 552.270-23 SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT (SEP 1999)

(a) Lessor warrants that it holds such title to or other interest in the premises and other property as is necessary to the Government's access to the premises and full use and enjoyment thereof in accordance with the provisions of this lease. Government agrees, in consideration of the warranties and conditions set forth in this clause, that this lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this lease. Government agrees, however, within twenty (20) business days next following the Contracting Officer's receipt of a written demand, to execute such instruments as Lessor may reasonably request to evidence further the subordination of this lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this lease.

(b) No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this lease so long as the Government is not in default under this lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this lease becomes subordinate, or in a separate non-disturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the Contracting Officer promptly upon demand.

(c) In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of

the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the Contracting Officer and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this lease, or other writings, as shall be necessary to document the foregoing relationship.

(d) None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

5. GSAR 552.270-24 STATEMENT OF LEASE (SEP 1999)

(a) The Contracting Officer will, within thirty (30) days next following the Contracting Officer's receipt of a joint written request from Lessor and a prospective lender or purchaser of the AIRPORT RAMP, execute and deliver to Lessor a letter stating that the same is issued subject to the conditions stated in this clause and, if such is the case, that (1) the lease is in full force and effect; (2) the date to which the rent and other charges have been paid in advance, if any; and (3) whether any notice of default has been issued.

(b) Letters issued pursuant to this clause are subject to the following conditions:

(1) That they are based solely upon a reasonably diligent review of the Contracting Officer's lease file as of the date of issuance;

(2) That the Government shall not be held liable because of any defect in or condition of the premises or AIRPORT RAMP;

(3) That the Contracting Officer does not warrant or represent that the premises or AIRPORT RAMP comply with applicable Federal, State and local law; and

(4) That the Lessor, and each prospective lender and purchaser are deemed to have constructive notice of such facts as would be ascertainable by reasonable pre-purchase and pre-commitment inspection of the Premises and AIRPORT RAMP and by inquiry to appropriate Federal, State and local Government officials.

6. GSAR 552.270-25 SUBSTITUTION OF TENANT AGENCY (SEP 1999)

The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the lease.

7. GSAR 552.270-26 NO WAIVER (SEP 1999)

No failure by either party to insist upon the strict performance of any provision of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent or other performance by either party during the continuance of any such breach shall constitute a waiver of any such breach of such provision.

8. GSAR 552.270-27 INTEGRATED AGREEMENT (SEP 2022) (DEVIATION)

This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the lease. Except as expressly attached to and made a part of the lease, neither the request for lease proposals nor any pre-award communications by either party shall be incorporated in the lease.

9. GSAR 552.270-28 MUTUALITY OF OBLIGATION (SEP 1999)

The obligations and covenants of the Lessor, and the Government's obligation to pay rent and other Government obligations and covenants, arising under or related to this Lease, are interdependent. The Government may, upon issuance of and delivery to Lessor of a final decision asserting a claim against Lessor, set off such claim, in whole or in part, as against any payment or payments then or thereafter due the Lessor under this lease. No setoff pursuant to this clause shall constitute a breach by the Government of this lease.

10. GSAR 552.270-10 DEFAULT BY LESSOR (JUL 2023) (DEVIATION)

Occurrence of the following constitutes default by the Lessor and gives rise to the following rights and remedies of the Government:

(a) *Prior to acceptance of the space*. Failure by the Lessor to perform diligently any obligations required for acceptance of the space or other required improvements within the times specified, other than due to an excusable delay, shall constitute a default by the Lessor. Subject to provision of notice of default to the Lessor, and provision of a reasonable opportunity for the Lessor to cure its default, the Government may, in its sole discretion, terminate the lease on account of the Lessor's default.

(b) *After acceptance of the space*. Failure by the Lessor to perform any service, to provide any item, or satisfy any requirement of this lease, other than due to an excusable delay, constitutes a default by the Lessor. Subject to provision of notice of default to the Lessor, and provision of a reasonable opportunity for the Lessor to cure its default, the Government may, in its sole discretion, take one or more of the following actions:

(1) Perform the service, provide the item, or obtain satisfaction of the requirement by its own employees or contractors. If the Government elects to take such action, the Government may deduct from rental payments its costs, including administrative costs, incurred in connection with taking the action;

(2) Reduce the rent by an amount reasonably calculated to approximate the cost or value of the service not performed, item not provided, or requirement not satisfied, such reduction effective as of the date of the commencement of the default condition. If default renders the leased premises untenable, the reduction of rent may be calculated as the prorated portion of the monthly rent represented by all such days the leased premises is untenantable;

(3) Terminate the lease if:

(i) The Lessor's default persists notwithstanding provision of notice and reasonable opportunity to cure by the Government, or

(ii) The Lessor fails to take such actions as are necessary to prevent the recurrence of default conditions, and such conditions substantially impair the safe and healthful occupancy of the premises, or render the premises unusable for its intended purposes.

(c) *Damages*. The Lessor and the Lessor sureties, if any, are jointly and severally liable for any damages to the Government resulting from default or termination, as provided in this clause.

(1) Damages include all costs associated with the replacement lease(s), which include but are not limited to the following: the Government’s aggregate rent, estimated real estate taxes, operating costs, administrative costs, or other reprocurement costs.

(2) If the Government procures replacement premises for a term (including all option terms) in excess of this lease term, the Lessor is not liable for excess Government rent or adjustments during such excess lease term.

(3) Damages to which the Government is entitled to under this clause are due and payable thirty (30)

days following the date the Lessor receives notice from the Contracting Officer specifying such damages.

(d) *Excusable delays*.

(1) The Government shall not terminate this lease under this clause nor charge the Lessor with damages under this clause, if:

(i) the delay in substantially completing any work or performing any services arises from excusable delays, and

(ii) the Lessor, within ten (10) days from the beginning of any such delay (unless extended in writing by the Contracting Officer) provides notice to the Contracting Officer of the causes of delay.

(2) The Contracting Officer shall ascertain the facts and the extent of delay. If the facts warrant, the Contracting Officer shall extend the delivery date commensurate with the delay at no additional costs to the Government. A time extension is the sole remedy of the Lessor.

(e) No deduction from rent, termination of lease, or any other action pursuant to this clause will constitute a default by the Government under this lease.

(f) The rights and remedies specified in this clause are in addition to any and all remedies to which the Government may be entitled as a matter of law.

11. GSAR 552.270-9 INSPECTION – RIGHT OF ENTRY (SEP 1999)

a) At any time and from time to time after receipt of an offer (until the same has been duly withdrawn or rejected), after acceptance thereof and during the term, the agents, employees and contractors of the Government may, upon reasonable prior notice to Offeror or Lessor, enter upon the offered premises or the premises, and all other areas of the AIRPORT RAMP access to which is necessary to accomplish the purposes of entry, to determine the potential or actual compliance by the Offeror or Lessor with the requirements of the solicitation or this lease, which purposes shall include, but not be limited to:

~~(1) Inspecting, sampling and analyzing suspected asbestos-containing materials and air monitoring for asbestos fibers;~~ - INTENTIONALLY DELETED

~~(2) Inspecting the heating, ventilation and air conditioning system, maintenance records, and mechanical rooms for the offered premises or the premises;~~ - INTENTIONALLY DELETED

(3) Inspecting for any leaks, spills, or other potentially hazardous conditions which may involve tenant exposure to hazardous or toxic substances; and

(4) Inspecting for any current or past hazardous waste operations, to ensure that appropriate mitigative actions were taken to alleviate any environmentally unsound activities in accordance with Federal, State and local law.

b) Nothing in this clause shall be construed to create a Government duty to inspect for toxic materials or to impose a higher standard of care on the Government than on other lessees. The purpose of this clause is to promote the ease with which the Government may inspect the AIRPORT RAMP. Nothing in this clause shall act to relieve the Lessor of any duty to inspect or liability which might arise as a result of Lessor's failure to inspect for or correct a hazardous condition.

12. GSAR 552.270-17 DELIVERY AND CONDITION (SEP 2022) (DEVIATION)

(a) Unless the Government elects to have the AIRPORT RAMP occupied in increments, the space must be delivered ready for occupancy as a complete unit.

(b) The Government may elect to accept the space notwithstanding the Lessor's failure to deliver the space substantially complete; if the Government so elects, it may reduce the rent payments.

~~13. GSAR 552.270-19 PROGRESSIVE OCCUPANCY (SEP 1999)~~

~~The Government shall have the right to elect to occupy the space in partial increments prior to the substantial completion of the entire leased premises, and the Lessor agrees to schedule its work so as to deliver the space incrementally as elected by the Government. The Government shall pay rent commencing with the first business day following substantial completion of the entire leased premise unless the Government has elected to occupy the leased premises incrementally. In case of incremental occupancy, the Government shall pay rent pro rata upon the first business day following substantial completion of each incremental unit. Rental payments shall become due on the first workday of the month following the month in which an increment of space is substantially complete, except that should an increment of space be substantially completed after the fifteenth day of the month, the payment due date will be the first workday of the second month following the month in which it was substantially complete. The commencement date of the firm lease term will be a composite determined from all rent commencement dates.~~ - INTENTIONALLY DELETED

14. GSAR 552.270-6 MAINTENANCE OF THE PROPERTY, RIGHT TO INSPECT (SEP 2022) (DEVIATION)

The Lessor shall maintain the property, including the AIRPORT RAMP~~, building systems, and all equipment, fixtures,~~ and appurtenances furnished by the Lessor under this lease, in good repair and tenantable condition so that they are suitable in appearance and capable of supplying ~~such heat, air conditioning, light, ventilation, safety systems,~~ access and other things to the premises, without reasonably preventable or recurring disruption, as is required for the Government's access to, occupancy, possession, use and enjoyment of the premises as provided in this lease.

(a) For the purpose of so maintaining the premises, the Lessor may at reasonable times enter the premises with the approval of the authorized Government representative in charge.

~~(b) Upon request of the Lease Contracting Officer (LCO), the Lessor shall provide written documentation that building systems have been properly maintained, tested, and are operational within manufacturer's warranted operating standards.~~ - INTENTIONALLY DELETED

(c) The Lessor shall maintain the premises in a safe and healthful condition according to applicable OSHA standards and all other requirements of this lease~~, including standards governing indoor air quality, existence of mold and other biological hazards, presence of hazardous materials, etc~~. - INTENTIONALLY DELETED

(d) The Government shall have the right, at any time after the lease award date and during the term of the lease, to inspect all areas of the property to which access is necessary for the purpose of determining the Lessor's compliance with this clause.

15. GSAR 552.270-7 FIRE AND CASUALTY DAMAGE (SEP 2022) (DEVIATION)

(a) If the AIRPORT RAMP in which the premises are located is totally destroyed or damaged by fire or other casualty, ~~this lease shall immediately terminate~~ the Government may terminate the lease upon fifteen (15) calendar days written notice to the Lessor and no further rental will be due. - INTENTIONALLY ALTERED

(b) If the AIRPORT RAMP in which the premises are located are only partially destroyed or damaged, so as to render the premises untenantable, or not usable for their intended purpose:

(1) The Lessor shall have the option to elect to repair and restore the premises or terminate the lease.

(2) Unless otherwise approved by the Lease Contracting Officer, the Lessor shall be permitted a

reasonable amount of time, not to exceed 270 days from the event of destruction or damage, to repair or restore the premises, provided that the Lessor submits to the Government a reasonable schedule for repair of the premises within 60 days of the event of destruction or damage.

(i) If the Lessor fails to timely submit a reasonable schedule for completing the work, the Government may elect to terminate the lease effective as of the date of the event of destruction or damage.

(ii) If the Lessor elects to repair or restore the premises, but fails to repair or restore the premises within 270 days from the event of destruction or damage, or fails to diligently pursue such repairs or restoration so as to render timely completion commercially impracticable, the Government may terminate the lease effective as of the date of the destruction or damage.

(3) During the time that the premises are unoccupied, rent shall be abated. Termination of the lease by either party under this clause shall not give rise to liability for either party.

(4) Nothing in this lease shall be construed as relieving Lessor from liability for damage to or destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

16. GSAR 552.270-8 COMPLIANCE WITH APPLICABLE LAW (SEP 2022) (DEVIATION)

Lessor shall comply with all Federal, state, tribal, and local laws applicable to its ownership and leasing of the property, including, without limitation, laws applicable to the construction, ownership, alteration or operation of the AIRPORT RAMP ~~all buildings, structures,~~ and facilities located thereon, and obtain all necessary permits, licenses and similar items at its own expense. The Government will comply with all Federal, state, tribal, and local laws applicable to and enforceable against it as a tenant under this lease, provided that nothing in this lease shall be construed as a waiver of the sovereign immunity of the Government. This lease shall be governed by Federal law. - INTENTIONALLY ALTERED

17. GSAR 552.270-12 ALTERATIONS (SEP 1999)

The Government shall have the right during the existence of this lease to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. ~~If the lease contemplates that the Government is the sole occupant of the building, for purposes of this clause, the leased premises include the land on which the building is sited and the building itself. Otherwise,~~ The Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the leased space.

18. GSAR 552.270-29 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (SEP 2022) (DEVIATION)

(a) Ten (10) working days prior to the completion of the space, the Lessor shall issue written notice to the Government to schedule the inspection of the space for acceptance. ~~The Government shall accept the space only if the construction of building shell and tenant improvements conforming to this lease and the approved design intent drawings (DIDs) is substantially complete, and a certificate of occupancy has been issued as set forth below.~~ - INTENTIONALLY ALTERED

(b) The space shall be considered substantially complete only if the space may be used for its intended purpose and completion of remaining work will not unreasonably interfere with the Government's enjoyment of the space. ~~Acceptance shall be final and binding upon the Government with respect to conformance of the completed tenant improvements to the approved DIDs, with the exception of items identified on a punchlist generated as a result of the inspection, concealed conditions, latent defects, or fraud, but shall not relieve the Lessor of any other lease requirements.~~ - INTENTIONALLY ALTERED

~~(c) The Lessor shall provide a valid certificate of occupancy, issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue certificates of occupancy or if the certificate of occupancy is not available, the Lessor may satisfy this condition by providing a report prepared by a licensed fire protection engineer that indicates that the premises and building are compliant with all applicable local codes and ordinances and all fire protection and life safety related requirements of this lease to ensure an acceptable level of safety is provided. Under such circumstances, the Government shall only accept the space without a certificate of occupancy if a licensed fire protection engineer determines that the offered space is compliant with all applicable local codes and ordinances and fire protection and life safety related requirements of this lease.~~ - INTENTIONALLY ALTERED

19. FAR 52.204-13 SYSTEM FOR AWARD MANAGEMENT MAINTENANCE (OCT 2018)

This clause is incorporated by reference.

20. GSAR 552.270-31 PROMPT PAYMENT (JUN 2011)

The Government will make payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. All days referred to in this clause are calendar days, unless otherwise specified.

(a) *Payment due date—*

(1) *Rental payments.* Rent shall be paid monthly in arrears and will be due on the first workday of each month, and only as provided for by the lease.

(i) When the date for commencement of rent falls on the 15th day of the month or earlier, the initial monthly rental payment under this contract shall become due on the first workday of the month following the month in which the commencement of the rent is effective.

(ii) When the date for commencement of rent falls after the 15th day of the month, the initial monthly rental payment under this contract shall become due on the first workday of the second month following the month in which the commencement of the rent is effective.

(2) *Other payments.* The due date for making payments other than rent shall be the later of the following two events:

(i) The 30th day after the designated billing office has received a proper invoice from the Contractor.

(ii) The 30th day after Government acceptance of the work or service. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(b) *Invoice and inspection requirements for payments other than rent.*

(1) The Contractor shall prepare and submit an invoice to the designated billing office after completion of the work. A proper invoice shall include the following items:

(i) Name and address of the Contractor.

(ii) Invoice date.

(iii) Lease number.

(iv) Government's order number or other authorization.

(v) Description, price, and quantity of work or services delivered.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the remittance address in the lease or the order).

(vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

(2) The Government will inspect and determine the acceptability of the work performed or services delivered within seven days after the receipt of a proper invoice or notification of completion of the work or services unless a different period is specified at the time the order is placed. If actual acceptance occurs later, for the purpose of determining the payment due date and calculation of interest, acceptance will be deemed to occur on the last day of the seven day inspection period. If the work or service is rejected for failure to conform to the technical requirements of the contract, the seven days will be counted beginning with receipt of a new invoice or notification. In either case, the Contractor is not entitled to any payment or interest unless actual acceptance by the Government occurs.

(c) *Interest Penalty.*

(1) An interest penalty shall be paid automatically by the Government, without request from the Contractor, if payment is not made by the due date.

(2) The interest penalty shall be at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date. This rate is referred to as the ''Renegotiation Board Interest Rate,'' and it is published in the **Federal Register** semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date.

(3) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233–1, Disputes, or for more than one year. Interest penalties of less than $1.00 need not be paid.

(4) Interest penalties are not required on payment delays due to disagreement between the Government and Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

(d) *Overpayments.* If the Lessor becomes aware of a duplicate payment or that the Government has otherwise overpaid on a payment, the Contractor shall—

(1) Return the overpayment amount to the payment office cited in the contract along with a description of the overpayment including the—

(i) Circumstances of the overpayment (*e.g.,* duplicate payment, erroneous payment, liquidation errors, date(s) of overpayment);

(ii) Affected lease number; (iii) Affected lease line item or sub-line item, if applicable; and

(iii) Lessor point of contact.

(2) Provide a copy of the remittance and supporting documentation to the Contracting Officer.

21. FAR 52.232-23 ASSIGNMENT OF CLAIMS (MAY 2014)

(Applicable to leases over the micro-purchase threshold.)

(a) The Contractor, under the Assignment of Claims Act, as amended, 31 U.S.C. 3727, 41 U.S.C. 6305 (hereafter referred to as "the Act"), may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

(b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.

(c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such action in writing.

22. GSAR 552.270-20 PAYMENT (AUG 2023) (DEVIATION)

(a) When space is offered and accepted, ~~ANSI/BOMA Occupant Area (ABOA) square footage~~ acres delivered will be confirmed by either: - INTENTIONALLY ALTERED

(1) The Government's measurement of plans submitted by the successful offeror as approved by the Government, and an inspection of the space to verify that the delivered space conforms with such plans; or

(2) A mutual on-site measurement of the space if the Contracting Officer determines it necessary.

(b) The Government will not pay for space in excess of the amount of ~~ABOA square footage~~ acres stated in the lease.

(c) If the amount of ~~ABOA square footage~~ acres delivered is less than the amount agreed to in the lease, the lease will be modified to reflect the amount of ~~ABOA space~~ acres delivered and the annual rental will be adjusted ~~as follows~~ per acre or square foot as appropriate. - INTENTIONALLY ALTERED

~~ABOA square feet not delivered multiplied by one plus the common area factor (CAF), multiplied by the rate per rentable square foot (RSF). That is:~~

~~(1 + CAF) x Rate per RSF = Reduction in Annual Rent~~

~~(d) Common Area Factor (CAF). The CAF is expressed as a percentage of the difference between the amount of rentable square feet (SF) and ABOA SF, divided by the ABOA SF. For example 11,500 RSF and 10,000 ABOA SF will have a CAF of 15% (11,500 RSF-10,000 ABOA SF)/10,000 ABOA SF.~~

~~(e) Rentable Square Footage (RSF). The RSF is calculated using the following formula for each type of space (e.g., office, warehouse, etc.) included in the premises: ABOA SF of Space x (1 + CAF) = RSF.~~ - INTENTIONALLY ALTERED

23. FAR 52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER—SYSTEM FOR AWARD MANAGEMENT (OCT 2018)

This clause is incorporated by reference.

24. FAR 52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (NOV 2021)

(Applicable to leases over $6 million total contract value and performance period is 120 days or more.)

This clause is incorporated by reference.

25. GSAR 552.270-32 COVENANT AGAINST CONTINGENT FEES (JUN 2011)

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

(a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

(b) *Bona fide agency,* as used in this clause, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

(1) *Bona fide employee,* as used in this clause, means a person, employed by a Contractor and subject to the Contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

(2) *Contingent fee,* as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

(3) *Improper influence,* as used in this clause, means any influence that induces or tends to induce a *Government* employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

26. FAR 52.203-7 ANTI-KICKBACK PROCEDURES (JUN 2020)

(Applicable to leases over $150,000 total contract value.)

This clause is incorporated by reference.

27. FAR 52.223-6 DRUG-FREE WORKPLACE (MAY 2001)

(Applicable to leases over the Simplified Lease Acquisition Threshold, as well as to leases of any value awarded to an individual.)

This clause is incorporated by reference.

~~**28. FAR 52.203-14 DISPLAY OF HOTLINE POSTER(S) (NOV 2021)**~~

~~(Applicable to leases over $6 Million total contract value.)~~

~~*This clause is incorporated by reference.*~~ - INTENTIONALLY DELETED

29. GSAR 552.270-30 PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JUN 2011)

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

(a) If the head of the contracting activity (HCA) or his or her designee determines that there was a violation of subsection 27(a) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in the Federal Acquisition Regulation, the Government, at its election, may—

(1) Reduce the monthly rental under this lease by five percent of the amount of the rental for each month of the remaining term of the lease, including any option periods, and recover five percent of the rental already paid;

(2) Reduce payments for alterations not included in monthly rental payments by five percent of the amount of the alterations agreement; or

(3) Reduce the payments for violations by a Lessor's subcontractor by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was placed.

(b) Prior to making a determination as set forth above, the HCA or designee shall provide to the Lessor a written notice of the action being considered and the basis thereof. The Lessor shall have a period determined by the agency head or designee, but not less than 30 calendar days after receipt of such notice, to submit in person, in writing, or through a representative, information and argument in opposition to the proposed reduction. The agency head or designee may, upon good cause shown, determine to deduct less than the above amounts from payments.

(c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this lease.

30. FAR 52.215-10 PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA (AUG 2011)

(Applicable when cost or pricing data are required for work or services over $2,000,000.)

This clause is incorporated by reference.

31. GSAR 552.270-13 PROPOSALS FOR ADJUSTMENT (OCT 2016)

This clause is incorporated by reference.

32. GSAR 552.270-14 CHANGES (SEP 2022) (DEVIATION)

(a) The Lease Contracting Officer (LCO) may at any time, by written order, direct changes to the tenant improvements within the space, ~~building~~ security requirements, or the services required under the lease.

(b) If any such change causes an increase or decrease in Lessor's cost or time required for performance of its obligations under this lease, whether or not changed by the order, the Lessor shall be entitled to an amendment to the lease providing for one or more of the following:

(1) An adjustment of the delivery date.
(2) An equitable adjustment in the rental rate.
(3) A lump sum equitable adjustment. or
(4) An adjustment of the operating cost base, if applicable.

(c) The Lessor must assert its right to an amendment under this clause within 30 days from the date of receipt of the change order and must submit a proposal for adjustment. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, the pendency of an adjustment or existence of a dispute shall not excuse the Lessor from proceeding with the change as directed.

(d) Absent a written change order from the LCO, or from a Government official to whom the LCO has

explicitly and in writing delegated the authority to direct changes, the Government is not liable to Lessor under this clause.

33. GSAR 552.215-70 EXAMINATION OF RECORDS BY GSA (JUN 2016)

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

This clause is incorporated by reference.

34. FAR 52.215-2 AUDIT AND RECORDS—NEGOTIATION (JUN 2020)

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

This clause is incorporated by reference.

35. FAR 52.233-1 DISPUTES (MAY 2014)

This clause is incorporated by reference.

36. FAR 52.222-26 EQUAL OPPORTUNITY (SEP 2016)

This clause is incorporated by reference.

37. FAR 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (APR 2015)

This clause is incorporated by reference.

38. FAR 52.219-28 POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION (SEP 2023)

(Applicable to leases exceeding the micro-purchase threshold.)

This clause is incorporated by reference.

39. FAR 52.222-35 EQUAL OPPORTUNITY FOR VETERANS (JUN 2020)

(Applicable to leases $150,000 or more, total contract value.)

(a) *Definitions*. As used in this clause-

"Active duty wartime or campaign badge veteran," "Armed Forces service medal veteran," "disabled veteran," "protected veteran," "qualified disabled veteran," and "recently separated veteran" have the meanings given at Federal Acquisition Regulation (FAR) 22.1301.

(b) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-300.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified protected veterans, and requires affirmative action by the Contractor to employ and advance in employment qualified protected veterans.

(c) Subcontracts. The Contractor shall insert the terms of this clause in subcontracts valued at or above the threshold specified in FAR 22.1303(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

40. FAR 52.222-36 EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES (JUN 2020)

(Applicable to leases over $15,000 total contract value.)

(a) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by the Contractor to employ and advance in employment qualified individuals with disabilities.

(b) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of the threshold specified in Federal Acquisition Regulation (FAR) 22.1408(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary, so that such provisions will be binding upon each subcontractor or vendor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs of the U.S. Department of Labor, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

41. FAR 52.222-37 EMPLOYMENT REPORTS ON VETERANS (JUN 2020)

(Applicable to leases $150,000 or more, total contract value.)

This clause is incorporated by reference.

42. FAR 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (NOV 2021)
(Applicable to leases over $35,000 total contract value.)

This clause is incorporated by reference.

43. FAR 52.215-12 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA (JUN 2020)

(Applicable if over $2,000,000 total contract value.)

This clause is incorporated by reference.

44. FAR 52.219-4 NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZONE SMALL BUSINESS CONCERNS (OCT 2022)

This clause is incorporated by reference.

45. FAR 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (SEP 2023)

(Applicable to leases over the Simplified Lease Acquisition Threshold.)

This clause is incorporated by reference.

46. FAR 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (SEP 2023) ALTERNATE III (JUN 2020)

(Applicable to leases over $750,000 total contract value.)

This clause is incorporated by reference.

47. FAR 52.219-16 LIQUIDATED DAMAGES—SUBCONTRACTING PLAN (SEP 2021)

(Applicable to leases over $750,000 total contract value.)

This clause is incorporated by reference.

48. FAR 52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS (JUN 2020)

(Applicable if over $30,000 total contract value.)

This clause is incorporated by reference.

49. FAR 52.204-2 SECURITY REQUIREMENTS (MAR 2021)

(Applicable when the contract may require access to classified information.)

This clause is incorporated by reference.

50. FAR 52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2011)

This clause is incorporated by reference.

51. GSAR 552.204-9 PERSONAL IDENTITY VERIFICATION REQUIREMENTS (APR 2023)

This clause is incorporated by reference.

52. FAR 52.204-21 BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS (NOV 2021)

(a) *Definitions*. As used in this clause—

Covered contractor information system means an information system that is owned or operated by a contractor that processes, stores, or transmits Federal contract information.

Federal contract information means information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government, but not including information provided by the Government to the public (such as on public websites) or simple transactional information, such as necessary to process payments.

Information means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual (Committee on National Security Systems Instruction (CNSSI) 4009).

Information system means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information (44 U.S.C. 3502).

Safeguarding means measures or controls that are prescribed to protect information systems.

(b) Safeguarding requirements and procedures.

(1) The Contractor shall apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:

(i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).

(ii) Limit information system access to the types of transactions and functions that authorized users

are permitted to execute.

(iii) Verify and control/limit connections to and use of external information systems.

(iv) Control information posted or processed on publicly accessible information systems.

(v) Identify information system users, processes acting on behalf of users, or devices.

(vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.

(vii) Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.

(viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.

(ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.

(x) Monitor, control, and protect organizational communications (*i.e.*, information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.

(xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.

(xii) Identify, report, and correct information and information system flaws in a timely manner.

(xiii) Provide protection from malicious code at appropriate locations within organizational information systems.

(xiv) Update malicious code protection mechanisms when new releases are available.

(xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.

(2) *Other requirements.* This clause does not relieve the Contractor of any other specific safeguarding requirements specified by Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.

(c) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial products or commercial services, other than commercially available off-the-shelf items), in which the subcontractor may have Federal contract information residing in or transiting through its information system.

53. FAR 52.204-23 PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB AND OTHER COVERED ENTITIES (DEC 2023)

This clause is incorporated by reference.

54. FAR 52.204-25 PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (NOV 2021)

This clause is incorporated by reference.

55. FAR 52.204-27 PROHIBITION ON A BYTEDANCE COVERED APPLICATION (JUN 2023)

This clause is incorporated by reference.

56. FAR 52.204-30 FEDERAL ACQUISITION SUPPLY CHAIN SECURITY ACT ORDERS – PROHIBITION (DEC 2023)

(a) *Definitions.* As used in this clause—

Covered article, as defined in 41 U.S.C. 4713(k), means—

(1) Information technology, as defined in 40 U.S.C. 11101, including cloud computing services of all types;

(2) Telecommunications equipment or telecommunications service, as those terms are defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153);

(3) The processing of information on a Federal or non-Federal information system, subject to the requirements of the Controlled Unclassified Information program (see 32 CFR part 2002); or

(4) Hardware, systems, devices, software, or services that include embedded or incidental information technology.

FASCSA order means any of the following orders issued under the Federal Acquisition Supply Chain Security Act (FASCSA) requiring the removal of covered articles from executive agency information systems or the exclusion of one or more named sources or named covered articles from executive agency procurement actions, as described in 41 CFR 201–1.303(d) and (e):

(1) The Secretary of Homeland Security may issue FASCSA orders applicable to civilian agencies, to the extent not covered by paragraph (2) or (3) of this definition. This type of FASCSA order may be referred to as a Department of Homeland Security (DHS) FASCSA order.

(2) The Secretary of Defense may issue FASCSA orders applicable to the Department of Defense (DoD) and national security systems other than sensitive compartmented information systems. This type of FASCSA order may be referred to as a DoD FASCSA order.

(3) The Director of National Intelligence (DNI) may issue FASCSA orders applicable to the intelligence community and sensitive compartmented information systems, to the extent not covered by paragraph (2) of this definition. This type of FASCSA order may be referred to as a DNI FASCSA order.

Intelligence community, as defined by 50 U.S.C. 3003(4), means the following—

(1) The Office of the Director of National Intelligence;

(2) The Central Intelligence Agency;

(3) The National Security Agency;

(4) The Defense Intelligence Agency;

(5) The National Geospatial-Intelligence Agency;

(6) The National Reconnaissance Office;

(7) Other offices within the Department of Defense for the collection of specialized national intelligence through reconnaissance programs;

(8) The intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Department of Energy;

(9) The Bureau of Intelligence and Research of the Department of State;

(10)The Office of Intelligence and Analysis of the Department of the Treasury;

(11)The Office of Intelligence and Analysis of the Department of Homeland Security; or

(12) Such other elements of any department or agency as may be designated by the President, or designated jointly by the Director of National Intelligence and the head of the department or agency concerned, as an element of the intelligence community.

National security system, as defined in 44 U.S.C. 3552, means any information system (including any telecommunications system) used or operated by an agency or by a contractor of an agency, or other organization on behalf of an agency—

(1) The function, operation, or use of which involves intelligence activities; involves cryptologic activities related to national security; involves command and control of military forces; involves equipment that is an integral part of a weapon or weapons system; or is critical to the direct fulfillment of military or intelligence missions, but does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications); or

(2) Is protected at all times by procedures established for information that have been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept classified in the interest of national defense or foreign policy.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of any covered articles, or any products or services produced or provided by a source. This applies when the covered article or the source is subject to an applicable FASCSA order. A reasonable inquiry excludes the need to include an internal or third-party audit.

Sensitive compartmented information means classified information concerning or derived from intelligence sources, methods, or analytical processes, which is required to be handled within formal access control systems established by the Director of National Intelligence.

Sensitive compartmented information system means a national security system authorized to process or store sensitive compartmented information.

Source means a non-Federal supplier, or potential supplier, of products or services, at any tier.

(b) *Prohibition.*

(1) Unless an applicable waiver has been issued by the issuing official, Contractors shall not provide or use as part of the performance of the contract any covered article, or any products or services produced or provided by a source, if the covered article or the source is prohibited by an applicable FASCSA orders as follows:

(i) For solicitations and contracts awarded by a Department of Defense contracting office, DoD FASCSA orders apply.

(ii) For all other solicitations and contracts DHS FASCSA orders apply.

(2) The Contractor shall search for the phrase "FASCSA order" in the System for Award Management (SAM) at *https://www.sam.gov* to locate applicable FASCSA orders identified in paragraph (b)(1).

(3) The Government may identify in the solicitation additional FASCSA orders that are not in SAM, which are effective and apply to the solicitation and resultant contract.

(4) A FASCSA order issued after the date of solicitation applies to this contract only if added by an amendment to the solicitation or modification to the contract (see FAR 4.2304(c)). However, see paragraph (c) of this clause.

(5)

(i) If the contractor wishes to ask for a waiver of the requirements of a new FASCSA order being applied through modification, then the Contractor shall disclose the following:

(A) Name of the product or service provided to the Government;

(B) Name of the covered article or source subject to a FASCSA order;

(C) If applicable, name of the vendor, including the Commercial and Government Entity code and unique entity identifier (if known), that supplied or supplies the covered article or the product or service to the Offeror;

(D) Brand;

(E) Model number (original equipment manufacturer number, manufacturer part number, or wholesaler number);

(F) Item description;

(G) Reason why the applicable covered article or the product or service is being provided or used;

(ii) *Executive agency review of disclosures.* The contracting officer will review disclosures provided in paragraph (b)(5)(i) to determine if any waiver is warranted. A contracting officer may choose not to pursue a waiver for covered articles or sources otherwise covered by a FASCSA order and to instead pursue other appropriate action.

(c) *Notice and reporting requirement.*

(1) During contract performance, the Contractor shall review *SAM.gov* at least once every three months, or as advised by the Contracting Officer, to check for covered articles subject to FASCSA order(s), or for products or services produced by a source subject to FASCSA order(s) not currently identified under paragraph (b) of this clause.

(2) If the Contractor identifies a new FASCSA order(s) that could impact their supply chain, then the Contractor shall conduct a reasonable inquiry to identify whether a covered article or product or service produced or provided by a source subject to the FASCSA order(s) was provided to the Government or used during contract performance.

(3)

(i) The Contractor shall submit a report to the contracting office as identified in paragraph (c)(3)(ii) of this clause, if the Contractor identifies, including through any notification by a subcontractor at any tier, that a covered article or product or service produced or provided by a source was provided

to the Government or used during contract performance and is subject to a FASCSA order(s) identified in paragraph (b) of this clause, or a new FASCSA order identified in paragraph (c)(2) of this clause. For indefinite delivery contracts, the Contractor shall report to both the contracting office for the indefinite delivery contract and the contracting office for any affected order.

(ii) If a report is required to be submitted to a contracting office under (c)(3)(i) of this clause, the Contractor shall submit the report as follows:

(A) If a Department of Defense contracting office, the Contractor shall report to the website at *https://dibnet.dod.mil*.

(B) For all other contracting offices, the Contractor shall report to the Contracting Officer.

(4) The Contractor shall report the following information for each covered article or each product or service produced or provided by a source, where the covered article or source is subject to a FASCSA order, pursuant to paragraph (c)(3)(i) of this clause:

(i) Within 3 business days from the date of such identification or notification:

(A) Contract number;

(B) Order number(s), if applicable;

(C) Name of the product or service provided to the Government or used during performance of the contract;

(D) Name of the covered article or source subject to a FASCSA order;

(E) If applicable, name of the vendor, including the Commercial and Government Entity code and unique entity identifier (if known), that supplied the covered article or the product or service to the Contractor;

(F) Brand;

(G) Model number (original equipment manufacturer number, manufacturer part number, or wholesaler number);

(H) Item description; and

(I) Any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (c)(4)(i) of this clause:

(A) Any further available information about mitigation actions undertaken or recommended.

(B) In addition, the Contractor shall describe the efforts it undertook to prevent submission or use of the covered article or the product or service produced or provided by a source subject to an applicable FASCSA order, and any additional efforts that will be incorporated to prevent future submission or use of the covered article or the product or service produced or provided by a source that is subject to an applicable FASCSA order.

(d) *Removal*. For Federal Supply Schedules, Governmentwide acquisition contracts, multi-agency contracts or any other procurement instrument intended for use by multiple agencies, upon notification from the Contracting Officer, during the performance of the contract, the Contractor shall promptly make any necessary changes or modifications to remove any product or service produced or provided by a source that is subject to an applicable FASCSA order.

(e) *Subcontracts*.

(1) The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (c)(1) of this clause, in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial products and commercial services.

(2) The Government may identify in the solicitation additional FASCSA orders that are not in SAM, which are effective and apply to the contract and any subcontracts and other contractual instruments under the contract. The Contractor or higher-tier subcontractor shall notify their subcontractors, and suppliers under other contractual instruments, that the FASCSA orders in the solicitation that are not in SAM apply to the contract and all subcontracts.

57. FAR 52.204-19 INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS (DEC 2014)

This clause is incorporated by reference.

58. FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

https://www.acquisition.gov/browse/index/far

https://www.acquisition.gov/browse/index/gsam.

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 2025 Financials**
Date: **March 18, 2025**

Attached is the monthly Financials Report for January 2025.

Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
January, 2025

	Month of January 2025				Y-T-D as of January 2025			
	January FY24 Actual	January FY25 Actual	YOY Variance	B/(W)	YTD FY24 Actual	YTD FY25 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	33,708	28,969	(4,739)	-14%	212,785	228,062	15,277	7%
Fuel Flowage Fees	51,059	55,897	4,838	9%	363,887	344,573	(19,314)	-5%
Landing Fees	137,608	151,204	13,596	10%	916,003	964,907	48,904	5%
Lease Income Aero	432,547	510,275	77,728	18%	2,479,810	2,731,829	252,019	10%
Fuel Sales	619,058	806,715	187,657	30%	4,092,487	5,120,599	1,028,112	25%
Services Sold - Aero	497,588	480,633	(16,955)	-3%	3,370,333	3,075,219	(295,114)	-9%
Sub-total Aero Operating Revenues	1,771,568	2,033,693	262,125	15%	11,435,305	12,465,189	1,029,885	9%
Non-Aeronautical Operating Revenues								
Concessions	116,358	133,267	16,909	15%	759,808	829,585	69,777	9%
Lease Income Non-Aero	108,297	119,744	11,447	11%	769,506	803,232	33,726	4%
Parking	434,768	439,604	4,836	1%	3,186,537	3,372,374	185,837	6%
Rental Car Fees	271,250	341,773	70,523	26%	1,321,948	1,584,430	262,482	20%
Svcs Sold - Non Aero	5,898	3,990	(1,908)	-32%	37,452	37,573	121	0%
Sub-total Non-Aero Operating Revenues	936,571	1,038,378	101,807	11%	6,075,251	6,627,194	551,944	9%
Total Operating Revenues	**2,708,139**	**3,072,071**	**363,932**	**13%**	**17,510,556**	**19,092,383**	**1,581,829**	**9%**
Operating Expenses								
Cost of Goods Sold	398,579	528,241	(129,662)	-33%	3,000,317	3,275,410	(275,093)	-9%
Personnel	903,693	889,593	14,100	2%	5,953,602	6,809,953	(856,351)	-14%
Comm & Utilities	96,798	77,351	19,447	20%	660,223	732,175	(71,952)	-11%
Contractual Services	629,118	641,319	(12,201)	-2%	3,965,705	4,306,932	(341,227)	-9%
Insurance	52,217	57,395	(5,178)	-10%	357,549	414,316	(56,767)	-16%
Other	20,773	22,573	(1,800)	-9%	192,387	171,648	20,739	11%
Repair & Maintenance	13,073	71,852	(58,779)	-450%	478,506	396,733	81,773	17%
Supplies & Materials	83,731	64,278	19,453	23%	485,042	469,037	16,005	3%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,197,982**	**2,352,602**	**(154,621)**	-7%	**15,093,331**	**16,576,204**	**(1,482,872)**	-10%
Operating Income (Loss) Before Depreciation	**510,157**	**719,469**	**209,312**	41%	**2,417,225**	**2,516,179**	**98,954**	4%
	18.8%	23.4%			13.8%	13.2%		
Depreciation		1,364,138				9,476,517		

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 18, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Invitation for Bid	2025-005-IFB	Fire System Valves Replacement	March 2025
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	April 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	June 2025

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Qualifications	2025-008-RFQ	Business Plan Continuity Development	April 2025	June 2025
Request for Proposals	2025-004-RFP	Airport Website Redesign	April 2025	July 2025

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $70,558.00

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

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, Security, and Maintenance**
Through:	**Chuck Odom, Chief Financial Officer**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Re:	**Airfield Pavement Maintenance, Hi-Lite Airfield Services - Increased Costs**
Date:	**March 18, 2025**

On August 20, 2024, the Board approved airfield asphalt repair services with Hi-Lite Airfield Services, LLC (Hi-Lite) in an amount not to exceed $130,000. Due to inflationary pressures and prevailing market conditions, costs have increased since budgeting for these services. Hi-Lite's final quote for the required services now totals $140,625. Airport staff has issued a purchase order to Hi-Lite for the full amount of the quote.

This project is funded through the FY25 capital budget under CIP 1284.

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 1265, TSA In-Line Checked Baggage Inspection System Design – Change Orders**
Date: **March 18, 2025**

On March 21, 2023, the Board approved a contract for the TSA In-Line Checked Baggage Inspection System Design with Studdiford Technical Solutions, LLC, Resolution #23-10, in an amount not to exceed $438,891. On October 17, 2023, the Board approved contract modification #1 in an amount of $367,387.50, Resolution #23-56. Since contract modification #1, Airport staff has issued an additional change order against the contract.

Change order #1: Increase of contract value due to the building expansion that is needed in order to accommodate the 2+1 Explosive Detection System CBIS machines which are necessary to support the capacity of screening bags due to Airport growth.	addition	$367,387.50
Change order #2: Increase of contract value due to a deficiency in baggage make-up storage and sortation capability after screening thru-put is increased in the new system that was identified during design of the new BHS system.	addition	$ 19,713.00
Total Revised Contract Amount		$825,991.50

Funding for this project is comprised of 90% TSA funding and 10% MGAA Match with non-grant funding.

If additional change orders that increase the contract amount are incurred, Airport staff will provide an MIR to the Board.

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 1268, Airport Entry Monument Change Orders**
Date:	**March 18, 2025**

On August 20, 2024, the Board approved a contract for the Airport Entry Monument project with RCI Property Enterprises, LLC, resolution #24-31, in the amount of $916,669.46. Since the project has been underway, Airport staff has issued three change orders against the contract for required modifications.

Change order #1: reduction $35,616.12
Reduction of contract value due to Military Reuse Zone Tax Credit.

Change order #2: addition $14,061.09
Increase of contract value due to the revision of the "Mesa Gateway Airport" lettering on both monuments to match the proper scale. Doubled each set size from 12" baseline to 24".

Change order #3: addition $28,114.66
Increase of contract value due to the unforeseen need to form up Cast-In-Place headwalls at the top of each FMU's Main Monument wall.

Total Revised Contract Amount $923,229.09

The current remaining budget unencumbered for the project after all charges and the above change orders is $256.66. If additional change orders that increase the contract amount are incurred, Airport staff will provide an MIR to the Board.

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, April 15, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

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

2. **Pledge of Allegiance**

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

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

5. **Gateway Business Spotlight Presentation** – Yuri Hoverson, Vice President and General Manager of Able Aerospace Services

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **March 18, 2025**.

   b) **Resolution No. 25-12 –** Authorizing a contract with **Mead and Hunt, Inc. (Mead and Hunt)** for Air Service Development Consulting Services in an amount not to exceed $250,000 for five years, which includes (2) one-year renewal options.

   c) **Resolution No. 25-13 –** 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, 2025 and June 30, 2026 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO.

   d) **Resolution No. 25-14 –** Authorizing the purchase of Isolation Transformers and Primary Connector Kits, for Taxiway Lighting from **Blueglobes, LLC (Blueglobes)** in an amount not to exceed $69,075.78, pending receipt of an FAA grant.

e) **Resolution No. 25-15 –** Authorizing the purchase of Airfield electrical and lighting supplies for Taxiway Lighting from **Anixter, Inc. (Anixter)** in an amount not to exceed $92,934.45, pending receipt of an FAA grant.

f) **Resolution No. 25-16 –** Authorizing the purchase of LED Taxiway Edge Lights for Taxiway Lighting from **ADB Safegate Americas LLC (ADB Safegate)** in an amount not to exceed $76,842.75, pending receipt of an FAA grant.

7. **Board Member Comments/Announcements**

8. **Next Meeting: Tuesday, May 20, 2025 at 9:00 a.m.**

9. **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.

Red

Mesa Gateway Airport

- Commercial Passenger Activity Increases for Third Consecutive Month
- Gateway Airport Completes FAA Part 139 Certification Inspection
- Phase I of Runway 12R/30L Reconstruction Project Nears Completion
- Virgin Galactic Readies to Manufacture Six-Passenger Delta Spaceships
- Mesa Gateway Airport Meets with Seven Current and Prospective Airlines
- Real ID/Arizona Travel ID Deadline is May 7, 2025

Executive Director's Report
April 2025



B777 and B747 Simultaneously Unloading on Alpha Apron IV

Financial Snapshot

OPERATING INCOME	February		Month Variance	FYTD Comparison		FYTD Variance
	2024	2025		FY24	FY25	
Revenues	$2,665,882	$3,022,163	**$356,281**	$20,176,438	$22,114,550	**$1,938,112**
Less Expenses	$2,589,234	$2,479,844	**($109,390)**	$17,682,565	$19,056,048	**$1,373,483**
Operating Income *(Before Depreciation)*	**$76,648**	**$542,319**	**$465,671**	**$2,493,873**	**$3,058,502**	**$564,629**

Investment Fund Balances: As of February, the Local Governmental Investment Pool (LGIP) 700 = $6,706,884; Wells Fargo; Collateralized Money Market = $5,348,980 and Commercial/Paper Brokered CD's = $55,364,202; Total $67,420,066. MGAA invests in fixed rate instruments.

Finance and Accounting

Airport Reports Record Month for Operating Income in February

Mesa Gateway Airport Authority (MGAA, Authority) reported a net operating income of $542,319 for February 2025, a new financial performance record for the month. Fiscal year-to-date 2025 (FYTD25), operating income has eclipsed the three-million-dollar threshold ($3,058,502).

February aeronautical revenues increased by 20% and non-aeronautical revenues increased by 1% on a year-over-year monthly comparison. The increase in aeronautical revenue was in part due to a record month for retail fuel sales (43%), increased aeronautical lease income (25%), and vehicle parking fees (10%).

Operating expenditures for the month of February 2025 decreased by 4% and totaled $2,479,844. MGAA had the additional expense of three payroll periods in February 2024.

FYTD25 operating expenditures are 4% under MGAA's Board-approved budget.

The MGAA Board approved the FY26 Combined Budget at their March 18, 2025 meeting.

Active/Pending Solicitations

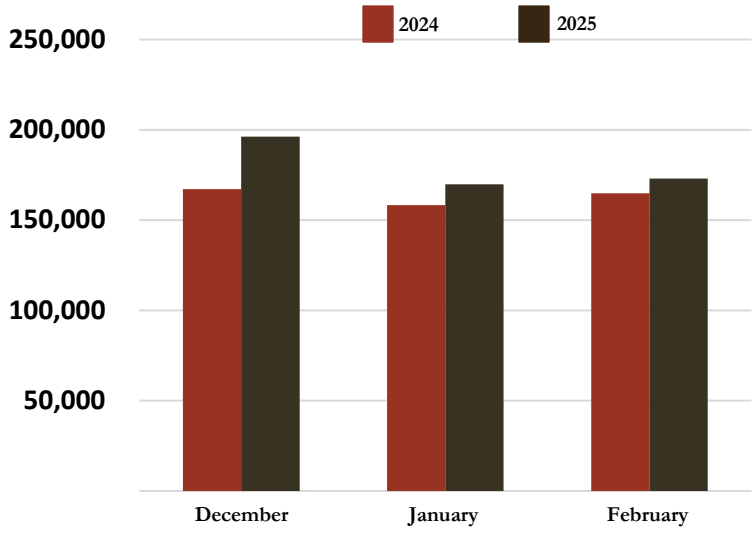
TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	April 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	June 2025
Request for Qualifications	2025-008-RFQ	Business Continuity Plan Development Services	June 2025

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Proposals	2025-004-RFP	Airport Website Redesign	May 2025
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	June 2025

Airport Operations

Commercial Passenger Activity Increases for Third Consecutive Month



MGAA's February activity report revealed that commercial passenger activity at Mesa Gateway Airport (Airport, Gateway Airport) increased for the third consecutive month in a year-over-year monthly comparison. The Airport was also extremely busy during March 2025 and anticipates an increase over last March as well.

Passenger activity is an important monthly and yearly economic indicator for the region. An increase in passengers through Gateway Airport represents more visitor spending on ground transportation, hotels, restaurants, entertainment, outdoor activities, and shopping. The Airport contributes more than $2B annually, and growing, to the Phoenix East Valley economy.

PASSENGER COUNTS		February		% Change	FYTD		% Change
		2024	2025		FY24	FY25	
Passengers	TOTAL	164,902	173,093	5%	1,173,928	1,240,090	6%
	Deplaned	84,208	88,768	5%	598,126	635,051	6%
	Enplaned	80,694	84,325	4%	575,802	605,039	5%
Allegiant	Scheduled	159,120	167,596	5%	1,149,609	1,212,351	5%
Sun Country	Scheduled	5,782	5,497	-5%	24,319	27,739	14%

OPERATIONS	February		% Change	FYTD		% Change
	2024	2025		FY24	FY25	
Air Carrier	1,087	1,218	12%	8,117	9,317	15%
Military	276	295	7%	1,916	1,546	-19%
General Aviation	24,437	25,294	4%	177,534	188,634	6%
TOTAL	**25,800**	**26,807**	**4%**	**187,567**	**199,497**	**6%**

Gateway Airport Completes FAA Part 139-Certification and Operations Inspection

Each year, Gateway Airport participates in a comprehensive days-long certification and compliance inspection by the Federal Aviation Administration (FAA). This inspection, completed at all commercial service airports nationwide, ensures that airports are following strict national safety standards. This year, Gateway Airport completed its FAA Part 139-Certification and Operations Inspection with only a few minor corrections across more than 4.5 square miles of airfield and nearly 6 miles of runway.

Included in a FAA Part 139 - Certification and Operations Inspection is a review of:

- Airport rescue/firefighting equipment, training, and response times
- Airport Emergency Plan (AEP)
- Operations/maintenance personnel training and performance
- All paved/unpaved safety areas and runway approaches
- All airfield markings and lighting
- Airport's self-inspection program
- All operations and maintenance records and logs

This year's FAA Part 139 Inspection confirmed that Mesa Gateway Airport is a safe, efficient, and well-run operation.

Community Noise Report

CALLERS	February		FYTD	
	2024	2025	FY24	FY25
Total	37	16	129	79

AIRCRAFT TYPE	February		FYTD	
	2024	2025	FY24	FY25
	Callers	Callers	Callers	Callers
Commercial	13	11	54	38
GA Total	13	4	37	32
Helicopter	1	0	25	6
Military	10	1	13	3
Total	37	16	129	79

MGAA received communications from a total of 16 individuals regarding aircraft noise issues during the month of February 2025, compared to 37 individuals last February.

LOCATION	February		FYTD	
	2024	2025	FY24	FY25
Mesa	14	10	34	29
Gilbert	8	6	46	35
Gold Canyon	1	0	1	0
Queen Creek	10	0	33	5
Queen Valley	2	0	6	4
Apache Junction	0	0	0	2
San Tan Valley	0	0	1	3
Chandler	1	0	1	0
Florence	0	0	0	1
Goodyear	1	0	2	0
Phoenix	0	0	2	0
Tempe	0	0	3	0
TOTAL	37	16	129	79

Arizona's Travel ID Will Get You Through Airport Security After May 7, 2025

May 7, 2025 is the federal deadline for domestic airline travelers to have a federally compliant form of identification. If you plan to use your driver's license or state-issued ID card for travel after that date, make an appointment at an Arizona Department of Transportation Motor Vehicle Division office to get your Arizona Travel ID.

Without the Arizona Travel ID or other form of federally compliant identification such as a valid U.S. passport, you'll risk missing an airline flight because the standard Arizona driver's license and ID card will no longer be accepted at TSA checkpoints as of May 7, 2025.

Gateway Aviation Services

Gateway Aviation Services, the Airport Authority owned and operated Fixed Base Operator (FBO) pumped more than 1.77MM gallons of aviation fuel during the month of February 2025, a 20% increase compared to last February. YTD25, the FBO has pumped a total of 12,392,123 gallons of aviation fuel.

FUEL (Gallons)	February			FYTD		
	2024	2025	% Change	FY24	FY25	% Change
AvGas	40,072	55,365	38%	282,765	404,150	43%
Retail Jet A	71,654	142,168	98%	478,292	755,252	58%
Contract	264,649	266,673	1%	2,388,572	1,881,762	-21%
Commercial	1,061,131	1,278,681	21%	8,084,641	9,190,805	14%
Cargo	37,781	28,995	-23%	189,922	160,154	-16%
TOTAL	**1,475,287**	**1,771,882**	**20%**	**11,424,192**	**12,392,123**	**8%**

Engineering, Planning, and Facilities

Phase I of Runway 12R/30L Reconstruction Project Nears Completion

MGAA is currently underway with the largest single infrastructure construction project in the history of Gateway Airport – a two-year, $45MM reconstruction of its longest runway. Runway 12R/30L is 10,401 feet long and 150 feet wide and is the primary runway used for commercial service operations.

Thanks to a multi-year grant from the FAA, a majority of the aging runway will be removed and reconstructed. The old concrete is being crushed on site and repurposed as the sub-base below sixteen inches of new concrete.

Phase I of the project is scheduled to be completed in late May/early June and, pending a continuation of federal funding, Phase II of the project will begin later this fall.



Concrete Being Placed on Runway 12R/30L

Business Development

Virgin Galactic Readies to Manufacture Six-Passenger Delta Spaceships

Later this year, space tourism pioneer and Gateway Executive Airpark's largest tenant, Virgin Galactic, will begin production of six-passenger Delta spaceships at Gateway Airport. Yes, you read that correctly, spaceship manufacturing will soon be underway at Gateway Airport in Mesa, Arizona!

Virgin Galactic is currently hiring a talented local workforce and outfitting their 115,000 sq. ft. manufacturing facility with large pieces of equipment used in the spaceship assembly process. MGAA is hopeful that the Virgin Galactic mothership, named Eve, will visit the Airport at some point in the near future.

Mesa Gateway Airport Meets with Seven Current and Prospective Airlines

MGAA is constantly looking to expand and improve domestic and international air service offerings at Gateway Airport. Whether it's Allegiant and Sun Country adding new nonstop destinations or additional frequency to popular cities, or a new airline beginning service in Mesa, MGAA strongly believes that air travelers across the region would benefit from Gateway Airport attracting more airlines.



Airport and Airline Representatives Talk About Air Service

MGAA recently participated in the annual Mead & Hunt Air Service Conference held in Tempe and had the opportunity to introduce Gateway Airport to seven airlines during the three-day event. The goal at these airline-airport "speed dating" conferences is to create enough interest in your particular airport to be invited for a headquarters visit to meet with the airline's route network or schedule planning team.

The event in Tempe went well. Several airlines were impressed with the exciting developments at the Airport, and MGAA is confident that a prospective airline will invite MGAA staff to their headquarters for additional talks.

MGAA Team Member Spotlight



Employee Name: **Kaylie Kochanski**
Employee Title: **Community Relations Manager**
MGAA Department: **Communications and Government Relations**
Years with MGAA: **Almost one**

What are your job responsibilities for MGAA? I am responsible for connecting our community with the Airport in many different ways. I manage all of the Airport volunteers and therapy dog handlers, execute all Airport sponsorships, and maintain our relationships with local chambers of commerce. I also provide Airport and air traffic control tower tours, work with our destination airports for mutual marketing efforts and manage the Airport's noise complaint program. Every day is different and that's what makes this job so fun!

What is your most memorable Gateway Airport moment? There have already been so many great memories in the past year, but my favorite moment has to be the first time I was taken on an airport tour. Coming from a different industry, I was shocked at how close we were driving to all of the action and how much is happening every day at Gateway that you can't see from the road. I feel lucky to now be able to provide those same tours to the public and give them those same exciting moments!

What is something people may not know about you I was a competitive cheerleader for 11 years!

MINUTES OF THE PUBLIC MEETING OF THE
MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | March 18, 2025

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, March 18, 2025, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Julia Wheatley, Queen Creek
Lt. Governor Regina Antone, Gila River Indian Community
Mayor Mark Freeman, Mesa
Mayor Scott Anderson, Gilbert
Mayor Chip Wilson, Apache Junction
** Neither present nor represented*

Airport Staff Present

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

1. **Call to Order** at 9:02 a.m. (Mayor Wheatley, Chairwoman)

2. **Pledge of Allegiance**

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

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

   - Fiscal Year-to-Date 2025 (FYTD) Net Operating Income is $2,516,179.
   - Mesa Gateway Airport (Airport, Gateway Airport) welcomed 169,813 commercial passengers in January 2025. This is up from the 158,391 passengers during January of last year.
   - Private Development Project Updates
     - Virgin Galactic's hangar and manufacturing facility are complete. Hiring is underway. The hangar will house the mothership and the manufacturing facility will begin production of the six-passenger Delta spaceships later in 2025. Heavy machinery/assembly equipment has begun arriving and will continue through April/May timeframe. The mothership is anticipated to visit Gateway Airport sometime in the fall of 2025.
     - The demolition of several old Airport buildings has created a new aeronautical development opportunity at the south end of the Airport. In September a Request for Qualifications (RFQ) for the ± 8.00 acres of property designated for aeronautical redevelopment was released. The evaluation panel met on January 7, 2025 to review all qualified submittals. A candidate has been selected. The Authority will present this recommendation before the Board for consideration and approval.
     - Gateway Commerce Center III is being developed along the southeast corner of Sossaman Road and Velocity Way. This project includes two industrial buildings totaling approximately 98,000 sq. ft. Vertical construction began at the end of January/early February. The exterior walls are now in place.
     - Gateway East is a 273-acre Airport Business Park located on the east side of the Airport adjacent to Ellsworth Road and Gateway Boulevard. Construction is nearly complete for the

DRAFT

275,000 sq. ft. U.S. headquarters and manufacturing facility for Gateway East's first tenant, XNRGY Climate Systems. Manufacturing of high-end climate control systems is anticipated to begin at the end of April/beginning of May in XNRGY's new facility.

- The Gateway East developer, The Boyer Company out of Salt Lake City is working with the City of Mesa for pre-design of a five-acre development at the intersection of Ellsworth Road and Gateway Boulevard that will include a five-story, 125-room SpringHill Suites by Marriott Hotel, two retail buildings, and restaurant pads.

- MGAA Briefs
  - Air Service Development
    - January and February passenger activity are up 7% and 5% respectively.
    - Allegiant added nonstop service to Colorado Springs on February 12th.
    - The spring/summer flight schedule shows continued growth with increases over last year during the March through August time period.
    - 2025 Mead & Hunt Air Service Conference is on April 1-3, 2025 in Phoenix. Executive Director O'Neill has airline meeting requests with United, Avelo, Sun Country, Frontier, Southern, Breeze, Southwest and Allegiant.
  - The U.S. Forest Service (USFS) is preparing for the 2025 wildfire season. Aircraft arrived in February at Gateway Airport for training. The USFS plans to open its Mesa Base on the 22nd of March.
  - The Authority has hosted several newly elected officials for tours of the Airport. These tours aid in understanding the economic importance of the Airport to the Phoenix East Valley and the State. The Executive Director has invited all elected officials interested in a tour to contact the Airport.
  - May 7, 2025 is the federal deadline for domestic airline travelers to have a federally compliant form of identification called Real ID, or in Arizona it's called Travel ID. Standard Arizona drivers' licenses and ID cards will no longer be accepted at TSA checkpoints.
- MGAA Construction Project Updates
  - The reconstruction of Runway 12R-30L will be completed over the next two years. Phase I began in October 2024. Once the southern portion is completed in June, Phase II, the northern half of Runway 12R-30L, will be reconstructed after receiving the proposed federal grant. Concrete from the southern half of the 10,400-foot runway has been removed and crushed, and will be reused as the base course under the new concrete. This important infrastructure project totals approximately $45MM, with a majority of the funding coming from FAA grants.
  - The south end of the Airport's airside service road has been reconstructed to accommodate fuel trucks traveling between the east side and west side of the airfield. The service road is paved and open for use.
  - The Authority is updating the signage for the front entrance of the Airport at the intersection of Ray and Sossaman Roads. A new monument sign, landscaping, irrigation, and lighting will be completed this spring.
  - The Authority has received a federal grant to update the airfield electrical system. Over the next two years the electrical system will be updated in conjunction with ongoing runway projects. This will include new LED lighting, upgrading the vaults, and the wiring connecting the three 10,000 ft. runways and ramp areas.
  - A new TSA checked baggage system will replace two older Reveal machines that can only clear 200 checked bags an hour. The new upgraded explosive detection equipment will be capable of clearing 800 – 1,000 bags an hour. This additional capacity will be necessary as the Airport continues to grow. This project is scheduled to get underway in August 2025.

5. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **February 18, 2025**.

   b) **Resolution No. 25-07 –** Authorizing the purchase and installation of nine (9) 5-Ton HVAC Units from **365 Mechanical, LLC** in an amount not to exceed $196,038.17.

   c) **Resolution No. 25-08 –** Authorizing a contract modification in the amount of $250,000 to the current Transportation Security Administration In-Line Checked Baggage Inspection System Project, CMAR Pre-Construction Services Contract with **The Weitz Company**, to include development of a Guaranteed Maximum Price, for a new contract total of $300,000 in TSA funding and Airport non-grant funding under CIP 1265.

   d) **Resolution No. 25-09 –** Authorizing a contract for the purchase and installation of Fire System Valves from **Cross Fire Protection LLC (Cross Fire)** in an amount not to exceed $100,255.50 under CIP 1303.

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

Consideration and Approval of:

6. **Resolution No. 25-10 –** Adopting the Mesa Gateway Airport Authority Fiscal Year **2026 Operating Budget** in the amount of $37,083,033, the Fiscal Year 2026 Mesa Gateway Airport Authority **Capital Improvement Program and Debt Service** in the amount of $73,599,712, 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 (61.60 %); Gila River Indian Community $450,000 (16.30%); Town of Gilbert $350,000 (12.68 %); Town of Queen Creek $130,000 (4.71 %); City of Apache Junction $130,000 (4.71 %).

Mayor Mark Freeman moved to approve Resolution No. 25-10.
Mayor Scott Anderson seconded the motion.
The motion was carried unanimously.

7. **Resolution No. 25-11 –** Authorizing a lease agreement with the **United States Department of Agriculture, Forest Service (USDA-FS)** for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on November 15, 2026, and terminates on November 14, 2046.

Mayor Chip Wilson moved to approve Resolution No. 25-11.
Mayor Mark Freeman seconded the motion.
The motion was carried unanimously.

8. **Board Member Comments/Announcements.**
Mayor Freeman stated he recently toured the SkyBridge development and asked about the process for privatizing the Fixed Base Operator (FBO). Executive Director O'Neill provided an overview of the solicitation process should the board of directors ever determine such a decision would be in the best interest of the Authority.

9. **Next Meeting: Tuesday, April 15, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference.

10. **Adjournment.**
    The meeting adjourned at 9:38 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-12

To: **Board of Directors**
From: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Air Service Development Consulting Services – Mead and Hunt, Inc.**
Date: **April 15, 2025**

Proposed Motion
To authorize a contract with Mead and Hunt, Inc. (Mead and Hunt) for Air Service Development Consulting Services in an amount not to exceed $250,000 for five years, which includes (2) one-year renewal options.

Narrative
Airports often contract with professional air service development consultants to assist in air service retention and the recruitment of new airlines and additional air service. Mesa Gateway Airport engages these resources to provide market and route analysis, airline relationships, airline meeting presentations, incentive program development, and on-call data research.

Request for Qualifications #2025-006-RFQ for Air Service Development Consulting Services was issued on January 14, 2025. The RFQ was advertised in the Arizona Business Gazette on 1/16, 1/23, 1/30, and 2/6/25 as well as advertised on the following websites: AzAA, SWAAAE, ACI-NA, ACC, and Mesa Gateway Airport Authority's website. In addition, 8 prospective respondents received a copy of the solicitation directly. MGAA received one (1) Statement of Qualifications on February 5, 2025 from the following firm:

1. Mead and Hunt, Inc.

Following MGAA's procurement Policy 24-59 when only one submittal is received, staff confirmed that the requirements contained in the RFQ were not overly restrictive. Mead and Hunt met all the requirements of the RFQ. In addition, the Evaluation Panel believes Mead and Hunt's overall experience and qualifications in the Air Service Development industry as well as their project leadership, staffing and project understanding will benefit MGAA.

Fiscal Impact
Funding for this contract is included in the operating budget for FY25 and subsequent years operating budgets.

Attachment: Professional Services Agreement

RESOLUTION NO. 25-12

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

WHEREAS the Authority desires to authorize a contract with Mead and Hunt, Inc. (Mead and Hunt) for Air Service Development Consulting Services in an amount not to exceed $250,000 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 Mead and Hunt, Inc. (Mead and Hunt) for Air Service Development Consulting Services in an amount not to exceed $250,000 for five years, which includes (2) 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 15th day of April, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

MESA GATEWAY AIRPORT AUTHORITY

AND

MEAD AND HUNT, INC.

FOR

AIR SERVICE DEVELOPMENT CONSULTING SERVICES

Mesa Gateway Airport

Table of Contents

Section I - Consultant Services	3
Section II - MGAA Responsibilities	3
Section III - Period of Service	3
Section IV – Key Personnel	4
Section V – Payments to the Consultant	4
Section VI – Alteration in Scope of Services	4
Section VII – Work Assignment Completion	4
Section VIII – Ownership of Documents	5
Section IX – Compliance with Laws	5
Section X – General Considerations	5
Section XI – No Kick-back Certification	5
Section XII – Suspension of Services	5
Section XIII – Times of Payments	5
Section XIV – Timely Review	5
Section XV – Dispute Resolution	6
Section XVI – Liability of Consultant	6
Section XVII – Laws and Regulations	6
Section XVIII – Not Used	6
Section XIX – Insurance Requirements	6
Section XX – Notices	7

EXHIBIT A – Scope of Services & Fee Schedule	9
EXHIBIT B – Compensation	10
EXHIBIT C – Special Provisions	11
EXHIBIT D – MGAA Standard Terms and Conditions	15
EXHIBIT E – Consultant's RFQ/RFP Submittal	20
EXHIBIT F – Consultant's Key Personnel	21

Mesa Gateway Airport Authority, formerly known as Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("MGAA") desires performance of the services more fully described in this Services Contract ("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. MGAA 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. MGAA 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, MGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. MGAA 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: Air Service Development Consulting Service, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

MGAA's authorized representative shall be the MGAA Executive Director/CEO 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 – MGAA RESPONSIBILITIES

MGAA 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. MGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In MGAA'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. MGAA will advise Consultant concerning progress of MGAA'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 contracted on or before the expiration date of the Contract

This Contract is effective as of June 1, 2025 and ends on May 31, 2028 ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

This Contract has two (2) optional one-year extensions that MGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, MGAA may elect to extend the Contract. If MGAA 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.

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

SECTION IV – KEY PERSONNEL

A. Consultant has been selected to perform the services herein, in part, because of the skills and expertise of the key firms, team members and individuals (collectively, "Consultant's Key Personnel") that are listed in Exhibit F and that are consistent with the Statement of Qualification (SOQ) dated January 30, 2025. Offeror shall perform the services under this Contract using Consultant's Key Personnel. Consultant's Key Personnel shall not be removed or replaced during the term of the Contract without prior written consent of MGAA. MGAA recognizes that Consultant's Key Personnel may leave the employ of Consultant for reasons beyond Consultant's control. Whenever practicable, Consultant shall give MGAA at least 14 calendar days' notice prior to the departure of any of Consultant's Key Personnel from the services. MGAA shall have the right to approve or reject any replacements for Consultant's Key Personnel when personnel leave that are beyond the control of Consultant. When within Consultant's control, Consultant's failure to use Consultant's Key Personnel to perform the services under the Contract without MGAA's prior written consent will be a material breach and grounds for suspension or termination for cause of this Contract by MGAA.

B. 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 MGAA prior to authorizing work by said Sub-Consultants. MGAA 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 MGAA in accordance with MGAA'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.

MGAA 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.

MGAA 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 MGAA.

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 MGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by MGAA and Consultant has been notified to proceed by MGAA. No claim for extra work done or materials furnished by Consultant will be allowed by MGAA, 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 MGAA and the change complies with MGAA'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, MGAA 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 MGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title

and interests to such documents to MGAA. 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 MGAA upon completion of the services and payment in full to Consultant. MGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. MGAA 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 MGAA'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.

MGAA shall administer this Contract in accordance with MGAA'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 MGAA 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 MGAA Board of Directors or any employee of MGAA has any interest, financially or otherwise, in Consultant's firm.

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

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from MGAA, 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 MGAA.

SECTION XIII – TIMES OF PAYMENTS

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

SECTION XIV – TIMELY REVIEW

MGAA 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 MGAA's reviews, MGAA 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 MGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "MGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

MGAA 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 MGAA, 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 – NOT USED

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 MGAA, 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, MGAA 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 MGAA.

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 MGAA.
   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 MGAA, 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 MGAA. MGAA 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 MGAA.

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 MGAA 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 MGAA 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. MGAA 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 MGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: MGAA 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 MGAA:
Mesa Gateway Airport Authority
Attn: Executive Director/CEO
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT:
Mead and Hunt, Inc.
Attn: Mike Lopez
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 Effective Date.

CONSULTANT
MEAD AND HUNT, INC., a Wisconsin Corporation

By: Joseph Pickering Digitally signed by Joseph Pickering DN: CN=Joseph Pickering Date: 2025.03.24 13:44:23-04'00'

Name: Joseph Pickering

Title: Vice President

Date: March 24, 2025

MGAA
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 may include, but is not limited to, the following services:

1. Assist in developing and maintaining a comprehensive domestic and international air service improvement program for Mesa Gateway Airport (Gateway Airport).

2. Evaluate the market to determine which additional air service opportunities should be pursued and develop detailed marketing analyses for presentations to airlines.

3. Utilize contacts at the highest levels within domestic and international air carriers to facilitate meetings concerning new and/or improved air service at Gateway Airport.

4. Represent Gateway Airport at air service development conferences and/or airline meetings.

5. Analyze industry trends and assist in developing air service marketing strategies.

6. Other aviation-related consulting services as required.

FEE SCHEDULE

For the services provided herein, MGAA agrees to pay Consultant the hourly rates listed below. The fees stated herein shall remain in effect for the first year of the Contract. After the first year, the Consultant may increase the fees annually, up to a maximum of 5%, effective on each anniversary of the Agreement's effective date.

Clerical	$ 95.00
Accounting/Administrative Assistant	$115.00
Analyst	$125.00
Senior Analyst	$165.00
Consultant	$200.00
Managing Director	$230.00
Project Manager	$245.00
Vice President	$260.00

All rates include all overhead, profit, and labor. MGAA will not pay for Consultant's travel, hotel, meals, etc.

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, MGAA 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 MGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to MGAA 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 MGAA 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 MGAA. 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. MGAA Responsibilities for Compensation

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

5. Billing Address

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

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

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

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

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

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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- 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 § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by 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 (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. 74087 (2005)];

- 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).

Title VI Compliance With Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

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, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. 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. <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.

4. 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 MGAA, Consultant and/or subconsultant 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA, 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 MGAA Badging Office.

5. Standard Terms & Conditions

MGAA'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. MGAA reserves the right to make that determination if there is a conflict.

6. 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 MGAA, 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 MGAA all information, reports, documents, and/or certifications requested by MGAA 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.

7. Right to Contract With Other Firms

MGAA 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 MGAA 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.

8. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. MGAA 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 MGAA.

EXHIBIT D – MGAA 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. Termination for cause. MGAA 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, MGAA will issue a written notice of default specifying one of the following reasons. MGAA 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. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this Contract.

      (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 MGAA 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 MGAA adequate assurance the Consultant will perform the Contract in full and on time.

      (6) Each payment obligation of MGAA created hereby is conditioned on the availability of MGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by MGAA for continuance of service under this Contract, then MGAA may terminate the Contract. MGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to MGAA if this provision is exercised, and MGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. Termination for convenience. This Contract may be terminated at any time by mutual written consent or by MGAA - with or without cause - provided the terminating party gives fourteen (14) calendar days' advance written notice to the other party. MGAA may terminate this Contract, in whole or in part, for MGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then MGAA is liable only for services rendered and material received, certified, and approved by MGAA under the Contract before the termination effective date. Consultant will refund MGAA for any prepaid but unused charges.

   c. Upon termination of the Contract, the Consultant must deliver to MGAA 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.

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 MGAA in the form of salaries, paid vacation, or sick days. MGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. MGAA will not withhold FICA, taxes, or any similar deductions from MGAA'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 MGAA contracts.

7. **Non-Exclusive Contract**. This Contract is for the sole convenience of MGAA. MGAA 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 MGAA for the purpose of assuring that no information contained in its records or obtained from MGAA 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 MGAA. 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 MGAA.

10. **Gratuities.** MGAA 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 MGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled MGAA under this provision, MGAA 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 an RFP, IFB or RFQ. The Contract contains the entire agreement between MGAA 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 MGAA 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 MGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages MGAA's property in any way, Consultant shall immediately report such damage to MGAA and repair or replace the damage at no cost to MGAA, as directed by the MGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then MGAA may terminate the Contract, and MGAA 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 MGAA. MGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. MGAA 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 MGAA, shall not alter or affect the obligations of Consultant or the rights of MGAA 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 MGAA, 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 MGAA.

24. **Right to Inspect.** MGAA may, at reasonable times, and at MGAA'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 MGAA. 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 MGAA and shall not be used or released by Consultant or any other person except with prior written permission by MGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to MGAA until MGAA 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 MGAA under this Contract must be free of all liens and other encumbrances. Upon request of MGAA, 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.** MGAA 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 MGAA 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 MGAA, 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 MGAA. 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 MGAA, 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 MGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to MGAA 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 MGAA. MGAA 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. MGAA 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 MGAA to Consultant under the Contract. During normal working hours, MGAA 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. MGAA 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 MGAA. MGAA 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 Mesa Gateway Airport Authority's Solicitation 2025-006-RFQ dated January 30, 2025, is hereby incorporated herein and made part of this Contract.

Organizational Chart

Our proposed air service team has industry-leading and award-winning experience in air service development efforts for airports and airlines. Mead & Hunt's project team is led by individuals with broad management experience at major airlines, airports, and consulting firms with executive-level leadership and route planning responsibilities at major international carriers, such as **American Airlines, Delta Air Lines, Hawaiian Airlines, Southwest Airlines, and United Airlines**.

The primary project team will be led by Mike Lopez. Supporting this primary team are air service and aviation professionals at Mead & Hunt. Our team is also supported by Mead & Hunt's administrative departments, including accounting, marketing, information technology, and human resources. Mead & Hunt is licensed to do both engineering and architectural work in Arizona. While professional certifications are not necessary for air service consulting services, when appropriate, Mead & Hunt will obtain any necessary business licenses for air service development consulting for MGAA. Resumes of key air service staff are included starting on page ix. As demonstrated in our resumes, our staff have significant longevity with Mead & Hunt, which enables key personnel to remain assigned to the Mesa Gateway Airport project. Mike Lopez will remain the Project Manager throughout the term of the contract.

Mesa Gateway Airport Authority



PROJECT MANAGER | MANAGING DIRECTOR

Mike Lopez
4113 Ashland Creek Lane
League City, TX 77573
832-967-7383
mike.lopez@meadhunt.com

AIR SERVICE SUPPORT TEAM

Joseph Pickering, *Vice President/Manager*
Levi Anstine, *Managing Director*
Doug Blissit, *Managing Director*
Jeffrey Hartz, *Managing Director*
Gemma Hooper, *Air Service Development & Planning*
Kirk Lovell, *Managing Director*
Ron McNeill, *Managing Director*
Margaret Muir, *Managing Director*
Jay Richardson, *Managing Director*

Quality Assurance/ Quality Control

Margaret Muir,
Managing Director

Aviation Division

Architecture
Engineering
Environmental
Planning

Administrative Support

Accounting
Human Resources
Information Technology
Marketing

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

Board Action Item

Re: Resolution 25-13

To:	**Board of Directors**
From:	**Brian Lehrich, CPA, Director of Finance**
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 15, 2025**

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, 2025 and June 30, 2026 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 Mesa Gateway Airport Authority (MGAA) Airport Capital Improvement Program (fiscal years 2026-2030 and preceding years) in accordance with the Airport Master Plan. The Federal Government, State of Arizona, Arizona Counties or Arizona Local Municipalities may offer MGAA a grant or multiple grants for capital improvements or other projects at any time during the year that will support the priorities of the MGAA.

Staff requests authority to prepare grant applications and submit for capital planning, design, construction or other projects that will support the priorities of MGAA. MGAA 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. 25-13

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

WHEREAS the Authority desires to authorize the 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, 2025 and June 30, 2026 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, 2025 and June 30, 2026 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 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 April, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 25-14

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:	**Airfield Electrical Upgrades – CIP 1318, Blueglobes, LLC**
Date:	**April 15, 2025**

Proposed Motion
To authorize the purchase of Isolation Transformers and Primary Connector Kits, for Taxiway Lighting from Blueglobes, LLC (Blueglobes) in an amount not to exceed $69,075.78, pending receipt of an FAA grant.

Narrative
The Airfield Electrical Circuits are more than 20-years old and register cautionary readings between 5 and 10 M Ohms on the Insulated Value reports. A good Insulated Value measurement should be above 100. These cautionary readings indicate on-going deterioration of the circuits, which can risk non-compliance with Part 139 regulations and/or a catastrophic failure. These low readings necessitate the need for upgrading TWY A, TWY P, TWY C and TWY B.

This project will include replacing the lighting circuits, lights, conductors, and transformers on TWY A, TWY P, and TWY C. It will also include the replacement of the TWY B conductor due to the low resistance readings. TWY B will not require new lights.

Airport Staff obtained three quotes from qualified Vendors.

Blueglobes, LLC	**$69,075.78**
ADB Safegate	$157,668.47
Anixter	$119,122.31

Freight is estimated with Blueglobes.

Fiscal Impact
This project is included in the FY25 Capital Budget utilizing FAA, ADOT, and MGAA Matching Grant funding under CIP 1318.

Attachment(s)
Quote

RESOLUTION NO. 25-14

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

WHEREAS the Authority desires to authorize the purchase of Isolation Transformers and Primary Connector Kits, for Taxiway Lighting from Blueglobes, LLC (Blueglobes) in an amount not to exceed $69,075.78, pending receipt of an FAA grant;

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 Isolation Transformers and Primary Connector Kits, for Taxiway Lighting from Blueglobes, LLC (Blueglobes) in an amount not to exceed $69,075.78, pending receipt of an FAA grant. 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 April, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

blueglobes, llc

Quote Number: IWA-9729
March 13, 2025

Quote To:

Mitch Johnson
Phoenix-Mesa Gateway Airport

480-988-7561

Customer Reference	Quotation Valid For	Ship Via	Part Terms	Freight	F.O.B.
	April 25th 2025	FDX	N30D	Ppd & Add	Origin

Quantity	Units	Description	Unit Price	Extended Price
694	ea	830TX661015 L-830-16 10/15 watt, 6.6/6.6 amp isolation transformers.	$ 68.25	$ 47,365.50
894	ea	823KT18C L-823 Complete Kit for #8 AWG Airfield cable.	$ 17.33	$ 15,493.02
304	ea	ALC-861L-BB-14 L-861T LED Taxiway edge light, blue, 14 inch OAH, no arctic kit.	$ 233.11	$ 70,865.44
1	ea	Estimated Freight Cost	~~$1,300.00~~ $1,000.00	~~1,300.00~~ $1,000.00
		This quote is valid until April 25th 2025.		

$47,365.50 + $15,493.02 + $1,000.00 (shipping) + $5,217.26 (tax) = $69,075.78

We thank you for the opportunity to quote,
Max Moody, 866.445.6237, Voice & Fax

blueglobes, llc

TOTAL LESS FREIGHT	$ 135,023.96
Freight Charges:	AS QUOTED
FREIGHT WILL BE ADDED TO THE INVOICE AT BILLING	

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

Board Action Item

Re: Resolution 25-15

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:	**Airfield Electrical Upgrades – CIP 1318 – Anixter, Inc.**
Date:	**April 15, 2025**

Proposed Motion
To authorize the purchase of Airfield electrical and lighting supplies for Taxiway Lighting from Anixter, Inc. (Anixter) in an amount not to exceed $92,934.45, pending receipt of an FAA grant.

Narrative
The Airfield Electrical Circuits are more than 20-years old and register cautionary readings between 5 and 10 M Ohms on the Insulated Value reports. A good Insulated Value measurement should be above 100. These cautionary readings indicate on-going deterioration of the circuits, which can risk non-compliance with Part 139 regulations and/or a catastrophic failure. These low readings necessitate the need for upgrading TWY A, TWY P, TWY C and TWY B.

This project will include replacing the lighting circuits, lights, conductors, and transformers on TWY A, TWY P, and TWY C. It will also include the replacement of the TWY B conductor due to the low resistance readings. TWY B will not require new lights.

MGAA is a participating member of the OMNIA Partners purchasing group (OMNIA) allowing it to utilize existing contracts that have been competitively bid and entered into by other OMNIA members. The airfield electrical and lighting supplies will be procured under OMNIA Contract #R240809 with Anixter, a WESCO Company. This contract is available upon request.

Fiscal Impact
This project is included in the FY25 Capital Budget utilizing FAA, ADOT, and MGAA Matching Grant funding under CIP 1318.

Attachment(s)
Quote

RESOLUTION NO. 25-15

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

WHEREAS the Authority desires to authorize the purchase of Airfield electrical and lighting supplies for Taxiway Lighting from Anixter, Inc. (Anixter) in an amount not to exceed $92,934.45, pending receipt of an FAA grant;

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 electrical and lighting supplies for Taxiway Lighting from Anixter, Inc. (Anixter) in an amount not to exceed $92,934.45, pending receipt of an FAA grant. 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 April, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

QUOTATION

Date: 03/20/2025
Quote #: Q00DTBDR
Customer: 173222

Anixter Inc. (a WESCO Company)
Send Purchase Orders to Anixter Inc.
2301 Patriot Blvd. Glenview, IL 60026

Customer

PHOENIX-MESA GATEWAY AIRPORT -

5835 S SOSSAMAN RD
MESA, AZ 85212
Ron King

Phone: 480-748-3149

Fax: --

Email: rking@gatewayairport.com

Airfield Cable - Pricing valid to April 16th - OMNIA R240809

Line	Quantity	Part Number and Description	UM	Unit Price	Extended Price
1	105000	Non-Stock PRYSMIAN C **20263923** 1/8 XLPE 5KV FAA TYPE C 38917121 X 5,000.00 FT -0/+5% TOLERANCES **Lead Time: 4-5 WEEKS** **Part Availability: *FREIGHT IS COVERED*** Government Contract #: R240809	MF	815.00	85,575.00
2	1	14ZZZ-SALESTAX MISC SALES TAX Government Contract #: R240809	EA	7359.45	7,359.45

Quote Total: **92,934.45**

Wesco may assess storage and transportation fees if you do not take or accept delivery within 90 days of product availability. Wesco may also update this quote or above pricing due to duties, freight, tariffs, supplier pricing, surcharges, or exchange rate fluctuations.

BY ACCEPTING THIS QUOTE, YOU AGREE THAT THE TERMS AND CONDITIONS OF SALE PUBLISHED AT WWW.WESCO.COM/TERMSOFSALE ARE EXPRESSLY INCORPORATED INTO AND SHALL GOVERN THIS TRANSACTION.

QUOTATION

Date: 03/20/2025
Quote #: Q00DTBDR
Customer: 173222

Anixter Inc. (a WESCO Company)
Send Purchase Orders to Anixter Inc.
2301 Patriot Blvd. Glenview, IL 60026

Airfield Cable - Pricing valid to April 16th - OMNIA R240809

TERMS NET 30
Freight Terms: PPD/CHARGE
Shipment: MATERIAL IN ANIXTER INVENTORY IS SUBJECT TO PRIOR SALE. ORDER ACCEPTANCE BASED UPON PRIOR CREDIT APPROVAL. ALL MATERIAL NON-RETURNABLE WITHOUT RETURN AUTHORIZATION.
Notes:
Currency: USD

Please refer all inquiries to:

Mishala Weber
Phone: 480-293-2825
Mobile: --
Fax: --
mishala.weber@anixter.com

3425 E Van Buren
Suite 140
PHOENIX, AZ 85008
US

Comments:

COPPER CABLE PRICES VALID FOR 14 CALENDAR DAYS. ALL OTHER ITEMS VALID 20 DAYS, UNLESS NOTED AT THE ITEM LEVEL.

SMALL ORDER FEE OF $30 MAY APPLY TO ORDERS UNDER $350

Wesco may assess storage and transportation fees if you do not take or accept delivery within 90 days of product availability. Wesco may also update this quote or above pricing due to duties, freight, tariffs, supplier pricing, surcharges, or exchange rate fluctuations.

BY ACCEPTING THIS QUOTE, YOU AGREE THAT THE TERMS AND CONDITIONS OF SALE PUBLISHED AT WWW.WESCO.COM/TERMSOFSALE ARE EXPRESSLY INCORPORATED INTO AND SHALL GOVERN THIS TRANSACTION.

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

Board Action Item

Re: Resolution 25-16

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:	**Airfield Electrical Upgrades – CIP 1318, ADB Safegate Americas LLC**
Date:	**April 15, 2025**

Proposed Motion
To authorize the purchase of LED Taxiway Edge Lights for Taxiway Lighting from ADB Safegate Americas LLC (ADB Safegate) in an amount not to exceed $76,842.75, pending receipt of an FAA grant.

Narrative
The Airfield Electrical Circuits are more than 20-years old and register cautionary readings between 5 and 10 M Ohms on the Insulated Value reports. A good Insulated Value measurement should be above 100. These cautionary readings indicate on-going deterioration of the circuits, which can risk non-compliance with Part 139 regulations and/or a catastrophic failure. These low readings necessitate the need for upgrading TWY A, TWY P, TWY C and TWY B.

This project will include replacing the lighting circuits, lights, conductors, and transformers on TWY A, TWY P, and TWY C. It will also include the replacement of the TWY B conductor due to the low resistance readings. TWY B will not require new lights.

Airport Staff obtained three quotes from qualified Vendors.

ADB Safegate	**$76,842.75**
Blueglobes, LLC	$76,946.40
Anixter	$158,177.85

Fiscal Impact
This project is included in the FY25 Capital Budget utilizing FAA, ADOT, and MGAA Matching Grant funding under CIP 1318.

Attachment(s)
Quote

RESOLUTION NO. 25-16

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

WHEREAS the Authority desires to authorize the purchase of LED Taxiway Edge Lights for Taxiway Lighting from ADB Safegate Americas LLC (ADB Safegate) in an amount not to exceed $76,842.75, pending receipt of an FAA grant;

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 LED Taxiway Edge Lights for Taxiway Lighting from ADB Safegate Americas LLC (ADB Safegate) in an amount not to exceed $76,842.75, pending receipt of an FAA grant. 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 April, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

ADB SAFEGATE Americas LLC
700 Science Blvd
Gahanna,OH-43230

Tel: +1 (614) 861 1304
Fax: +1 (614) 864 2069

Quote Confirmation

Sold-To-Party: 1002570
PHOENIX MESA GATEWAY AIRPORT
5835 S. SOSSAMAN RD.
MESA AZ 85212
Cust.Tax ID: 74-2712930
Contact Person: ACCOUNTS PAYABL
Phone: (480) 988-7600

Ship-To-Party: 2004103
Phoenix Mesa Gateway Airport
Attn: Ron King
6263 S Taxiway Circle
Mesa AZ 85212
Contact Person: Janice Parks
Phone: 480-988-7548

Header Information

Project No.:		**Terms of Delivery:**	EXW - PLANT
Quote No:	20048706	**Terms of Payment:**	Net 30 days
Quote Date:	March 04, 2025	**FOB:**	Origin
Airport Code:	IWA-Phoenix Mesa Gateway Airport	**Valid From:**	March 04, 2025
ADB Contact Person:	Wilson Degeo	**Valid To:**	April 17, 2025

Pay Item	Line	Part No./ Description	Quantity/UoM		Unit Price	Amount
	100	1ST10066601001 ITX-A 100W 6.6/6.6A 60Hz FAA L830-4	694	EA	166.88	115,814.72
	200	70A0012/CK CONN PRIMARYCOMPLETE KIT#8 L823 11805-01	894	EA	33.30	29,770.20
	300	ETES/1110 ETES L861TBLUE 14"OAH NO ARCTIC KI	304	EA	233.40	70,953.60

Quote Total:	216,538.52
Quote Tax:	17,972.70
Final Quote Amount (USD):	234,511.22

$70,953.60 + $5,889.15 (tax) = $76,842.75

Additional Notes:

ADB SAFEGATE PAYS FREIGHT ON ORDERS OVER $3500.00, IN THE CONTIGUOUS US. ADB SAFEGATE MINIMUM ORDER: $150.00.

We accept Visa, Master card and American Express. N30 accounts available upon approval.

RESERVATION CLAUSE:
Purchaser acknowledges that ADB SAFEGATE Americas is required to comply with export applicable laws and regulations relating to the sale, exportation ,transfer ,assignment, disposal and usage of the Equipment provided under the Contract, including any export license requirements. Purchaser agrees that such Equipment shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by ADB SAFEGATE Americas of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. PURCHASER AGREES TO INDEMNIFY AND HOLD ADB SAFEGATE Americas HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

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 2025 Financials**
Date: **April 15, 2025**

Attached is the monthly Financials Report for February 2025.

Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
February, 2025

	Month of February 2025				Y-T-D as of February 2025			
	February FY24 Actual	February FY25 Actual	YOY Variance	B/(W)	YTD FY24 Actual	YTD FY25 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	36,358	28,221	(8,137)	-22%	249,143	256,283	7,140	3%
Fuel Flowage Fees	48,021	63,026	15,005	31%	411,908	407,599	(4,309)	-1%
Landing Fees	135,438	156,539	21,101	16%	1,051,442	1,121,447	70,005	7%
Lease Income Aero	317,207	395,234	78,027	25%	2,797,018	3,127,064	330,046	12%
Fuel Sales	689,658	984,841	295,183	43%	4,782,145	6,105,440	1,323,295	28%
Services Sold - Aero	514,042	463,472	(50,570)	-10%	3,884,374	3,538,691	(345,683)	-9%
Sub-total Aero Operating Revenues	1,740,724	2,091,333	350,609	20%	13,176,030	14,556,524	1,380,494	10%
Non-Aeronautical Operating Revenues								
Concessions	130,859	130,281	(578)	0%	890,667	959,866	69,199	8%
Lease Income Non-Aero	107,245	110,625	3,380	3%	876,751	913,858	37,107	4%
Parking	294,165	323,030	28,865	10%	3,480,701	3,695,404	214,703	6%
Rental Car Fees	391,154	356,478	(34,676)	-9%	1,713,102	1,940,909	227,807	13%
Svcs Sold - Non Aero	1,735	10,416	8,681	500%	39,187	47,989	8,802	22%
Sub-total Non-Aero Operating Revenues	925,158	930,830	5,672	1%	7,000,408	7,558,026	557,618	8%
Total Operating Revenues	**2,665,882**	**3,022,163**	**356,281**	**13%**	**20,176,438**	**22,114,550**	**1,938,112**	**10%**
Operating Expenses								
Cost of Goods Sold	449,474	618,124	(168,650)	-38%	3,449,791	3,893,534	(443,743)	-13%
Personnel	1,289,620	970,805	318,815	25%	7,243,222	7,780,758	(537,536)	-7%
Comm & Utilities	66,338	75,236	(8,898)	-13%	726,561	807,411	(80,850)	-11%
Contractual Services	547,172	609,875	(62,703)	-11%	4,512,878	4,916,807	(403,929)	-9%
Insurance	64,150	57,395	6,755	11%	421,698	471,711	(50,013)	-12%
Other	26,318	23,464	2,854	11%	218,705	195,112	23,593	11%
Repair & Maintenance	73,534	48,285	25,249	34%	552,040	445,018	107,022	19%
Supplies & Materials	72,628	76,660	(4,032)	-6%	557,670	545,697	11,973	2%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,589,234**	**2,479,844**	**109,390**	4%	**17,682,565**	**19,056,048**	**(1,373,483)**	-8%
Operating Income (Loss) Before Depreciation	**76,648**	**542,319**	**465,671**	608%	**2,493,873**	**3,058,502**	**564,629**	23%
	2.9%	17.9%			12.4%	13.8%		
Depreciation		1,356,164				10,832,681		

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 15, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	April 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	June 2025
Request for Qualifications	2025-008-RFQ	Business Continuity Plan Development Services	June 2025

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2025-004-RFP	Airport Website Redesign	May 2025	August 2025
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	June 2025	September 2025

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $77,805.00

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

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 15, 2025**

The Voting Rights (Section 8) of the 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 2026 is as follows:

Member Government	Unweighted	Weighted
City of Mesa	77.34%	50.00%
Gila River Indian Community	10.06%	22.20%
Town of Gilbert	8.53%	18.82%
Town of Queen Creek	2.55%	5.63%
City of Apache Junction	1.52%	3.35%
Total	**100.00%**	**100.00%**

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, May 20, 2025 beginning at 10:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

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

2. **Pledge of Allegiance**

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

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

5. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **April 15, 2025**.

   b) **Resolution No. 25-17 –** Authorizing **Alliant Insurance Services, Inc.** under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2025, not to exceed premium cost of $697,993.

   c) **Resolution No. 25-18 –** Authorizing an Intergovernmental Agreement with the **City of Mesa** for Aircraft Rescue and Firefighting Services, for three (3) years in an amount not to exceed $1,830,638 for year one effective July 1, 2025, with two additional years, not to exceed $1,921,395 and $2,016,668 respectively. The Term may be extended for two (2) additional one-year periods at a negotiated rate prior to extension.

   d) **Resolution No. 25-19 –** Authorizing the purchase of Business and Revenue Management Software and related Support and Maintenance from **GCR, Inc., dba TADERA** in an amount not to exceed $307,782.52 which includes the initial software purchase, implementation, training and three (3) years of licensing, and support and maintenance.

e) **Resolution No. 25-20 –** Approving an Authorization of Services with **Combs Construction Company, Inc.** for Construction of the Hourly Parking Lot Mill & Replacement Improvements, in an amount not to exceed $486,326.03 under CIP 1281.

Consideration and Approval of:

6. **Resolution No. 25-21 –** Approving the **Second Amended and Restated Intergovernmental Agreement** and to recommend that the Members execute the Second Amended and Restated Intergovernmental Agreement. To recommend that the Members execute the **Second Amended and Restated Joint Powers Airport Authority Agreement**. To approve adoption of the revised **Bylaws**.

7. **Board Member Comments/Announcements**

8. **Next Meeting: Tuesday, June 17, 2025 at 9:00 a.m.**

9. **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.

Mesa Gateway Airport

- **Real ID/Arizona Travel ID Compliant Identification Now Required for Travel**
- **March 2025 Best Month Ever for Both Passengers and Aviation Fuel Sales**
- **Phase I Reconstruction Complete - Runway 12R-30L Reopening at the End of May**
- **B-777 and B-747 Deliveries Increase Air Cargo Activity at Gateway Airport**
- **Gateway Airport Offers Over 40 Nonstop Destinations…And Growing!**

Executive Director's Report
May 2025



New Airport Entrance Monument Sign at Intersection of Ray and Sossaman Roads

Financial Snapshot

OPERATING INCOME	March		Month Variance	FYTD Comparison		FYTD Variance
	2024	2025		FY24	FY25	
Revenues	$2,590,639	$3,717,256	**$1,126,617**	$22,767,078	$25,831,807	**$3,064,729**
Less Expenses	$2,167,990	$2,662,400	**$494,410**	$19,850,553	$21,719,355	**$1,868,802**
Operating Income *(Before Depreciation)*	**$422,649**	**$1,054,856**	**$632,207**	**$2,916,525**	**$4,112,452**	**$1,195,927**

Investment Fund Balances: As of March, the Local Governmental Investment Pool (LGIP) 700 = $3,721,264; Wells Fargo; Collateralized Money Market = $13,555,799 and Commercial/Paper Brokered CD's = $50,430,582; Total $67,707,645. MGAA invests in fixed rate instruments.

Finance and Accounting

Mesa Gateway Airport Authority Reports Over $1MM in Operating Income in March 2025

Mesa Gateway Airport Authority (MGAA, Authority) reported a net operating income of $1,054,856 for March 2025, the second-best monthly performance in the history of Mesa Gateway Airport (Airport, Gateway Airport). Fiscal year-to-date 2025 (FYTD25), the Airport is reporting a total net operating income of $4,112,452.

March 2025 aeronautical revenues increased by 37% and non-aeronautical revenues increased by 56% compared to last March. The substantial increase in aeronautical revenue was the result of record fuel sales (59%) and higher lease income (26%). Increased vehicle parking fees (24%) and rental car fees (121%) led the way for non-aeronautical revenue.

Operating expenditures for March increased by 23% and totaled $2,662,400. The sharp increase was due to the reclassification of a retail aviation fuel customer.

FYTD25 operating expenditures are 3% under the FY25 MGAA Board-Approved Budget.

Active/Pending Solicitations

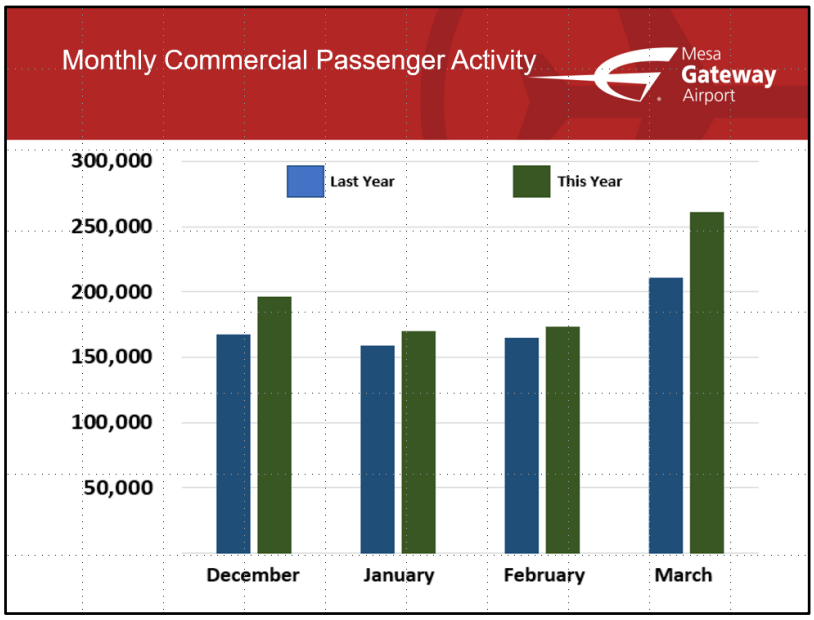
TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	June 2025
Request for Qualifications	2025-008-RFQ	Business Continuity Plan Development Services	June 2025
Request for Proposals	2025-004-RFP	Airport Website Redesign	August 2025

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	June 2025

Airport Operations

March 2025 was the Best Month Ever for Passenger Activity



Passenger Activity Continues to Increase at Gateway Airport

For the fourth consecutive month, and the ninth time in the last eleven months, commercial passenger activity at Gateway Airport has increased compared to the same month last year. In March, the Airport welcomed 261,536 total passengers, a 24% increase over last March and almost 10% higher than the previous record passenger month set in March 2022.

Passenger activity is an important economic indicator for the region. An increase in passengers represents more visitor spending on ground transportation, hotels, restaurants, entertainment, outdoor activities, and shopping.

The Airport currently contributes more than $2B annually to the Phoenix East Valley economy.

March 2025 was the Best Month Ever for Aviation Fuel Sales

Gateway Aviation Services (GAS), an Authority owned and operated Fixed Base Operator (FBO), is the sole aviation fuel provider for Gateway Airport's many aeronautical tenants and visitors. Each year, the experienced and dedicated fueling professionals at GAS pump approximately 20MM gallons of aviation fuel for the Airport's commercial, corporate, military, government, and general aviation customers.

In March, the GAS Team set numerous records for aviation fuel sales, fuel transactions, and fuel deliveries. MGAA would like to commend the GAS Team for their exceptional work and record-setting performance in March 2025. Job very well done!

Aviation Fuel Records Set in March 2025

• **Most gallons of fuel dispensed in one day:**	**132,632**
• **Most gallons of fuel dispensed in one month:**	**2,447,454**
• **Most fuel deliveries received in one month:**	**306**
• **Most gallons of fuel dispensed for Allegiant in one month:**	**1,873,000**
• **Most commercial flights fueled in one month:**	**902**

PASSENGER COUNTS		March		% Change	FYTD		% Change
		2024	2025		FY24	FY25	
Passengers	TOTAL	210,368	261,536	24%	1,384,296	1,501,626	8%
	Deplaned	104,431	129,673	24%	702,557	764,724	9%
	Enplaned	105,937	131,863	24%	681,739	736,902	8%
Allegiant	Scheduled	203,963	255,270	25%	1,353,572	1,467,621	8%
Sun Country	Scheduled	6,405	6,266	-2%	30,724	34,005	11%

OPERATIONS	March		% Change	FYTD		% Change
	2024	2025		FY24	FY25	
Air Carrier	1,369	1,866	36%	9,486	11,183	18%
Military	277	162	-42%	2,193	1,708	-22%
General Aviation	25,461	24,242	-5%	202,995	212,876	5%
TOTAL	**27,107**	**26,270**	**-3%**	**214,674**	**225,767**	**5%**

Allegiant Air and Sun Country Airlines Now Offer Convenient and Affordable Nonstop Service to Over 40 Popular U.S. Destinations from Gateway Airport.

Please Visit www.allegiant.com and www.suncountry.com for more information.



B-777 and B-747 Deliveries Increase Air Cargo Activity at Gateway Airport



Two B-747 Aircraft Unloading on the Cargo Ramp at Gateway

If you live or work in the Phoenix East Valley, you've probably seen an increasing number of impressive widebody cargo aircraft, primarily B-777 and B-747, slowly heading towards Gateway Airport. Global logistics leader DSV Air and Sea, a Denmark-based transportation company with a hangar at Gateway Airport, has been busy transporting products from Asia and Europe to the Valley for their growing number of manufacturing customers in and around the Greater Phoenix area.

Engineering, Planning, and Facilities

Phase I Reconstruction Complete - Runway 12R-30L Reopening at the End of May

Runway 12R-30L is 10,400-feet long and 150-feet wide. It's one of three long runways at Gateway Airport and serves as the primary runway for commercial operations.

Thanks to grant funding from our partners at the FAA, and a local funding match from the State of Arizona and MGAA Member Communities, a majority of Runway 12R-30L will be reconstructed over the next two years. Phase I is now wrapping up and Phase II will begin this fall when the next round of federal funding is available.



Workers Inspect New Concrete on Runway 12R-30L

New Airport Entrance Monument Signs Better Reflect Gateway Airport



New Airport Entrance Monument Sign

If you're coming to the Airport to catch a flight or drop someone off, or you'll be driving in the vicinity of Gateway Airport, please be sure to check out the new Airport entrance monument signs on either side of the intersection at Ray and Sossaman Roads. MGAA thinks the materials used in creating the signs, the strategic lighting, and the vibrant desert landscaping better reflects the many exciting changes currently underway at Gateway Airport.

Community Noise Report

CALLERS	March		FYTD	
	2024	2025	FY24	FY25
Total	22	16	151	95

AIRCRAFT TYPE	March		FYTD	
	2024	2025	FY24	FY25
	Callers	Callers	Callers	Callers
Commercial	7	13	61	51
GA Total	8	2	45	34
Helicopter	0	0	25	6
Military	7	1	20	4
Total	22	16	151	95

LOCATION	March		FYTD	
	2024	2025	FY24	FY25
Mesa	10	11	44	40
Gilbert	6	1	52	36
Gold Canyon	0	1	1	1
Queen Creek	5	2	38	7
Queen Valley	1	0	7	4
Apache Junction	0	0	0	2
San Tan Valley	0	1	1	4
Chandler	0	0	1	0
Florence	0	0	0	1
Goodyear	0	0	2	0
Phoenix	0	0	2	0
Tempe	0	0	3	0
TOTAL	22	16	151	95

MGAA received communications from a total of 16 individuals regarding aircraft noise issues during the month of March 2025, compared to 22 individuals last March.

Gateway Aviation Services

Gateway Aviation Services, the Airport Authority owned and operated FBO, pumped a record 2,447,454.1 gallons of aviation fuel during the month of March 2025, a 47% increase compared to last March. YTD25, the FBO has pumped a total of 14,839,576.9 gallons of aviation fuel.

FUEL (Gallons)	March			FYTD		
	2024	2025	% Change	FY24	FY25	% Change
AvGas	39,262	47,211	20%	323,333	451,361	40%
Retail Jet A	71,340	166,692	134%	550,206	921,944	68%
Contract	244,293	326,930	34%	2,638,591	2,208,692	-16%
Commercial	1,283,499	1,873,416	46%	9,403,563	11,064,221	18%
Cargo	29,924	33,205	11%	219,846	193,359	-12%
TOTAL	1,668,318	2,447,454	47%	13,135,539	14,839,577	13%

Do you have your Real ID/Arizona Travel ID compliant identification? Beginning May 7, 2025, air travelers are required to have one of the following in order to travel domestically - State issued Enhanced Driver's License or Enhanced ID; U.S. Passport/U.S. Passport Card; DHS Trusted Traveler Card; Permanent Resident Card; Border Crossing Card; Photo ID from federally recognized Tribal Nation/Indian Tribe; Foreign Government-Issued Passport; Canadian Provincial Driver's License; or Transportation Worker Identification Credentials.

Community and Government Relations

ICYMI - Gateway Airport's Going Viral!

Question: *What happens when your marketing team is a bunch of talented social-media savvy "creative types"?*

Answer: *Lots of new and exciting ways to highlight all the great stuff going on at Gateway Airport!*

Whether it's a collab reel or story on Instagram, video on Facebook, post on Linkedin, or an influencer sharing their positive travel experience, content about Gateway Airport is going viral. There is a lot happening at the Airport right now – new nonstop destinations, important terminal and airfield construction projects, and a significant amount of private development – and Ryan, Tiffany, Kaylie, and Abby want everyone to know all about it.

A recent Gateway Airport Social Media Report highlighted that followers, reach, impressions, and engagement on Instagram, Facebook, and Linkedin continue to steadily increase as creative content about the Airport catches new viewer's attention. Great job MGAA marketing team!

MGAA Team Member Spotlight



Employee Name: **Eva Pierson**
Employee Title: **Accounting Analyst**
MGAA Department: **Finance**
Years with MGAA: **3+**

What are your job responsibilities for MGAA? I am introduced at new employee orientations as "the most important person… every 2 weeks" because I produce payroll for MGAA. I transmit data files to our sponsors for the benefit and contribution deductions and the dreaded taxes withheld from employee's paychecks. I reconcile the payroll liability accounts to ensure proper payments to employees, sponsors, and vendors. I file quarterly tax returns and prepare annual W-2's. And I'm also back-up for Accounts Payable to ensure our vendors get paid.

What is your most memorable Gateway Airport moment? In 2023, I assisted the FBO in greeting visitors arriving for the Super Bowl. I didn't meet anyone famous…sigh, but just being out on the tarmac while all the aircraft were being guided in, was exhilarating. I've never been so close to a moving aircraft in my life! It was a rush!!

What is something people may not know about you? I am the proud granddaughter of Alex Williams Sr., Navajo Code Talker. My grandfather helped win WWII while serving in the United States Marine Corps. speaking code in his Navajo language. I am so proud of him and all his comrades. Sadly, there are only two living Navajo Code Talkers left. President Ronald Reagan established Navajo Code Talkers Day August 14, 1982. In 2000, President Bill Clinton signed the bill to posthumously award my grandfather the silver Congressional Medal. These silver medals were awarded to the 300 soldiers that followed after the "original 29" Code Talkers. The original 29 received gold Congressional Medals. My grandfather was sworn to secrecy to not speak of his code and he didn't. I would have never known he was a Navajo Code Talker if they didn't declassify it. So, yes! I'm a proud Native (Navajo/Laguna Pueblo)!!

MINUTES OF THE PUBLIC MEETING OF THE
MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | April 15, 2025

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, April 15, 2025, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Julia Wheatley, Queen Creek
Lt. Governor Regina Antone, Gila River Indian Community
Mayor Mark Freeman, Mesa
Mayor Scott Anderson, Gilbert
Mayor Chip Wilson, Apache Junction
** Neither present nor represented*

Airport Staff Present

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

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

2. **Pledge of Allegiance**

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

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

   - Fiscal Year-to-Date 2025 (FYTD) Net Operating Income is $3,058,502.
   - Mesa Gateway Airport (Airport, Gateway Airport) welcomed 173,093 commercial passengers in February 2025. This is up from the 164,902 passengers during February of last year. This marks the third consecutive month of increases in commercial passenger activity.
   - Mesa Gateway Airport Briefs
     - MGAA recently participated in the annual Mead & Hunt Air Service Development Conference held in Tempe and had the opportunity to introduce Gateway Airport to seven airlines during the three-day event.
     - MGAA recently participated in two national conventions, the 2025 NBAA Schedulers and Dispatchers Conference and MRO Americas Exposition.
     - March was a record month for many categories at Gateway Aviation Services; 2,457,4200 gallons of fuel dispensed, 306 fuel deliveries were received and 902 commercial flights were fueled.
     - Gateway Airport recently completed its annual TSA Security Inspection, and its FAA Part 139 Certification and Operations Inspection with only minor recommendations for improvement.
     - May 7, 2025 is the federal deadline for domestic airline travelers to have a federally compliant form of identification called Real ID, or in Arizona it's called Travel ID. Standard Arizona drivers' licenses and ID cards will no longer be accepted at TSA checkpoints.
   - Private Development Project Updates
     - Virgin Galactic's hangar and manufacturing facility are complete. Hiring is underway. The hangar will house the mothership and the manufacturing facility will begin production of the

DRAFT

six-passenger Delta spaceships later in 2025. The mothership is anticipated to visit Gateway Airport sometime in the fall of 2025.

- The demolition of several old Airport buildings has created a new aeronautical development opportunity at the south end of the Airport. In September a Request for Qualifications (RFQ) for the ± 8.00 acres of property designated for aeronautical redevelopment was released. The evaluation panel met on January 7, 2025 to review all qualified submittals. A candidate has been selected. The Authority will present this recommendation before the Board for consideration and approval.
- Gateway Commerce Center III is being developed along the southeast corner of Sossaman Road and Velocity Way. This project includes two industrial buildings totaling approximately 98,000 sq. ft. Vertical construction began at the end of January/early February. The exterior walls are now in place. The developer is working with the City of Mesa to install enhanced landscaping.
- SkyBridge Arizona is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. SkyBridge has completed the construction of two 250,000 sq. ft. flex industrial buildings designed to accommodate single and multi-tenant users, a 53,000 sq. ft. industrial building, an 82,500 sq. ft. hangar and various roadway and utility infrastructure across the site. $30MM has been invested in infrastructure, utilities and roadways by SkyBridge Arizona. Phase II of the development will open up the aeronautical parcels along Taxiway Alpha by connecting the taxiway to the recently constructed roadways.
- Gateway East is a 273-acre non-aeronautical Airport Business Park located on the east side of the Airport adjacent to Ellsworth Road and Gateway Boulevard. Construction is nearly complete for the 275,000 sq. ft. U.S. headquarters and manufacturing facility for Gateway East's first tenant, XNRGY Climate Systems. Manufacturing of high-end climate control systems is anticipated to begin at the end of April/beginning of May in XNRGY's new facility.
- The Gateway East developer, The Boyer Company out of Salt Lake City is working with the City of Mesa for pre-design of a five-acre development at the intersection of Ellsworth Road and Gateway Boulevard that will include a five-story, 125-room SpringHill Suites by Marriott Hotel, two retail buildings, and restaurant pads.

- Mesa Gateway Airport Construction Projects
  - The reconstruction of Runway 12R-30L will be completed over the next two years. Phase I began in October 2024. Once the southern portion is completed in June, Phase II, the northern half of Runway 12R-30L, will be reconstructed pending a continuation of federal funding. Concrete from the southern half of the 10,400-foot runway was removed, crushed, and reused as the sub-base below sixteen inches of new concrete. This important infrastructure project totals approximately $45MM, with a majority of the funding coming from FAA grants.
  - The Authority is updating the signage for the front entrance of the Airport at the intersection of Ray and Sossaman Roads. A new monument sign, landscaping, irrigation, and lighting will be completed this spring.
  - A new TSA checked baggage system will replace two older Reveal machines that can only clear 200 checked bags an hour. The new upgraded explosive detection equipment will be capable of clearing 800 – 1,000 bags an hour. This additional capacity will be necessary as the Airport continues to grow. A majority of the funding for this estimated $30MM project is coming from TSA. The project is scheduled to get underway in the fall of 2025 pending receipt of a TSA grant.

- The mill and overlay project for a portion of the hourly parking lot will mitigate the deteriorating asphalt pavement within this area. In addition, the project will consist of new traffic calming measures by installing speed humps along Airport Road in front of the passenger drop-off and pick-up areas at the terminal.

5. **Gateway Business Spotlight Presentation –** Yuri Hoverson, Vice President and General Manager of Able Aerospace Services
   - Mr. Hoverson provided a presentation on Able Aerospace's relationship with the Authority from 2011 -2025. The presentation highlighted their dedication to community support by partnering with various organizations, and providing programs for high school and college students. He also shared a video of their facility, and the work they do as the leading supplier of component and MRO services.

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **March 18, 2025**.

   b) **Resolution No. 25-12 –** Authorizing a contract with **Mead and Hunt, Inc. (Mead and Hunt)** for Air Service Development Consulting Services in an amount not to exceed $250,000 for five years, which includes (2) one-year renewal options.

   c) **Resolution No. 25-13 –** 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, 2025 and June 30, 2026 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO.

   d) **Resolution No. 25-14 –** Authorizing the purchase of Isolation Transformers and Primary Connector Kits, for Taxiway Lighting from **Blueglobes, LLC (Blueglobes)** in an amount not to exceed $69,075.78, pending receipt of an FAA grant.

   e) **Resolution No. 25-15 –** Authorizing the purchase of Airfield electrical and lighting supplies for Taxiway Lighting from **Anixter, Inc. (Anixter)** in an amount not to exceed $92,934.45, pending receipt of an FAA grant.

   f) **Resolution No. 25-16 –** Authorizing the purchase of LED Taxiway Edge Lights for Taxiway Lighting from **ADB Safegate Americas LLC (ADB Safegate)** in an amount not to exceed $76,842.75, pending receipt of an FAA grant.

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

6. **Board Member Comments/Announcements.**
   None.

7. **Next Meeting: Tuesday, May 20, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference.

8. **Adjournment.**
   The meeting adjourned at 9:36 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-17

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, Crime, D&O Employment Practice Liability, Cyber, Workers Compensation, Auto Liability, Fuel Farm & Inland Marine, Environmental, Fiduciary, and Property**
Date:	**May 20, 2025**

Proposed Motion

To authorize Alliant Insurance Services, Inc. under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2025, not to exceed premium cost of $697,993.

Narrative

Mesa Gateway Airport Authority (MGAA) will renew the following lines of insurance next fiscal year: Airport Liability, D&O Employment Practice Liability, Cyber, Workers' Compensation, Auto Liability, Fuel Farm & Inland Marine, and Property. Fiduciary, Environmental, and Crime insurance policies are multi-year policies.

During the marketing process, Alliant Insurance Services, Inc. (Alliant) 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. Alliant has negotiated premiums on insurance policies for the above lines of insurance for MGAA with an anticipated (6.8%) decrease. These premiums are subject to change due to any new losses incurred by MGAA until coverage is bound. New or replacement equipment/vehicles throughout the year, insurance audits and completed capital projects could increase the current insurance quotes by an estimate of $100,000 bringing total premiums not to exceed to $697,993 for FY26.

Fiscal Impact

The total estimated insurance premium expense for FY26 is not to exceed $697,993. The FY26 budget for insurance premiums is $806,222, excluding broker fees.

Attachment(s)

Renewal quote for lines of coverage.

RESOLUTION NO. 25-17

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

WHEREAS the Authority desires to authorize Alliant Insurance Services, Inc. under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2025, not to exceed premium cost of $697,993;

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

The Board of Directors of the Authority hereby authorizes Alliant Insurance Services, Inc. under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2025, not to exceed premium cost of $697,993. 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 May, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

FY26 Financial Summary

Premium Summary | Renewing 7/1/2025

Line of Business	Carrier	Expiring Premium	Renewal Premium	$ Change	% Change
Airport General Liability	AIG	$ 101,779	$ 103,815	$ 2,036	2.0%
Auto Liability	Travelers	$ 81,369	$ 92,665	$ 11,296	13.9%
Crime renewal 2-yr policy 1/2 premium shown	Travelers	$ 4,469	$ 3,932	$ (537)	-12.0%
Cyber	Tokio Marine	$ 16,987	$ 13,119	$ (3,868)	-22.8%
D&O/Employment Practice Liability	Chubb	$ 11,220	$ 13,079	$ 1,859	16.6%
Environmental 3Yr (7/1/24-6/30/27) 1/3 premium shown	Beazley	$ 21,952	$ 21,952	$ -	0.0%
Fiduciary 3Yr (7/1/25-6/30/28) 1/3 premium shown	Travelers	$ 1,853	$ 1,520	$ (333)	-18.0%
Fuel Farm & Inland Marine	Travelers	$ 67,509	$ 75,284	$ 7,775	11.5%
Property	Travelers	$ 260,036	$ 188,951	$ (71,085)	-27.3%
Worker's Compensation	Old Republic	$ 74,448	$ 83,676	$ 9,228	12.4%
Total - All Lines Renewing		**$ 641,623**	**$ 597,993**	**$ (43,629)**	**-6.8%**
Allowance for purchase and replacement of equipment, vehicles, and insurance audits			**$ 100,000**		
Estimated Total FY26 Insurance Premiums		**Not to Exceed**	**$ 697,993**		

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

Board Action Item

Re: Resolution 25-18

To:	**Board of Directors**
From:	**Margi EvanSon, Director of Operations, Security & Maintenance**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Intergovernmental Agreement with the City of Mesa for Aircraft Rescue & Firefighting Services**
Date:	**May 20, 2025**

Proposed Motion

To authorize an Intergovernmental Agreement with the City of Mesa for Aircraft Rescue and Firefighting Services, for three (3) years in an amount not to exceed $1,830,638 for year one effective July 1, 2025, with two additional years, not to exceed $1,921,395 and $2,016,668 respectively. The Term may be extended for two (2) additional one-year periods at a negotiated rate prior to extension.

Narrative

The Mesa Gateway Airport Authority (MGAA) contracts with the City of Mesa (Mesa or Mesa Fire) to provide Aircraft Rescue and Firefighting (ARFF) Services. Both entities have determined that it is mutually beneficial for Mesa Fire to provide ARFF Services for MGAA.

Arizona Revised Statute (A.R.S.), 11-951 et seq., authorizes Mesa and MGAA to enter into an Intergovernmental Agreement (IGA) for the provision of services, or for joint or cooperative actions. The IGA shall commence on July 1, 2025, and shall continue until June 30, 2028, unless terminated, cancelled, or extended pursuant to the provisions of the IGA.

Fiscal Impact

This IGA is included in the FY26 Operating Budget and is funded under Contractual Services: Fire.

Attachment(s)

Intergovernmental Agreement

RESOLUTION NO. 25-18

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

WHEREAS the Authority desires to approve **an Intergovernmental Agreement with the City of Mesa for Aircraft Rescue and Firefighting Services, for three (3) years in an amount not to exceed $1,830,638 for year one effective July 1, 2025, with two additional years, not to exceed $1,921,395 and $2,016,668 respectively. The Term may be extended for two (2) additional one-year periods at a negotiated rate prior to extension**;

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 Intergovernmental Agreement with the City of Mesa for Aircraft Rescue and Firefighting Services, for three (3) years in an amount not to exceed $1,830,638 for year one effective July 1, 2025, with two additional years, not to exceed $1,921,395 and $2,016,668 respectively. The Term may be extended for two (2) additional one-year periods at a negotiated rate prior to extension. 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 May, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

THE CITY OF MESA AND THE MESA GATEWAY AIRPORT AUTHORITY
INTERGOVERNMENTAL AGREEMENT
FOR
AIRCRAFT RESCUE AND FIREFIGHTING (ARFF) SERVICES

This Intergovernmental Agreement ("Agreement") is entered into this ___ day of _____, 2025, between the City of Mesa, an Arizona municipal corporation ("City"), and Mesa Gateway Airport Authority, formerly Mesa Gateway Airport Authority, an Arizona joint powers airport authority ("MGAA") (individually, a "Party" and, jointly, the "Parties").

RECITALS

WHEREAS, Arizona Revised Statutes, Sections 11-951 et seq., authorizes City and MGAA 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 MGAA;

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 three (3) years commencing on July 1, 2025 and continuing until June 30, 2028, unless sooner terminated pursuant to the provisions hereof. The Term may be extended for two (2) additional one-year periods by MGAA 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 City or MGAA 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 deliver 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 fifteen (15) days in which to submit a corrective action plan to the non-breaching Party detailing steps to be taken to cure said breach. A progress check will be conducted by the non-breaching Party not less than forty-five (45) days after the submission of the corrective action plan to assess progress made. If the breach has not been cured within forty-five (45) days after the corrective action plan submission, this Agreement may be terminated by the non-breaching party by delivering written notice of termination to the breaching Party at any time prior to the breach having been cured.

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, MGAA 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 MGAA'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. Mesa Gateway Airport in Mesa, Arizona.

2.3 Airport Property. Airport Property is that property owned and operated by MGAA 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 Chapter 14, Part 139 of the Code of Federal Regulations. Airfield Driver and Security Identification Display Area training specific to 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 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 MGAA. 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, or (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 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 as prescribed under FAR Part 139.

2.11 MGAA Director of Operations and Maintenance. The Director of Operations and Maintenance at MGAA or his/her designee.

SECTION 3 – RESPONSIBILITIES AND OBLIGATIONS

3.1 Responsibilities and Obligations of MGAA:

a. MGAA shall acquire and maintain sufficient ARFF firefighting vehicles at the Airport to meet the Index Requirements.

b. MGAA 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 and one-half full-time equivalent (4.5 FTE) ARFF certified firefighters, all of whom 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, 2025 to June 30, 2026, MGAA shall pay City the total sum of $1,830,638 (personnel costs plus training costs) in twelve equal installments of one hundred fifty-two thousand five hundred thirty-three dollars and seventeen cents ($152,533.17) for ARFF services.

(ii) For fiscal periods subsequent to June 30, 2025, the amounts set forth in Exhibit A may be increased by an amount equal to that authorized by 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. MGAA shall communicate any changes in the Index Requirements to City's Fire and Medical Department promptly upon determination of any such change.

d. MGAA shall pay 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. MGAA 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 City:

a. City shall provide Dedicated ARFF Personnel, as provided in Section 2.8, based at Mesa Gateway Airport, covering 24 hours per day.

b. 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 MGAA Director of Operations and Maintenance and Maintenance, his/her designee, or the air traffic control tower staff or as required by City's Fire Department Alarm Room.

d. 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, 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 MGAA staff and the FAA upon request.

d. City shall immediately notify the MGAA Director of Operations and Maintenance and Maintenance or his/her 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 MGAA to temporarily fall below the Index Requirements and an operation requiring said Index is scheduled, 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, MGAA shall reimburse City as described in the most current Intergovernmental Agreement for Fire Vehicles and Equipment Maintenance Services.

g. City shall immediately notify the MGAA Director of Operations and Maintenance and Maintenance, or his/her designee, when dedicated ARFF Personnel and/or Equipment have been dispatched off-airport as contemplated by Section 3.2b(ii) hereof.

h. City is responsible for acquiring and maintaining one (1) City dual band radio in each ARFF vehicle based at the Airport.

SECTION 4 – INSURANCE AND INDEMNIFICATION

4.1. Insurance. 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 MGAA as an additional named insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to MGAA 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 MGAA. City shall not permit any insurance policy to be canceled or modified without MGAA'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 MGAA.

c. Certificates in Insurance. City shall deliver a certificate of insurance for each policy to MGAA, 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, City shall provide MGAA a written acknowledgement of such self-insurance, and its responsibility to hold MGAA 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, City hereby agrees to defend, indemnify, and hold harmless MGAA and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions, and employees (hereinafter referred to collectively with MGAA as "MGAA Personnel") 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 negligence or willful or intentional conduct of City and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions, and employees (hereinafter referred to collectively with City as "City Personnel") in connection with 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 City to comply with any provisions of this Agreement. This indemnification

shall exclude responsibility for any consequential damages of MGAA and for claims arising from the negligence or willful or intentional conduct of MGAA Personnel.

b. To the fullest extent permitted by law, MGAA shall defend, indemnify, and hold harmless City Personnel, 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 negligence or willful or intentional conduct of MGAA Personnel while performing this Agreement 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 MGAA to comply with any provisions in this Agreement. This indemnification shall exclude responsibility for any consequential damages of City and for claims arising from the negligence or willful or intentional conduct of City Personnel. MGAA shall continue in effect during the term of this Agreement, an Airport Liability insurance policy in an amount approved by the MGAA 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, City or MGAA 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 **[Reserved]**

5.4 Entire Agreement. This Agreement constitutes the entire agreement between City and MGAA with respect to the subject matter hereof and supersedes the Intergovernmental Agreement entered into by the parties on July 1, 2022. 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 MGAA Board of Directors 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. City and MGAA 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:

CITY: City Manager's Office
City of Mesa
20 East Main Street, Suite 750
P.O. Box 1466
Mesa, AZ 85211-1466

MGAA: Executive Director
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	MESA GATEWAY AIRPORT AUTHORITY, An Arizona joint powers airport authority
_____ Scott Butler City Manager	_____ J. Brian O'Neill Executive Director
ATTEST:	ATTEST:
_____ City Clerk	_____ MGAA Clerk of the Board

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	_____ Mesa Gateway Airport Authority Attorney
_____ Date	_____ Date

Exhibit A

Personnel Cost

Total FY 2026 (July 1, 2025 – June 30, 2026) Personnel Cost: $ 1,791,941

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 the one starting July 1, 2025, salary amounts increase by an amount equal to that authorized by 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 FY2026)
FY26: 1,517,184
FY27: 1,593,043
FY28: 1,672,695

Minimum Staffing Backfill – (budgetary estimate of 5% increase after FY2026)
FY26: 274,757
FY27: 288,494
FY28: 302,919

Exhibit B

Initial and Annual Live Burn Training Cost Estimate (as required by FAR 139)

Total FY 2025 (July 1, 2025 – June 30, 2026) Training cost $ 38,697.00

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 the one starting June 30, 2025, 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



Summary report: **Litera Compare for Word 11.10.1.2 Document comparison done on 4/8/2025 3:46:52 PM**	
Style name: Default	
Intelligent Table Comparison: Active	
Original DMS: nd://4906-1495-2229/2/MGAA COM ARFF IGA 2025 0408 Draft.docx	
Modified DMS: nd://4906-1495-2229/3/MGAA COM ARFF IGA 2025 0408 Draft.docx	
Changes:	
Add	12
~~Delete~~	16
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	28

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

Board Action Item

Re: Resolution 25-19

To:	**Board of Directors**
From:	**Art Montoya, Director of Information Technology Services**
Through:	**Chuck Odom, CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Business and Revenue Management Software, CIP 1290**
Date:	**May 20, 2025**

Proposed Motion

To authorize the purchase of Business and Revenue Management Software and related Support and Maintenance from GCR, Inc., dba TADERA in an amount not to exceed $307,782.52 which includes the initial software purchase, implementation, training and three (3) years of licensing, and support and maintenance.

Narrative

MGAA's Accounting and Business Development departments currently rely on software to manage tenant billing, track insurance and agreement terms, and monitor sales activity. As the Airport's existing contract for common-use software is ending, the support and licensing for our current revenue management solution will also conclude. The proposed software solution is intended to fully replace the existing system and will serve as the Airport's primary platform for agreement management, billing, and sales activity tracking.

MGAA and TADERA are both participants of OMNIA Partners (OMNIA) purchasing group. Under OMNIA, TADERA was awarded Financial Management Software and Consulting Services Contract #14-16, and it is through this competitive selection that MGAA will utilize TADERA for this purchase. This contract is available upon request. The not to exceed amount includes taxes.

Fiscal Impact

The purchase of the software, implementation and training services and year one of licensing and support and maintenance is included in the FY25 capital budget and is funded with CIP 1290, using non-grant funds. The licensing and support and maintenance fees for years two and three are included in subsequent years operating budgets.

Attachment(s)

Contract

RESOLUTION NO. 25-19

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

WHEREAS the Authority desires to approve the purchase of Business and Revenue Management Software and related Support and Maintenance from GCR, Inc., dba TADERA in an amount not to exceed $307,782.52 which includes the initial software purchase, implementation, training and three (3) years of licensing, and support and maintenance;

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 purchase of Business and Revenue Management Software and related Support and Maintenance from GCR, Inc., dba TADERA in an amount not to exceed $307,782.52 which includes the initial software purchase, implementation, training and three (3) years of licensing, and support and maintenance. 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 May, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA

CONTRACT FOR SOFTWARE LICENSES, SERVICES, AND SUPPORT

This contract for software licenses, services, and support ("**Agreement**") is made and entered into by and between Mesa Gateway Airport Authority located at 5835 S. Sossaman Rd, Mesa AZ 85212 ("**Licensee**") and GCR Inc. dba TADERA, located at 1001 Service Road East Highway 190 Suite 201, Covington, LA 70433 ("**TADERA**") effective as of the Effective Date. This Agreement is based on the OMNIA National Cooperative Purchasing Alliance, GCR Inc. dba TADERA Contract Number 14-06.

WHEREAS Licensee wants TADERA to provide a license to the Licensed Programs and associated hosting, support, and other professional Services in connection with the use of the Licensed Programs;

In consideration of the mutual promises and agreements of the Parties herein, the Parties agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 "**Agreement**" is defined in the Preamble.

1.2 "**Anniversary Date**" means the date that is 365 calendar days after the Effective Date, and each anniversary thereafter.

1.3 "**Authorized Users**" means Licensee's employees, agents, subcontractors, contractors, outsourcing vendors, consultants, and others who are authorized to, and will use the Licensed Material, in accordance with this Agreement.

1.4 "**TADERA**" is defined in the Preamble.

1.5 "**Contract Year**" is the period from the Effective Date until, but not including, the first Anniversary Date, and thereafter, the period from the end date of the prior Contract Year until but not including the next Anniversary Date.

1.6 **"Delivery"** means the point at which TADERA has delivered a working URL to access Licensed Material.

1.7 **"Documentation"** means any written, typed, or otherwise transcribed material related to Licensed Material, including release notes and training material delivered to or downloaded by Licensee.

1.8 "**Effective Date**" means the first day of the calendar month immediately following the date of the last Party's signature on this Agreement. For the avoidance of doubt, if the last Party's signature on this Agreement occurs on the first day of a calendar month, the Effective Date will still be the first day of the next calendar month.

1.9 "**Fees**" means the fees identified in Attachment A (Software and Fees), and any other fees that may become due under this Agreement.

1.10 "**Hosting**" is defined in Section 3.1 (Hosting Services).

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

1.11 "**Initial Term**" is defined in Attachment A (Software and Fees).

1.12 "**Initiation Date**" means the first day of the first calendar month immediately following the Effective Date.

1.13 "**License**" means a limited, nonexclusive, worldwide, and nontransferable license.

1.14 "**Licensed Material**" means the Licensed Programs, their derivatives, and their respective related Documentation provided to, or made available to, the Licensee by TADERA pursuant to this Agreement.

1.15 "**Licensed Programs**" means the software program(s) identified in Attachment A (Software and Fees) as licensed to Licensee pursuant to this Agreement.

1.16 "**Licensee**" is defined in the Preamble.

1.17 "**Parties**" means Licensee and TADERA, collectively.

1.18 "**Party**" means either Licensee or TADERA, individually.

1.19 "**Renewal Term**" is defined in Section 10.1 (License Term).

1.20 "**SaaS**" means software as a subscription.

1.21 "**On-Prem**" is defined as self-hosted by the Licensee.

1.22 "**Services**" is defined in Section 6.1 (Scope of Work).

1.23 "**Term**" is defined in Section 10.1 (License Term).

1.24 "**TM**" means time and materials.

ARTICLE 2 – LICENSE

2.1 **Grant**. Subject to and in strict accordance with the terms and conditions of this Agreement, TADERA hereby grants to Licensee a License to use the Licensed Material solely for Licensee's internal business purposes.

2.2 **Authorized Users**. The License is extended to Licensee's Authorized Users. Licensee will be responsible for the Authorized Users, and any acts or omissions of any Authorized User which if done by Licensee would constitute a breach of this Agreement by Licensee, will be deemed a breach of this Agreement by Licensee.

2.3 **Ownership**. Licensee acknowledges, agrees, and understands, that TADERA is the sole and exclusive owner of the Licensed Material, its right, title, and interest, and any improvements thereto.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA reserves all title and rights in and to its intellectual property. TADERA shall retain all rights in patents, copyrights, trademarks, trade secrets, and any other intellectual property whether pre-existing or developed under this Agreement. Furthermore, neither this Agreement nor the delivery of any Licenses, Licensed Programs, Hosting, support, or Services hereunder shall be construed as granting, either by transfer, estoppel, or otherwise, any ownership or right in, or license under, any present or future data, drawings, plans, ideas or methods disclosed in this Agreement or under any invention, patent, copyright or trade secret now or hereafter owned or controlled by TADERA.

2.4 **Prohibited Uses**. Third parties are prohibited from using or accessing the Licensed Material without TADERA's prior written consent.

2.5 **No Implied Licenses**. No different, other or further right or license, other than what is granted in this Agreement, is intended or granted by this Agreement, whether by express or implied means or by estoppel. This Agreement does not assign any right, title or interest in any of the Licensed Materials. All rights and interests not expressly granted under this Agreement are reserved to TADERA.

2.6 **Additional Modules**. TADERA offers the additional software programs and modules identified in Attachment A (Software and Fees); Licensee, at TADERA's discretion, may purchase such programs and modules, on terms to be negotiated, through amendment to this Agreement.

ARTICLE 3 – HOSTING

3.1 **Hosting Services**. Throughout the Term, TADERA shall provide hosting services as set forth in Attachment B (Hosting) ("**Hosting**").

ARTICLE 4 - WARRANTY

4.1 **Warranty**. TADERA shall perform the Services using the degree of care, skill, training, diligence, and judgment ordinarily exercised under similar circumstances by competent members of the profession which TADERA practices or industry or business in which TADERA works. TADERA warrants that the Licensed Programs will perform substantially in accordance with, and in the manner described by related Documentation and by Licensed Program functional design specifications. The warranty period shall end 30 calendar days from the Delivery of the Licensed Program or completion of the Services Scope, as listed in Attachment A, as applicable.

ARTICLE 5 – APPLICATION SUPPORT & UPGRADES

5.1 **Application Support Services**. Throughout the Term, TADERA shall provide application support and upgrade services for Licensed Programs. In general, the application support services consist of (a) timely customer support on-site or by telephone, or email; and (b) Licensed Programs updates, new releases, and enhancements reflecting on-going development at TADERA and as made generally available to TADERA's customers of the Licensed Programs, as described in Attachment C (Support).

5.2 **Licensee Cooperation**. Licensee acknowledges that TADERA's ability to provide application support and upgrade services is dependent on the cooperation of Licensee, and the quality and quantity of information that Licensee provides. Licensee will use commercially reasonable efforts to reproduce all

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

reported problems and gather troubleshooting information as requested by TADERA. If Licensee cannot reproduce such problems or gather such requested information, Licensee will provide TADERA temporary login access on Licensee's system to identify and address the reported problems. TADERA will have no responsibility for failure to provide application support and services as a result of Licensee's failure to cooperate with TADERA.

5.3 **Troubleshooting of Non-TADERA Problems**. Licensee acknowledges and agrees that TADERA will be entitled to invoice, as additional services at TADERA's then-prevailing rates and Fees, time and efforts spent providing support for reported problems which are not the result of a fault in the Licensed Programs which is attributable to TADERA, including but not limited to problems caused by (a) incorrect or inaccurate data entered by or on behalf of Licensee, (b) data deleted erroneously by Licensee, (c) workstation installations post-go live as the result of new workstation hardware acquired by Licensee, or (d) accurate reports which were asserted to be erroneous.

ARTICLE 6 – SERVICES

6.1 **Scope of Work**. TADERA shall perform the services and provide Software and the deliverables described in Attachment A (Software and Fees) and Attachment C (Support), collectively referred to as Services ("**Services**").

6.2 **Change Orders**. Either Party shall have the right to request, in writing, changes to the Services. TADERA shall not perform any such change in the Services unless the resulting changes to compensation, schedule, and scope of work, are mutually agreed by the Parties in writing and evidenced in a change order or other enabling document.

6.3 **Schedule**. The Services shall commence no later than ten (10) days after the Effective Date or such later date the Parties agree upon in writing. TADERA agrees to diligently perform the Services and to exercise commercially reasonable efforts to meet any estimated schedule set forth in Attachment C (Support). Notwithstanding the above, it is expressly understood and agreed that TADERA does not guarantee the estimated schedule in Attachment C, and shall not be liable as a guarantor of the estimated schedule.

6.4 **Acceptance**. Except where this Agreement provides different criteria, Services will be accepted if they have been performed in accordance with the specifications applicable to the Services. Upon notification by TADERA that a Service (or associated deliverable) has been completed and is available for review and acceptance, Licensee will use commercially reasonable efforts to review within 7 (seven) business days after the notification, but in no event later than 15 business days after the notification. TADERA will correct any unaccepted Services as described in ARTICLE 4 (WARRANTY). If no notification is delivered to TADERA within the foregoing period, the Service will be deemed accepted. All accepted and deemed accepted Services remain subject to the terms of ARTICLE 4 (WARRANTY).

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

ARTICLE 7 – COMPENSATION

7.1 **Fees Generally**. Licensee agrees to pay TADERA the Fees in accordance with the payment terms set forth in Schedule A (Software and Fees). Licensee's Fees include access to, and use of, Licensed Programs, Licensed Programs updates and upgrades, Hosting, Services, and Licensed Material.

7.2 **Taxes**. The Fees are exclusive of any tariff, duty, or tax, however designated, levied, or based including, without limitation, any taxes based on: (i) this Agreement; (ii) the Licensed Programs, Hosting or Services; (iii) the Licensed Material; or (iv) any materials or supplies furnished by TADERA per this Agreement. Licensee is responsible for all applicable tariffs, duties or taxes applicable to this Agreement.

ARTICLE 8 – INDEMNIFICATION AND LIABILITY

8.1 **Intellectual Property Indemnification**. TADERA warrants that it is authorized to grant Licensee the right to use the Licensed Material as defined in this Agreement. Licensee shall advise TADERA immediately in writing of any notice or claim of infringement or of the commencement of any suit or action for infringement of a third party's intellectual property, if such claim, suit, or action is based upon the use of the Licensed Material in accordance with the terms of this Agreement. If the use by the Licensed Material that is subject to the claim, suit, or action is in accordance with this Agreement, TADERA will, upon receipt of notice hereinabove required, undertake, at its own expense, the defense of any such claim, suit, or action for infringement based upon such use by Licensee. TADERA shall have charge and direction of the defense of such claim, suit, or action, and Licensee agrees that it will render TADERA all reasonable and timely assistance that may be required by TADERA in the defense of such claim, suit, or action. Licensee shall have the right to be represented therein by an advisory counsel of its own selection at its own expense. TADERA will seek to resolve the claim, suit, or action, in consultation with Licensee, either by means of alternative arrangements for the services and Licensed Material, or by obtaining permission to use the intellectual property in question. If TADERA fails to obtain permission for the continued use the intellectual property in question, or fails to provide a suitable replacement with equal or greater functionality, TADERA may terminate this Agreement and refund any fees paid by Licensee related to such intellectual property for future use. Neither TADERA nor Licensee shall settle or compromise any such claim, suit, or action without consent of the other if the settlement or compromise obliges the other to make any payment or part with any property, or to assume any obligation or grant any licenses or other rights or be subject to any injunction by reason of such settlement or compromise. TADERA will have no obligation to indemnify Licensee for any claims of infringement which are (a) the result of Licensee's use of the Licensed Material in violation of this Agreement or the documentation, or in a manner for which it was not intended, (b) the result of Licensee's or a third party's modification of the Licensed Material, or (c) the result of Licensee's combination of the Licensed Material with any other hardware or software not authorized by TADERA for use with the Licensed Material in writing or disclosed in the Documentation as for use with the Licensed Material.

8.2 **Consequential Damages Waiver**. Neither Party shall, under any circumstances or in any event, be liable to the other Party for any special, punitive, indirect, incidental, or consequential damages of any nature, including, without limitation, loss of actual or anticipated profits or revenues; loss of production, by reason of shutdown, non-operation, or otherwise; increased expense of manufacturing or operation; loss of use; increased financing costs; or cost of capital.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

8.3 **Limit of Liability**. NOTWITHSTANDING ANYTHING SET FORTH IN THIS AGREEMENT, TADERA'S TOTAL CUMULATIVE LIABILITY FOR DAMAGES, EXPENSES, COSTS, LIABILITY, CLAIMS OR LOSSES (COLLECTIVELY, "**DAMAGES**") ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PROVISION OF SOFTWARE, LICENSES, SERVICES, SUPPORT, HOSTING, OR OTHERWISE UNDER THIS AGREEMENT, WHETHER ARISING IN NEGLIGENCE, TORT, STATUTE, EQUITY, CONTRACT, COMMON LAW, OR ANY OTHER CAUSE OF ACTION OR LEGAL THEORY EVEN IF SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES, IS LIMITED TO DIRECT, ACTUAL, PROVABLE DAMAGES, AND WILL IN NO EVENT EXCEED AN AMOUNT EQUAL TO TWO TIMES THE FEES PAID BY LICENSEE TO TADERA, AND RECEIVED BY TADERA, FOR THE SOFTWARE, LICENSES, SERVICES, SUPPORT, HOSTING, OR OTHERWISE TO WHICH THE DAMAGES RELATE DURING THE 365 CALENDAR DAY PERIOD IMMEDIATELY PRECEDING THE DAY OF THE FIRST EVENT GIVEN RISE TO THE CLAIM. ANY LIMITATION OF LIABILITY THAT APPLIES TO TADERA IN THIS SECTION SHALL ALSO APPLY TO TADERA'S DIRECTORS, OFFICERS, AFFILIATES, CONTRACTORS, AND AGENTS. ANY SUCH LIMITATIONS WILL APPLY REGARDLESS OF HOW THE CLAIM ARISES, WHETHER ARISING BASED ON CONTRACT, TORT, NEGLIGENCE, OR OTHERWISE, AND WILL APPLY TO ALL ORDER FORMS, PURCHASE ORDER, SCHEDULES, ADDENDA, AGREEMENTS, AND ATTACHMENTS RELATED TO THIS AGREEMENT. THESE LIMITATIONS OF LIABILITY ALLOCATE THE RISKS BETWEEN TADERA AND LICENSEE AND FORM A MATERIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES. SUPPLIER'S PRICING REFLECTS THIS ALLOCATION OF RISK AND THE LIMITATION OF LIABILITY SPECIFIED HEREIN. All of LICENSSE's rights and remedies relating to the SOFTWARE, LICENSES, SERVICES, SUPPORT, HOSTING, OR OTHERWISE, INCLUDING IN EACH CASE, ANY CREDITS, REFUNDS, OR RIGHTS OF TERMINATION, ARE SET OUT IN THE AGREEMENT. THESE RIGHTS AND REMEDIES ARE SUBJECT TO THE LIMITATIONS OF LIABILITY SET OUT IN THIS SECTION, AND ARE THE ONLY REMEDIES FOR TADERA'S FAILURE IN RESPECT OF AN OFFERING OR SUBSCRIPTION SERVICE OBLIGATION.

ARTICLE 9 – CONFIDENTIALITY

9.1 **Confidentiality Generally**. Licensee acknowledges, agrees, and understands that the Licensed Material contains certain information that is and must be kept confidential. To ensure the protection of such information, and to preserve any confidentiality necessary under intellectual property law, including trade secret laws, Licensee agrees not to disclose the Licensed Material to anyone unless previously authorized by TADERA in writing, or required to do so by law. Licensee's confidentiality obligation does not extend to (a) information that is known to Licensee prior to obtaining the same from TADERA; (b) information that is, at the time of disclosure by TADERA, then in the public domain; or (c) information that is lawfully obtained by Licensee from a third party who did not receive same directly or indirectly from TADERA and who has no obligation of secrecy with respect thereto. To the extent any Authorized Users have access to Licensed Material for the benefit of Licensee, such Authorized Users will be obligated to agree to protect the confidentiality of the Licensed Material to the same extent this Agreement obligates Licensee to protect the confidentiality of the Licensed Material and Licensee will ensure that such Authorized Users are bound by such confidentiality obligations. Licensee agrees to be liable for any breaches of such Authorized Users of the confidentiality of the Licensed Material. Licensee will use at least the same degree of care that it uses to protect the confidentiality of its own confidential information of like kind (but not less than reasonable care) and will: (i) not use any of TADERA's confidential information of for any purpose outside the scope of this Agreement. In the event Licensee is required by law, regulation, or court order to disclose this Agreement or any terms of this Agreement, Licensee will promptly notify TADERA in writing prior to making any such disclosure in order to facility TADERA seeking a protective order or other appropriate remedy from the proper authority. TADERA's confidential Information shall not be reproduced in any form except as permitted by this Agreement and as absolutely required by Licensee to perform its obligations under this Agreement. Any reproduction of any of TADERA's confidential information shall be TADERA's property, and shall contain all confidential or proprietary notices or legends which appear on the original. Licensee

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

acknowledge that any of TADERA's confidential information disclosed to it pursuant to this Agreement shall remain TADERA's property. Licensee further acknowledge that a breach of this section would cause irreparable harm to TADERA for which money damages would be inadequate, and would entitle TADERA to injunctive relief and to such other remedies as may be provided by law.

ARTICLE 10 – TERM AND TERMINATION

10.1 **License Term**. This Agreement will commence on the Effective Date and shall remain in full force through the Initial Term, unless earlier terminated in accordance with this Agreement. Upon expiration of the Initial Term, this Agreement shall automatically renew for successive 1-year terms (each a "**Renewal Term**") unless a party provides written notice on non-renewal at least 30 days prior to expiration of the then-current (Initial or Renewal) Term. The Initial Term and Renewal Term(s) shall be collectively referred to as the "**Term**". TADERA will provide Licensee with pricing for any Renewal Term at least sixty (60) days prior to any expiration.

10.2 **Termination for Convenience.** Either party may terminate this Agreement, in whole or in part, at any time with sixty (60) days written notice to the other party. All reasonable costs incurred through the date of termination will be compensated by the other party.

10.3 **Termination/Suspension for Default**. In the event of any material breach of this Agreement, the non-breaching Party may terminate this Agreement by giving 30 days' prior written notice to the breaching Party; provided, however, that this Agreement shall not terminate if the breaching Party has cured the breach prior to the expiration of such 30-day period and the Agreement continues to remain in effect. However, if the breaching Party believes that it has performed its best efforts and has cured the breach, and the issuing Party is unreasonable in granting acceptance of the cure, then such dispute shall be resolved in accordance with the dispute resolution provisions of this Agreement. In lieu of termination, the non-breaching Party may suspend performance under this Agreement by such written notice until the breaching Party has cured the breach. Notwithstanding the foregoing, in the event this Agreement is terminated for TADERA's default or breach which is not cured within the prescribed cure period, only then shall Licensee be entitled to a refund of any amounts paid for annual fees or project fees, provided that such fees relate to periods or projects beyond the effective termination date. Refunds will be issued within thirty (30) days of the effective termination date, minus any amounts due for services rendered or costs incurred up until the termination date.

10.4 **Termination for Competitive Issues.** If Licensee develops a product, software, or otherwise, that is competitive with a Service or offering provided by TADERA under this Agreement, or Licensee is acquired by or acquires an interest in a competitor of TADERA, TADERA shall have the right to terminate this Agreement immediately, without penalty or charge.

10.5 **Termination for Insolvency**. If (a) insolvency, receivership or bankruptcy proceedings are instituted by or against a Party and are not terminated within 30 days, (b) a Party makes an assignment for the benefit of creditors or (c) a Party admits an inability to pay its debts as they come due, then in any such event the other Party may, in its sole discretion, terminate this Agreement immediately without notice.

10.6 **Termination of License**. Upon any expiration or termination of this Agreement, the License will terminate, and Licensee shall immediately (a) return the Licensed Materials to TADERA or destroy all

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

Licensed Materials in its possession; and (b) give TADERA written certification by an authorized representative, that through its best efforts, and to the best of its knowledge, Licensee has complied with all of its obligations under this paragraph.

10.7 **Survival**. Except as set forth to the contrary herein, the Parties understand and agree that all terms and conditions of this Agreement, which by reasonable implication contemplate continued performance or compliance beyond the termination of this Agreement (by expiration of the term or otherwise) shall survive such termination and shall continue to be enforceable as provided herein.

ARTICLE 11 – MISCELLANEOUS

11.1 **Governing Law**. This Agreement will be governed by and construed in accordance with the laws of the State of Arizona, excluding any choice of law provisions that may direct the application of any laws of any other jurisdiction. Subject to Section 11.2 (Mediation), the exclusive venue for any dispute or controversy between the Parties will be the state and federal courts located in the County of Maricopa, State of Arizona, United States. The Parties hereby irrevocably consent to jurisdiction and venue in such courts for this purpose, and the Parties waive objection to the jurisdiction and venue being in such courts.

11.2 **Mediation**. If during the course of this Agreement the Parties are unable to resolve any dispute or controversy arising out of or relating to the Agreement, such claims shall first be subject to non-binding mediation as a condition precedent to the initiation of any legal action (either court action or arbitration). Unless the Parties mutually agree otherwise in writing, the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association in effect at the time of the demand for mediation shall be applied at the mediation. Any such mediation will be located in Mesa, Arizona, United States. Demand for mediation shall be made in writing. The Parties agree to share equally the mediator's fee and any filing fees. Any agreement reached in mediation shall be enforceable and binding upon both Parties. Each Party agrees to bear its own attorneys' fees associated with the mediation.

11.3 **Assignment**. Neither Party shall assign any interest in this Agreement by assignment, transfer, or novation, without prior written consent of the other Party; provided, however, that TADERA may assign this Agreement (a) to any affiliate of TADERA or (b) in connection with an assignment or transfer of all or substantially all of TADERA's assets to which this Agreement relates. This provision shall not be construed to prohibit a Party from assigning to any banking, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent.

11.4 **Notices**. All notices under this Agreement will be in writing and will be deemed to have been given upon: (i) personal delivery; (ii) the third business day after being sent by pre-paid recorded post; (iii) upon confirmed receipt when delivered by email; or (iv) the second business day after sending by facsimile with telephonic confirmation of receipt. Notices to TADERA will be sent to the address shown in the introductory paragraph of this Agreement addressed to TADERA's signatory of this Agreement. Notices to Licensee will be sent to the address shown in the introductory paragraph of this Agreement addressed to Licensee's signatory of this Agreement. Each party may modify its recipient of notices by providing notice pursuant to this Agreement.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

11.5 **Force Majeure**. Neither Licensee nor TADERA shall be considered in default in the performance of the obligations hereunder, except with respect to payment of monies hereunder, if such performance is prevented or delayed because of unavailability of labor, war, hostilities, revolution, civil commotion, acts of terrorism, strike, epidemic or pandemic, accident, fire, wind, flood; or because of any act of God; or for any cause, whether similar or dissimilar, now or hereafter existing, beyond the reasonable control of the Party affected. The Party suffering a delay in its performance caused by an above described occurrence shall give notice thereof to the other Party as soon as reasonably possible thereafter, and shall use reasonable efforts to overcome such delay. In the event of such an occurrence, the Parties shall consult to determine how to overcome the effect on the Project and shall mutually agree to any equitable adjustment to the compensation due TADERA hereunder.

11.6 **Export**. Licensee agrees to abide by any laws, restrictions, and conditions respecting the export, re-export, or other transfer of the Licensed Material disclosed or licensed to Licensee in accordance with this Agreement that are in effect now or are hereafter imposed by the United States Government, and will not export, re-export, or otherwise transfer the Licensed Material, except in full compliance with all relevant U.S. laws and regulations. Each party represents that it is not named on any U.S. government denied-party list. Licensee will not permit access or use of the Services in a Canada-embargoed country or nation, a U.S.-embargoed country or nation, an EU-embargoed country or nation, or a United Nations-embargoed country or nation, or in violation of any other applicable embargo, export law, or regulation.

11.7 **Anti-Corruption.** Licensee has not received or been offered any illegal or improper bribe, kickback, payment, gift, or thing of value from any of TADERA's employees or agents in connection with this Agreement. Reasonable gifts and entertainment provided in the ordinary course of business do not violate the above restriction. If Licensee learns of any violation of the above restriction, Licensee will use reasonable efforts to promptly notify TADERA.

11.8 **Specific Performance**. The provisions of this Agreement are necessary for the protection of the business and goodwill of the Parties and are considered by the Parties to be reasonable for such purpose. The Parties agree that any breach of this Agreement will cause substantial and irreparable injury, for which monetary damages would not be an adequate remedy, and, therefore, in the event of any such breach, in addition to other remedies which may be available, the Parties shall have the right to seek specific performance and other injunctive and equitable relief, in accordance with the provisions of applicable Arizona law. The Parties further agree that, in the event injunctive relief is sought and to the extent permitted by Arizona law, neither Party should be required to post a bond in order to receive such equitable relief from the issuing Arizona Court. Notwithstanding this agreement, in the event that the issuing Court nonetheless requires that a bond be posted, the Parties mutually agree that a bond not exceeding $500.00 is sufficient.

11.9 **Miscellaneous**. This Agreement is the entire agreement of the Parties on the subject matter hereof. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Licensee and TADERA with respect to the subject matter hereof. In addition, this Agreement may not be modified or amended unless agreed by the Parties, reduced to writing, and signed by both the Licensee and TADERA. The waiver by any party of a breach of this Agreement does not constitute a waiver of a repeat of the same breach or of other breach of rights or obligations under this Agreement. The express provision herein for certain rights and remedies of Licensee shall not be construed to deprive TADERA of any other rights and remedies to which it would otherwise be entitled under applicable law. Without limiting the generality of the foregoing, TADERA will not be bound by any standard or printed or referenced terms produced by Licensee, including but not limited to those terms included or referenced in any of Licensee's

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

purchase orders. Licensee expressly acknowledges that no provisions, representations, undertakings, agreements, regarding the products or services to be provided hereunder, have been made, other than those contained in this Agreement. The parties agree that no obligations or duties not set out expressly herein shall be imposed upon the parties or implied by law. Further, if any part of this Agreement is adjudged invalid, illegal or unenforceable, the remaining parts shall not be affected and shall remain in full force and effect. Headings in this Agreement are for convenience only and shall not affect the interpretation thereof. This Agreement may be executed in two or more counterparts, each of which together will be deemed an original, but all of which together will constitute one and the same instrument. If any signature is delivered by facsimile transmission or by e-mail delivery of a Portable Document Format (PDF), such signature will create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof. A person who is not a party to this Agreement will not have any rights to enforce any term of this Agreement. No delay by either party in enforcing any of the terms or conditions of this Agreement will affect or restrict such party's rights and powers arising under this Agreement. No waiver of any term or condition of this Agreement will be effective unless made in writing.

11.10 TADERA may not use Licensee's and/or any of its affiliates' name, logo and/or trademark without Licensee's prior written approval, for each instance.

IN WITNESS hereof, the Parties have executed this Agreement to be effective on the Effective Date set forth above.

Mesa Gateway Airport Authority	GCR Inc.
Signature:	Signature: Signed by: Trisha Murray 32A70203006E472...
Name:	Name: Trisha Murray
Title:	Title: Group Manager
Date:	Date: 4/25/2025

The following attachments constitute a part of this Agreement and are incorporated herein by this reference.

Attachment A – Software License, Support, and Professional Service Fees
Attachment B – Hosting
Attachment C – Support
Attachment D – Statement of Work
Attachment E – Incident Response Policy
Attachment F - TADERA's Continuity of Operations, Disaster Recovery and Backup

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA

ATTACHMENT A
SOFTWARE LICENSE, SUPPORT, AND PROFESSIONAL SERVICE FEES

The fees below are based on 'Small' airport size as defined by the Federal Aviation Administration, Commercial Service Airports.

Included Products & Services

		List Price	Omnia Discount	Year 1	Year 2	Year 3	Totals
License	ABRM[1]	$ 60,000.00	5%	$ 57,000.00	$ 59,850.00	$ 62,843.00	**$ 179,693.00**
Labor	Implementation and Training[2]	$ 72,473.00	5%	$ 68,850.00			**$ 68,850.00**
	Integration-Tyler[3]	$ 46,658.00	5%	$ 44,325.00			**$ 44,325.00**
	Subtotal			$ 113,175.00			**$ 113,175.00**
	TOTAL			**$ 170,175.00**	**$ 59,850.00**	**$ 62,843.00**	**$ 292,868.00**

1 *OMNIA pricing for AirportIQ Business & Revenue Manager (ABRM) software suite for a non hub airport. Enterprise SaaS license includes all modules.*
2 *Setup Fee includes Company & Agreement, Aeronautical Activity, Billing & Invoice*
3 *Assumes automated one-way, flat-file nightly export of billing data from ABRM to Tyler ERP*

Annual Support Hours Cap: Following completion of implementation and handoff to Customer Success, Licensee will be allotted a maximum annual support of 40 hours, exclusive of defects in the Service. If Licensee exceeds those hours, additional support blocks of 4 hours may be purchased for $800/support block. Licensee's annual Fees and included annual application support allotment applies to each Contract Year and shall not include unused application support time from prior Contract Years.

Payment Terms
Licensee agrees to pay TADERA the Fees in accordance with the payment terms set forth below:

- Annual Fees: Invoiced and due upon contract signature for Year 1, annual thereafter upon Anniversary Date
- Implementation, Training, and Tyler Integration Fixed Price Fees: Invoiced and due based on the following schedule
  - Notice to Proceed: 40%
  - Application Configuration: 20%
  - UAT Preparation: 30%
  - Go Live: 10%
- Time & Material Fees (if not Fixed Price): Billed monthly in arears.
- Supplemental Services ordered during the Term will be invoiced on an agreed upon schedule

Initial Term
The Initial Term of this Agreement shall commence on the Effective Date and shall remain in full force until Licensee's 3rd Anniversary Date.

Additional Terms and Conditions
Any changes, additional services or Additional Modules required by Licensee beyond the Services of the original Scope of Work, shall be requested in writing through a Change Order or Task Order. Change Orders or Task Orders will include a detailed description of the additional services and new implementation schedules. Pricing for these additional services or Additional Modules will be determined by TADERA, considering the term and nature of the services or Additional Modules.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA

ATTACHMENT B
HOSTING

TADERA agrees to provide Licensee with access to the Software during the Term through a hosted computing environment ("Hosting"). Hosting of the Software is provided through the Amazon Web Services (AWS) Cloud.

AWS Cloud

Working with AWS, TADERA has developed innovative automations that ensure unique security controls are implemented by default, allowing for streamlined governance across multiple users.

AWS Cloud is designed to host sensitive data, regulated workloads, and address the most stringent U.S. government security and compliance requirements – including the FedRAMP baseline and other compliance regimes. AWS meets the requirements of the most security-sensitive organizations with support for 98 security standards and compliance certifications — more than any other cloud offering.

AWS Security

For decades, TADERA has grown and evolved to meet the needs of a public sector that faces significant challenges, including cybersecurity. Keeping data secure while anticipating and mitigating threats is at the heart of everything we do. Our software solutions are built on a foundation of best practices that include:

- **National Institute of Standards and Technology (NIST) Standards:** Aims to align with the most stringent cybersecurity frameworks in the U.S. federal government.
- **Defense-in-Depth Strategies:** Implements specific countermeasures in layers to defend against cyber threats and vulnerabilities.
- **Zero Trust Architecture:** Prevents any user or device, inside or outside a network, from accessing an IT system until authenticated and continuously verified through a robust Identity and Access Management program that allows access to only necessary, specified resources.
- **Automated Provisioning:** Facilitates end-to-end automation based on specifications, policies, and analytics – without the need for human intervention and opportunities for human error.
- **24/7/365 Continuous Monitoring:** Partners with Optiv, a leading managed security service provider (MSSP), to deliver around-the-clock security monitoring services that ensure preventive and ongoing real-time operational measures.
- **Best-in-Breed Security Tools:** Taps into the power of best-of-breed security tools, such as AWS, CloudFlare, CrowdStrike, Optiv, Qualys, and MimeCast.

AWS Layers of Protection

Rooted in defense-in-depth strategies, TADERA's approach to cybersecurity implements countermeasures in layers to create an aggregated security posture. Drawing on best practices and insights from leading InfoSec experts, our model ensures the most appropriate technologies are applied at every layer.

When it comes to public sector cybersecurity, there isn't a single solution for defending against attacks. Cyber threats are continuously evolving, and thus, so is our cybersecurity program. We constantly realign with federal standards and industry best practices, push the bounds of innovation, and invest in partnerships to keep critical infrastructure systems and data secure. Upon Customer request, TADERA will obtain the latest SOC report audit from its cloud hosting provider (AWS) and provide to MGAA within ten (10) business days of MGAA's request.

Further information: https://aws.amazon.com/stateandlocal/?hp=tile&tile=industries&wwps-cards.sort-by=item.additionalFields.sortDate&wwps-cards.sort-order=desc

Service Level Agreement ("SLA")

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

1. **Uptime Target**. Subject to specifically mentioned exceptions, TADERA shall use commercially reasonable efforts to cause the Software to be available through the Hosting 99.5% of the time ("**Service Level Target**"), as measured on a monthly basis. In the event the Software and Hosting do not meet the Service Level Target, Licensee may be eligible to receive a Service Credit in accordance with the procedures described below.

2. "**Service Interruption**" is defined as either the total loss of Licensee availability to the Software, or the degradation of a specific element or component the Software to an extent by which the Software is not functional for their intended purpose, subject to the exceptions described below.

3. **Exceptions**. Any interruptions to the Service(s) caused by or during any of the following events or circumstances shall not constitute a Service Interruption hereunder and shall not to be considered and/or included in, or for the purpose of, calculating any Service Credits available under this SLA:

    a. During any period where Licensee's payment of Fees is more than 30 days past due or where TADERA has suspended the Agreement for late payment;
    b. Incidents outside TADERA's reasonable control, including those described in Section 10.4 of the Agreement;
    c. Scheduled maintenance of the Hosting and Software for which TADERA has notified Licensee;
    d. Incidents caused by equipment, software or other technology provided by Licensee or by a third party on behalf of Licensee;
    e. Incidents caused by a violation of this agreement, negligence or willful misconduct by Licensee or Licensee agents or employees.

4. **Credit Request**. If Licensee experiences a Service Interruption, to receive consideration for a Service Credit, Licensee must provide written notice to TADERA within 30 days of such Service Interruption. The request should include, at a minimum, the date, time and duration of the Service Interruption. In instances of uncertainty or dispute as to whether an actual Service Interruption has occurred, TADERA shall make a final determination with respect to such uncertainty and/or dispute, in good faith, based on its review of data provided by system logs, monitoring reports and configuration records, which TADERA shall make available to Licensee at Licensee's request.

5. **Service Credits**. For each month, TADERA will calculate the percentage of time where the Software was available through the Hosting with no Service Interruptions for which the Licensee has requested credit pursuant to Section 4 of this Service Level Agreement ("**Uptime**"). For each percent (1.0%) which the Uptime falls below the Service Level Target, Licensee will be entitled to a one-fifth of one percent (0.2%) reduction in the next Annual Fees (each such reduction, a "**Service Credit**"). For example, if the Uptime for a month were 97.5%, 2.0% below the Service Level Target, Licensee would be entitled to a 0.4% Service Credit on the next Annual Fees.

6. **Service Credit Maximum**. The parties acknowledge and agree that (a) the maximum Service Credit Licensee may receive for Service Interruptions as described in this SLA shall be no more than 7.5% of the next Annual Fees, and (b) the Service Credits prescribed under this SLA shall be the sole and exclusive remedy for any and all such Service Interruptions, in each case notwithstanding anything to the contrary in this SLA or elsewhere in this Agreement.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA

ATTACHMENT C
SUPPORT

The software covered by this support agreement includes the Licensed Programs plus any future versions of the Licensed Programs offered by TADERA as an incremental upgrade. Future expansion of the system that requires modifications outside the support of the base system is not covered under this agreement.

Software Support Policy Descriptions

In accordance with the terms of this Agreement, TADERA will furnish the following support services for the Licensed Programs.

Enhanced Technical Support
TADERA has a dedicated 24/7/365 support portal for logging help desk tickets either via a product email address or directly within the support portal. A Power User is defined as a trained, advanced user who can troubleshoot basic issues without assistance. Licensee is limited to two (2) designated Power Users at any one time, who will act as the support liaison between the Licensee and TADERA. Licensee agrees that support may be provided through electronic communications or telephone support.

Timeliness of Incident Resolution
TADERA shall use commercially reasonable efforts to provide modifications or additions to correct errors in the Software reported by Licensee. The level of support that TADERA can provide is dependent upon the cooperation of Licensee and the quantity of information that Licensee can provide. Licensee agrees that efforts beyond the Annual Support Hours Cap set forth in Attachment A per Contract Year would not be commercially reasonable.

If the Licensee cannot reproduce a problem or if TADERA cannot successfully gather adequate troubleshooting information, TADERA will require temporary login access on the licensee's AWS Cloud hosted system to identify and address the problem. This communication capability shall be accessible 24 hours a day, seven days a week.

New Releases
Incremental upgrade releases (not requiring modifications outside the support of the base system) and Documentation will be made available for all purchased modules during the term of the Agreement.

Program Enhancements
Enhancement releases (not requiring modifications outside the support of the base system) for the software will be made available for all purchased modules during the term of the Agreement.

Installation Assistance
Support for the proper installation of the current release of the software, and any subsequent patches or updates described above will be made available through remote assistance.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA

ATTACHMENT D
STATEMENT OF WORK
PROFESSIONAL SERVICES & ASSUMPTIONS

Overview

To launch the engagement, we will conduct a kickoff meeting with leaders and key stakeholders. The purpose of this meeting is to set the stage for a successful project by validating the project scope, deliverables, plan, resources, schedule, and project management structure. We develop and deliver the project schedule.

TADERA will conduct a series of Business Process Analysis (BPA) sessions to gain a better understanding of the Licensee's current operating systems and business processes, develop a series of business/user stories, and codesign a process that leverages the ABRM platform to streamline your operations. Based on the findings from the BPA sessions, TADERA will develop a Requirements Traceability Matrix that includes roles and responsibilities and any customizations that will require software development. Software development will follow our standard SDLC process.

Implementation Process

The following table outlines typical implementation processes and timelines. After initial discovery, a plan specific to the Licensee's processes and goals are developed and presented to you for review and approval.

Phase	Key Implementation Deliverables
Project Planning	▪ Implementation Work Plan, including detailed work steps and timeline for project plan ▪ Kickoff Presentation ▪ Major Decision Points ▪ Project Schedule
Installation and Initial Training	▪ Technical Design Report ▪ Documented server hardware and software specifications, and database management software ▪ Creating production and test environments and databases ▪ Documentation of how transaction data is represented in the database ▪ Documentation for user created reports and queries ▪ Product Installation
Functional Requirements	▪ Documented Requirements ▪ How processes will work from the users' perspective ▪ GAP analysis for any additional functionality required, including additional reports that may be required ▪ Requirements Traceability Matrix
Testing and Training	▪ Application Training ▪ Preliminary Procedures ▪ Administration Training prior to go-live
Implementation and Go Live	▪ Cutover Plan ▪ Support Plan ▪ Readiness Review Report

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

	▪ Production System
Operation	▪ On-Going Support

Training

Prior to going live, we will provide Licensee's users and system administrators with interactive training supported by current, easy-to-follow documentation.

Our training goal is to provide users with the most effective and efficient path to the successful inauguration and ongoing use of our software. Training was developed – and is constantly being refined – by trainers working hand-in-hand with our Product Specialists who have come from the public sector and know exactly what agencies need to be in compliance. To round out our perspective, we routinely incorporate feedback from our customers about what and how they want information. The combination of customer expertise combined with TADERA expertise makes for a proven, highly-rated training program.

Interface to Tyler Technologies ERP

TADERA will create an integration which will be designed to interface with Tyler Technologies, running nightly on an automated basis. The integration will be based on prior integrations that incorporate an automated one-way, flat-file nightly export of billing data from ABRM to Tyler ERP. The ABRM architecture is flexible and allows custom integrations to be created to meet specific requirements for different clients. These integrations are created as airport plugins and configured for each individual client.

PCI 4.0 Compliance

TADERA has delivered our final and passing Attestation of Compliance for Self-Assessment Questionnaire D for Service Providers. Annually we will recertify and perform PCI DSS SAQ-D Assessment Services supporting ABRM against the requirements set forth by the PCI Security Standards Council. The assessment will be performed utilizing PCI DSS v4.0.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA

Standard Deliverables Scope of Work

1. Project Management services to oversee the implementation, create/maintain a project schedule, assign tasks via the work breakdown structure, manage deliverables, address action items, and communicate project statuses to customer stakeholders
2. Application site setup on the on the TADERA Amazon Web Services (AWS) Cloud for two (2) environments, TEST and PRODUCTION
3. Application security profiles established for the following roles: Employee Read Only, Contract Management/Property Management, Accounting Management, Utilities Management, Admin
4. Functional Discovery Workshops to review and enhance the reference tables with customer specific look-up values that fit within the standard configuration (as contracted)
    a. One (1) for Company & Agreement up to two (2) hours and includes initial Training (remote)
    b. One (1) for Aeronautical & Activity up to two (2) hours and includes initial Training (remote)
    c. One (1) for Billing & Invoice up to two (2) hours and includes initial Training (remote)
    d. One (1) for GL Export Integration up to two (2) hours and includes initial Training (remote)
5. Application configuration for contracted application functions (as contracted)
    a. Company & Agreement: includes the setup and configuration of one (1) each of the following agreement types: Airline, Building & Landing Lease, Concessionaires Food & Beverage, Concessionaires Rental Cars, and Ground Transportation
    b. Aeronautical Activity: Includes the setup and configuration of one (1) Airline's aeronautical activity related airlines and components (Ops Stats with Joint Use)
    c. Billing & Invoice: includes one (1) customization of the header and footer of an invoice and statement
    d. GL Export Integration: includes one (1) of TADERA's existing library of integrated ERPs; includes SFTP connectivity
6. System Integration Testing to validate setup, configurations, forms, and reports against the application data in the TEST environment
7. Functional Training Sessions to prepare for User Acceptance Testing (as contracted)
    a. One (1) for Company & Agreement up to two (2) hours (remote)
    b. One (1) for Aeronautical & Activity up to two (2) hours (remote)
    c. One (1) for Billing & Invoice up to two (2) hours (remote)
    d. One (1) for GL Export Integration up to two (2) hours (remote)
8. User Acceptance Testing assistance (remote) to answer questions and provide guidance for final acceptance
9. Go-live final assistance (remote) for the week of go-live and two (2) weeks post go-live
10. Transition assistance to the TADERA Customer Success Team for ongoing product support
11. All deliverables are based on remote services, in-person training can be added for $11,375 in fixed price labor and travel expenses per 3-day onsite visit per Consultant
12. Any deviation or addition to the above scope deliverables will require a Change Order if within the active implementation or a Task Order post go-live
13. Letter management is out of scope

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA

Implementation Milestone Schedule

ABRM Key Milestones	Business Days
Notice To Proceed	NTP + 0
Project Kickoff	NTP + 5
Discovery	NTP + 10
Configuration of Reference Tables	NTP + 20
Integration Design (GL)	NTP + 50
Configuration of Operational Data	NTP + 90
Agreement Entry (Customer)	NTP + 150
User Acceptance Testing	NTP + 160
Go Live	NTP + 200

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA

ATTACHMENT E
Incident Response Policy

1.0 Purpose

This policy defines the requirements for Incident Response across all TADERA that is aligned with NIST CSF and FISMA. This Incident Security Plan (ISP) defines the procedures, roles, and responsibilities for handling security incidents affecting TADERA, a system within the federal agency environment. The goal of this plan is to ensure the security of TADERA in compliance with the Federal Information Security Modernization Act (FISMA), minimizing potential damages, ensuring timely recovery, and maintaining the integrity of national security-related data.
The ISP establishes a proactive, well-coordinated, and structured approach to detecting, responding to, and recovering from security incidents, whether they are cyber, physical, or personnel-related.

2.0 Objectives

- **Ensure Rapid Incident Detection**: Enable prompt identification and classification of security incidents affecting TADERA.
- **Implement Effective Response**: Establish clear, actionable steps for mitigating damage from an incident.
- **Ensure Regulatory Compliance**: Adhere to FISMA and other related federal standards, including NIST Special Publication 800-53.
- **Protect Sensitive Data**: Safeguard confidential and critical information during and after a security incident.
- **Support Continuous Improvement**: Learn from past incidents to improve system resilience and incident handling capabilities.

3.0 Scope

This plan applies to all TADERA systems, networks, data, and personnel associated with the operation, management, and use of TADERA, including:

- TADERA's cybersecurity infrastructure
- Connected external networks and devices
- End-users, contractors, and third-party service providers
- Data classified under FISMA standards

This plan will align with all FISMA-related security standards, including NIST SP 800-53 and NIST Cybersecurity Framework.

4.0 Incident Classification

Incidents affecting TADERA are categorized based on the nature, severity, and impact on operations. This ensures that appropriate response and escalation steps are taken.

- **Category 1: Low Impact Incident**
  - Examples: Minor security breaches with limited impact, such as minor system misconfigurations.
  - Response: Contained within the TADERA environment, requiring internal resolution.
- **Category 2: Moderate Impact Incident**
  - Examples: A detected malware intrusion or data leakage without widespread access to sensitive data.
  - Response: May require external involvement, such as system vendors or cybersecurity experts.
- **Category 3: High Impact Incident**

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

  - Examples: Major data breach, ransomware attack, or denial-of-service attack that affects critical operations.
  - Response: Immediate and coordinated efforts involving external agencies (e.g., FBI, NIST, CISA) are required.
- **Category 4: Critical Incident**
  - Examples: Cyberattack or physical security breach that compromises national security or critical operations.
  - Response: Immediate action involving senior DHS and federal leadership, along with law enforcement and intelligence agencies.

5.0 Roles and Responsibilities

Incident Response Team (IRT): The IRT consists of designated experts in cybersecurity, physical security, legal compliance, public communications, and business continuity.

- **Incident Commander (IC):** Leads the overall incident management process and communicates with external stakeholders. Ensures compliance with FISMA.
- **Cybersecurity Response Lead:** Manages cyber-related incident responses, including network and endpoint security.
- **Physical Security Lead:** Addresses physical security breaches impacting TADERA facilities or infrastructure.
- **Compliance and Legal Lead:** Ensures that all actions are in compliance with FISMA and other regulatory requirements, including the preservation of evidence for possible legal action.
- **Communications Lead:** Coordinates internal and external communications regarding the incident.
- **Business Continuity Lead:** Ensures operational continuity and recovery for affected services.

Additional Support:

- **External Support:** Agencies such as CISA, NIST, FBI, and local law enforcement, as required.

6.0 Incident Response Phases

- **Phase 1: Detection and Identification**
- Continuously monitor TADERA systems and networks for potential security incidents through automated tools, threat intelligence feeds, and manual oversight.
- Implement Security Information and Event Management (SIEM) tools aligned with FISMA guidelines for detecting anomalies.
- Immediately notify the Incident Response Team (IRT) upon detection of suspicious activity.
- **Phase 2: Assessment and Classification**
- The IRT assesses the severity of the incident based on predefined classification levels (Low, Moderate, High, Critical).
- Review logs, alerts, and real-time data to understand the scope of the incident.
- Engage external experts, including law enforcement or vendors, for further analysis if necessary.
- **Phase 3: Containment and Mitigation**
- **Short-Term Containment:** Implement measures to isolate affected systems, networks, or devices to prevent the incident from spreading.
- **Long-Term Containment:** Modify configurations, deploy patches, and strengthen access controls to prevent further exploitation.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

- **Mitigation:** Address vulnerabilities identified during the incident and secure data, systems, and operations affected.
- **Phase 4: Eradication and Recovery**
- **Eradication:** Identify the root cause and remove any malicious activity, malware, or unauthorized access.
- **Recovery:** Begin restoring systems and data from backups in accordance with business continuity plans. Ensure all systems are fully operational and secure before returning to normal operations.
- **Testing:** Conduct testing to ensure that systems are secure and unaffected by the incident.
- **Phase 5: Post-Incident Review and Reporting**
- The IRT conducts a debriefing session to analyze the incident's handling and identify any areas for improvement.
- Prepare a formal incident report, including a timeline, root cause analysis, and lessons learned.
- Share relevant reports with senior management, external authorities, and stakeholders in accordance with FISMA's reporting requirements.

7.0 Communication Strategy

Internal Communications:

- **Incident Notifications:** Use secure communication channels to notify TADERA staff and contractors of the incident.
- **Incident Briefings:** Provide regular updates to management, including the Incident Commander, regarding the status of the incident and recovery efforts.

External Communications:

- **Public and Stakeholder Communication:** Collaborate with the Public Information Officer (PIO) to issue press releases and notifications to relevant stakeholders, including the public and media.
- **Coordination with External Agencies:** Work with law enforcement, CISA, and other federal partners as needed for incident response and compliance reporting.

8.0 Training and Awareness

- **Incident Response Training:** Provide regular training sessions for the IRT and key stakeholders on FISMA requirements, incident handling processes, and compliance obligations.
- **Phishing and Threat Awareness:** Conduct cybersecurity awareness training for all TADERA users to reduce the risk of human error-related incidents.
- **Simulated Drills:** Perform tabletop exercises and live drills to ensure readiness for potential incidents.

9.0 Resources and Tools

- **SIEM Systems:** For threat detection and real-time monitoring.
- **Backup and Recovery Tools:** Cloud-based and off-site backups for data recovery.
- **Encryption and Authentication Tools:** To secure data in transit and at rest.
- **Forensic Tools:** To investigate and analyze the scope of security incidents.

10.0 Legal and Regulatory Compliance

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

This plan is fully aligned with the Federal Information Security Modernization Act (FISMA), as well as NIST Special Publication 800-53, which defines the security and privacy controls required for federal information systems.

- **FISMA Compliance:** Ensure that all incident response actions are in compliance with the guidelines and reporting standards outlined in FISMA.
- **Documentation and Reporting:** Maintain thorough documentation of the incident and response actions for audit purposes.
- **Data Protection:** Follow relevant privacy laws, including Federal Privacy Act requirements, when handling sensitive data.

11.0 Continuous Improvement

- **Post-Incident Analysis:** Conduct a thorough analysis following every incident to assess response effectiveness, identify gaps, and implement improvements.
- **Feedback Loop:** Regularly update the Incident Security Plan based on findings from incidents, training exercises, and evolving threats.
- **Annual Review:** Ensure that the ISP is reviewed and updated annually to remain compliant with FISMA and other relevant regulations.

12.0 Conclusion

The Incident Security Plan for TADERA ensures that the system complies with FISMA and maintains a robust, resilient security posture. By following the structured incident management process outlined in this plan, TADERA will be able to detect, respond to, and recover from security incidents effectively while ensuring the protection of sensitive government data.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

Date Revised	Version	Summary of Changes
4/3/2020	1.0	First Draft
4/9/2020	1.2	Second draft – reduced complexity
3/15/2021	2.0	Reviewed, Updated for 2021
6/1/2021	2.1	Reworded to align closely with NIST CSF
1/19/2023	2.2	Reworded to align with IR Playbooks and re-formatted for consistency.
1/7/2025	2.3	Adjusted for ACMDS FISMA for CSAM

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

TADERA

ATTACHMENT F
TADERA's Continuity of Operations, Disaster Recovery and Backup

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

HOSTING PLATFORM

1. All AirportIQ software is offered as a Cloud-hosted solution, shifting the technical responsibilities for hosting and redundancies to TADERA.

2. TADERA offers a turn-key SaaS solution with TADERA providing hosting services through our FedRAMP and PCI-compliant hosting vendor, AWS. This approach utilizes AWS Cloud, which is designed to meet the higher-level security and compliance needs for sensitive, dedicated, U.S. Public Sector workloads found in regulations such as United States Federal Risk and Authorization Management Program (FedRAMP), Payment Card Industry (PCI), Data Security Standards (DSS), Department of Defense Enterprise Cloud Service Broker (ECSB), Criminal Justice Information Services (CJIS) Security Policy and Health Insurance Portability and Accountability Act (HIPAA).

3. AWS Cloud includes Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) components such as infrastructure, network, storage, data management, identity management and many other services.

4. TADERA will leverage applicable AWS Cloud features to ensure that the airport's data is secure. These features include:

5. Security, Privacy & Compliance – Microsoft has implemented its robust security, privacy, and compliance controls framework plus additional stringent controls to meet the higher-level requirements found in ECSB Impact Levels and CJIS.

6. Data Storage – The AWS Cloud environment maintains multiple datacenters around the globe. Currently TADERA contracts with AWS to provision the AWS Cloud environment to maintain 2 datacenters roughly 800 miles apart, all stored within Continental United States (CONUS) datacenters. AWS S3 Storage Service provides a highly durable storage infrastructure designed for mission-critical and primary data storage. Objects are redundantly stored on multiple devices across multiple facilities within a region, designed to provide a durability of 99.99%. AWS provides further protection for data retention and archiving through versioning in AWS Storage Service, AWS Multi-factor authentication (AWS MFA), bucket policies, and Access Management (IAM).

7. Compliance – AWS is continuously investing to meet and maintain rigorous and changing federal, state, and local compliance requirements such as FedRAMP, PCI, DSS, CJIS, ECSB, HIPAA and IRS 1075 for U.S. government solutions.

Application and Hosting Security

8. At the application level, we have a configurable max attempt. We use token authentication with a configurable token expiration period.

9. At the hosting center level, we utilize AWS Managed Disk service which has encryption enabled by default as follows:

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

10. An AWS managed disk is a virtual hard disk (VHD). You can think of it like a physical disk in an on-premises server but, virtualized. AWS managed disks are stored as page blobs, which are a random IO storage object in AWS. We call a managed disk 'managed' because it is an abstraction over page blobs, blob containers, and AWS S3 buckets.

Benefits of managed disks

11. Highly durable and available - Managed disks are designed for 99.99% availability. Managed disks achieve this by providing you with three replicas of your data, allowing for high durability. If one or even two replicas experience issues, the remaining replicas help ensure persistence of your data and high tolerance against failures. This architecture has helped AWS consistently deliver enterprise-grade durability for infrastructure as a service (IaaS) disks, with an industry-leading ZERO% annualized failure rate.

12. Simple and scalable VM deployment - Using managed disks, you can create up to 50,000 VM disks of a type in a subscription per region, allowing you to create thousands of VMs in a single subscription. This feature also further increases the scalability of virtual machine scale sets by allowing you to create up to 1,000 VMs in a virtual machine scale set using a Marketplace image.

13. Integration with availability sets - Managed disks are integrated with availability sets to ensure that the disks of VMs in an availability set are sufficiently isolated from each other to avoid a single point of failure. Disks are automatically placed in different storage scale units (stamps). If a stamp fails due to hardware or software failure, only the VM instances with disks on those stamps fail. For example, let's say you have an application running on five VMs, and the VMs are in an Availability Set. The disks for those VMs won't all be stored in the same stamp, so if one stamp goes down, the other instances of the application continue to run.

14. Integration with Availability Zones - Managed disks supports Availability Zones, which is a high-availability offering that protects your applications from datacenter failures. Availability Zones are unique physical locations within an AWS region. Each zone is made up of one or more datacenters equipped with independent power, cooling, and networking. To ensure resiliency, there's a minimum of three separate zones in all enabled regions. With Availability Zones, AWS offers industry best 99.99% VM uptime SLA.

15. AWS Backup support - To protect against regional disasters, AWS Backup can be used to create a backup job with time-based backups and backup retention policies. This allows you to perform easy VM restorations at will. Currently AWS Backup supports disk sizes up to four tebibyte (TiB) disks. AWS Backup supports backup and restore of AMIs.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

16. Granular access control - You can use AWS IAM role-based access control (RBAC) to assign specific permissions for a managed disk to one or more users. Managed disks expose a variety of operations, including read, write (create/update), delete, and retrieving a shared access signature (SAS) URI for the disk. You can grant access to only the operations a person needs to perform their job. For example, if you don't want a person to copy a managed disk to a storage account, you can choose not to grant access to the export action for that managed disk. Similarly, if you don't want a person to use an SAS URI to copy a managed disk, you can choose not to grant that permission to the managed disk.

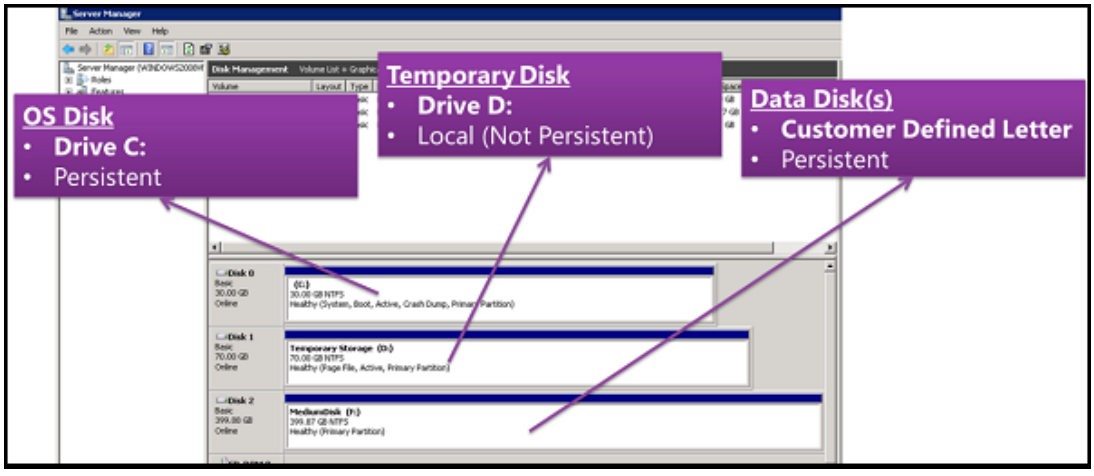
17. Encryption - Managed disks offer two different kinds of encryption. The first is Storage Service Encryption (SSE), which is performed by the storage service. The second one is AWS Disk Encryption, which you can enable on the OS and data disks for your VMs.

18. Storage Service Encryption (SSE) - AWS Storage Service Encryption provides encryption-at-rest and safeguards your data to meet your organizational security and compliance commitments. SSE is enabled by default for all managed disks, snapshots, and images in all the regions where managed disks are available.

19. AWS Disk Encryption (ADE) - AWS Disk Encryption allows you to encrypt the OS and Data disks used by an IaaS Virtual Machine. This encryption includes managed disks. For Windows, the drives are encrypted using industry-standard BitLocker encryption technology. For Linux, the disks are encrypted using the DM-Crypt technology. The encryption process is integrated with AWS Secrets to allow you to control and manage the disk encryption keys.

Disk roles

20. There are three main disk roles in AWS: the data disk, the OS disk, and the temporary disk. These roles map to disks that are attached to your virtual machine.

21. 

22.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

23. Data disk - A data disk is a managed disk that's attached to a virtual machine to store application data, or other data you need to keep. Data disks are registered as SCSI drives and are labeled with a letter that you choose. Each data disk has a maximum capacity of 32,767 gibibytes (GiB). The size of the virtual machine determines how many data disks you can attach to it and the type of storage you can use to host the disks.

24. OS disk - Every virtual machine has one attached operating system disk. That OS disk has a pre-installed OS, which was selected when the VM was created.

25. Temporary disk - Every VM contains a temporary disk, which is not a managed disk. The temporary disk provides short-term storage for applications and processes and is intended to only store data such as page or swap files. Data on the temporary disk may be lost during a maintenance event event or when you redeploy a VM. On AWS Linux VMs, the temporary disk is /dev/sdb by default and on Windows VMs the temporary disk is D: by default. During a successful standard reboot of the VM, the data on the temporary disk will persist.

Managed disk snapshots

26. A managed disk snapshot is a read-only crash-consistent full copy of a managed disk that is stored as a standard managed disk by default. With snapshots, you can back up your managed disks at any point in time. These snapshots exist independent of the source disk and can be used to create new managed disks.

27. Images - Managed disks also support creating a managed custom image. You can create an image from your custom VHD in a storage account or directly from a generalized (sysprepped) VM. This process captures a single image. This image contains all managed disks associated with a VM, including both the OS and data disks. This managed custom image enables creating hundreds of VMs using your custom image without the need to copy or manage any storage accounts.

28. Images versus snapshots - It's important to understand the difference between images and snapshots. With managed disks, you can take an image of a generalized VM that has been deallocated. This image includes all of the disks attached to the VM. You can use this image to create a VM, and it includes all of the disks.

29. A snapshot is a copy of a disk at the point in time the snapshot is taken. It applies only to one disk. If you have a VM that has one disk (the OS disk), you can take a snapshot or an image of it and create a VM from either the snapshot or the image.

30. A snapshot doesn't have awareness of any disk except the one it contains. This makes it problematic to use in scenarios that require the coordination of multiple disks, such as striping. Snapshots would need to be able to coordinate with each other and this is currently not supported.

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

System Monitoring

32. TADERA's solution utilizes windows performance monitor for application monitoring, resource monitoring, and alarms and alerts, which can be used to configure the multiple performance counters, including system state or specified activity, alerting the airport administrator via email or text. Some of the more specific performance counters include:

33. Operating System Resources (e.g., Processor, Threads, Processes, Memory, Physical Disk, Network Interface, Cache)

34. Application Resources (e.g., ASP .NET Applications, .NET CLR Memory, .NET CLR Memory, .NET CLR Remoting, .NET CLR Exceptions, .NET CLR Data)

35. Web/Application Server Resources (e.g., Processor, Threads, Processes, Memory, Physical Disk)

36. Database Server Resources (e.g., Memory Manager, Locks, Access Methods, Processor Time, Index searches).

Disaster Recovery

38. For disaster recovery and fault tolerance, TADERA uses AWS Backups with AMIs copies in a different region, a service that contributes to the airport's business continuity and disaster recovery (BCDR) strategy by having copies of servers and virtual machines to a secondary location. For database and application servers, details include nightly backups (retained for 8 days), 15-minute logging and disaster recovery along with 24-hour monitoring. In the event of an outage in the primary location, failover to the secondary site occurs to keep apps and workloads available. Failback to the primary location will occur when normal operations resume.

System Availability

40. The proposed solution's application database performance metrics in a clustered environment is listed below.

41. Availability:

42. 99.9 percent

43. Failover:

44. Disaster recovery will be completed within 8 hours of the incident

45. Scalability:

46. Scale out, scale up and scale dynamically

Docusign Envelope ID: 0D35A695-8210-496D-A17F-5753A9E590C0

47. For cost-effective scale-out, add-ons include (for additional fee):

48. Added application and data nodes per cluster, or

49. Added CPU threads (16, 32, 64, etc.) or

50. Added Memory (32GB, 64GB, etc.) per data node

Network

51. The network is divided into subnets for Web Tier for external access, Data subnet for internal data storage, A remote subnet for fat client application and an AD subnet for security. The external facing tier is protected by and AWS App gateway and WAF. The BLOB external storage account is used for SFTP and moving files inn an out of the network. All subnets are protected by network security groups. The East US region is for DR using AWS Site Recovery and backups use AWS Backup service for VM's and databases in the US central region.

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

Board Action Item

Re: Resolution 25-20

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:	**Hourly Lot Mill & Replace Improvements Project – Authorization of Services with Combs Construction Company, Inc. – CIP 1281**
Date:	**May 20, 2025**

Proposed Motion

To approve an Authorization of Services with Combs Construction Company, Inc. for Construction of the Hourly Parking Lot Mill & Replacement Improvements, in an amount not to exceed $486,326.03 under CIP 1281.

Narrative

A portion of the existing Hourly Lot was recently evaluated as part of the 2024 Landside Pavement Management Project, and upon evaluation, the deteriorating asphalt pavement within this area was determined to be in need of mitigation by means of a mill and overlay. The project will consist of milling, paving, crack and seal operations, remarking pavements, and the installation of new "Traffic Calming" measures, along with the demolition and redesign of the curb median at the entrance of the terminal access road.

MGAA is a member of the Strategic Alliance for Volume Expenditures (S.A.V.E.) allowing the Airport to utilize cooperative contracts from other Arizona public entities. Construction Company, Inc. (Combs) was awarded a JOC through the City of Peoria (#P22-0020A). It is through this competitive selection that MGAA will utilize Combs for construction of the Hourly Lot Mill & Replace Improvements Project. This contract is available upon request.

Fiscal Impact

This project was included in the FY25 Capital Budget and is funded with MGAA non-grant funds under CIP 1281.

Attachment(s)

Authorization of Services

RESOLUTION NO. 25-20

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

WHEREAS the Authority desires to approve an Authorization of Services with Combs Construction Company, Inc. for Construction of the Hourly Parking Lot Mill & Replacement Improvements, in an amount not to exceed $486,326.03 under CIP 1281;

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 Combs Construction Company, Inc. for Construction of the Hourly Parking Lot Mill & Replacement Improvements, in an amount not to exceed $486,326.03 under CIP 1281. 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 May, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport

AUTHORIZATION OF SERVICES
COMBS CONSTRUCTION COMPANY INC., AOS 20250126 25-02

The signing of this Authorization of Services (AOS) by Mesa Gateway Airport Authority ("MGAA") and Combs Construction Company, Inc., P.O. Box 10789, Glendale, AZ 85318, ("Contractor"), authorizes Contractor to carry-out and complete the services described below in consideration of the mutual covenants set forth below.

1. **PROJECT**: Hourly Lot Improvements Mill & Replace – CIP1281

2. **SCOPE OF SERVICE**: Perform and provide Construction Services for the Hourly Lot Mill & Replace Improvements Project. A portion of the existing Hourly Lot was recently evaluated as part of the 2024 Landside Pavement Management Project, and upon evaluation, the deteriorating asphalt pavement within this area was determined to be in need of mitigation by means of a mill and overlay. The project will consist of milling, paving, crack and seal operations, remarking pavements, and the installation of new "Traffic Calming" measures, along with the demolition and redesign of the curb median at the entrance of the terminal access road.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed $486,326.03 (Four hundred eighty-six thousand, three hundred twenty-six dollars and three cents), without the express written approval of MGAA.

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

5. **INCORPORATED:** The following documents, including its terms, conditions, exhibits, attachments, and amendments are hereby incorporated with this AOS and made part thereof:

   - ☑ MGAA Agreement-to-Use Number: 20250126, effective 12/05/24
   - ☑ Construction Plans Issued April 9, 2025 (File No. 091134071-CV)

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

   - ☑ Contractor's Scope and Fee Proposal dated 04/07/25
   - ☑ Exhibit 1, MGAA Project Specific Terms

7. **EFFECTIVE:** This AOS is effective as of the date signed by MGAA.

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

Executed as of the Effective Date.

CONTRACTOR
COMBS CONSTRUCTION COMPANY, INC.,
An Arizona Corporation

By: _____

Name: Ryan Combs

Title: President

Date: 04-17-2025

MGAA
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: _____

April 7, 2025

Mr. Rich Adams
Phoenix Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, AZ 85212

Re: **Hourly Lot Improvements**

Dear Mr. Rich Adams,

Please find enclosed the proposal for the Hourly Lot Improvements on behalf of Combs Construction Company, Inc. Please review and sign if accepted and return to our office.

Please do not hesitate to contact me directly should you have any comments, questions or concerns. Thank you.

Respectfully,

Ryan J. Combs, President
Combs Construction Company, Inc.

CC: Proposal File – Phoenix Mesa Gateway Airport Authority

Mailing Address: P.O. Box 10789, Glendale, AZ 85318 · Physical Address: 1903 W Parkside Lane, Suite 100, Phoenix, AZ 85027
Phone (602) 237-4029 · Fax (602) 237-4182 · 1-800-548-7217
Arizona Contractors Lic. 100380 A – New Mexico Contractors Lic. 373780-GA01

PHOENIX MESA GATEWAY AIRPORT - HOURLY LOT IMPROVEMENTS

PROPOSAL DATE April 7, 2025

ITEM	DESCRIPTION		QUANTITY	UM	UNIT PRICE	SUBTOTAL
1	Mobilization (Maximum of 5%)		1.00	LS	$ 22,000.00	$ 22,000.00
2	Traffic Control		1.00	LS	$ 68,100.00	$ 68,100.00
3	Roadway Excavation	±	2.00	CY	$ 1,600.00	$ 3,200.00
4	Subgrade Preparation	±	60.00	SY	$ 125.00	$ 7,500.00
5	Placement and Construction of Aggregate Base Course (4" Depth)	±	6.00	CY	$ 750.00	$ 4,500.00
6	Asphalt Milling (2" Depth)	±	7,230.00	SY	$ 5.00	$ 36,150.00
7	Asphalt Milling Grind (0.5" Depth) (Speed Hump Edges Only)	±	42.00	SY	$ 440.00	$ 18,480.00
8	Placement and Construction of Asphalt Concrete Pavement (2.25" Depth Overlay)	±	880.00	TN	$ 175.00	$ 154,000.00
9	Placement and Construction of Asphalt Concrete Pavement (5.5" Depth, 2-Lifts)	±	10.00	TN	$ 1,000.00	$ 10,000.00
10	Placement and Construction of Asphalt Concrete Pavement (0"-3" Depth Varies, Speed Hump)	±	32.00	TN	$ 800.00	$ 25,600.00
11	Tack Coat	±	7,460.00	SY	$ 1.00	$ 7,460.00
12	Concrete Curb Radius Adjustment (Including Curb and Gutter, Sidewalk, and Curb Ramp Improvements)	±	22.00	SY	$ 225.00	$ 4,950.00
13	Curb and Gutter Type A MAG STD DET 220	±	24.00	LF	$ 100.00	$ 2,400.00
14	Curb Type A MAG STD DET 222	±	8.00	LF	$ 145.00	$ 1,160.00
15	Modified Curb Ramp per MAG STD DET 237-2	±	144.00	SF	$ 47.00	$ 6,768.00
16	Pavement Markings (Pedestrian Walkways, Yellow)	±	740.00	SF	$ 1.30	$ 962.00
17	Pavement Markings (Enhanced Crosswalks, White)	±	2,150.00	SF	$ 1.30	$ 2,795.00
18	Pavement Markings (Parking Lot Stripes, White)	±	1,290.00	SF	$ 1.30	$ 1,677.00
19	Pavement Markings (EV Parking Lot Stripes, Green)	±	10.00	SF	$ 55.00	$ 550.00
20	Pavement Markings (ADA Sign Marking, Blue & White)	±	90.00	EA	$ 105.00	$ 9,450.00
21	Removal of Existing Improvements (PCC Pavement, 4-inch Sidewalk/Ramp)	±	223.00	SF	$ 14.00	$ 3,122.00
22	Removal of Existing Improvements (AC Pavement, 5.5-inch Existing Roadway)	±	14.00	SY	$ 260.00	$ 3,640.00
23	Removal of Existing Improvements (PCC Curb and Gutter)	±	50.00	LF	$ 75.00	$ 3,750.00
24	Removal of Existing Improvements (Pavement Markings by Waterblasting)	±	2,630.00	SF	$ 3.50	$ 9,205.00
25	Removal of Existing Improvements (Remove Existing Sign)	±	17.00	EA	$ 55.00	$ 935.00
26	Removal of Existing Improvements (Existing Landscaping)	±	18.00	EA	$ 52.00	$ 936.00
27	Install Crosswalk Sign (W11-2: 36"x36")	±	20.00	EA	$ 235.00	$ 4,700.00
28	Install Crosswalk Sign Arrow (W16-7P: 24"x12")	±	16.00	EA	$ 235.00	$ 3,760.00
29	Install Crosswalk Sign Double-Arrow (W1-7: 24"x12")	±	4.00	EA	$ 235.00	$ 940.00
30	Install At-Grade Crosswalk Sign (R1-6: 12"x36")	±	2.00	EA	$ 235.00	$ 470.00
31	Install Speed Hump Ahead Sign (W17-1: 36"x36") on New Sign Post/Base	±	2.00	EA	$ 235.00	$ 470.00
32	Install Speed Hump Sign (W17-1: 36"x36") on New Sign Post/Base	±	4.00	EA	$ 235.00	$ 940.00
33	Install 15 MPH Sign (W13-1P: 18"x18")	±	6.00	EA	$ 235.00	$ 1,410.00
34	Sawcut	±	194.00	LF	$ 4.50	$ 873.00
35	Remove and Store Existing Wheel Stops (to be reinstalled)	±	101.00	EA	$ 40.00	$ 4,040.00
36	Reinstall Salvaged Wheel Stops Back at Pre-project Locations	±	101.00	EA	$ 70.00	$ 7,070.00
37	Contractor to Replace Existing Landscaping as Needed Following Construction		1.00	LS	$ 1,350.00	$ 1,350.00
					SUBTOTAL	**$ 435,313.00**
	Sales Tax (5.395%)		1.00	LS	$ 23,485.14	$ 23,485.14
					SUBTOTAL	**$ 458,798.14**
	Construction Admin (6%)		1.00	LS	$ 27,527.89	$ 27,527.89
					PROJECT TOTAL	**$ 486,326.03**

NOTES:

1. Crack Seal to be completed on an as needed basis. If required, will be at a minimum cost of $3,500.00/day or $6.00/LF whichever is greater.

Mailing Address: P.O. Box 10789, Glendale, AZ 85318 · Physical Address: 1903 W Parkside Lane, Suite 100, Phoenix, AZ 85027
Phone (602) 237-4029 · Fax (602) 237-4182 · 1-800-548-7217
Arizona Contractors Lic. 100380 A · New Mexico Contractors Lic. 373780-GA01

Mesa Gateway Airport

Exhibit 1
To AOS 205126 25-02

Mesa Gateway Airport Authority
Project Specific Terms

Project: Hourly Parking Lot Improvements, Mill & Replace
CIP Number: 1281

1. Bonds. MGAA does not require Combs to provide payment or performance bonds for the Project.

2. Retainage. MGAA shall not withhold any retainage on payments to Combs for work performed on the Project.

3. Contract Time. Combs shall complete the Project no later than a total of thirty (30) calendar days from the date of issuance of the Notice to Proceed.

4. Applicable Law. In the performance of the Project, Combs shall abide by and conform to any and all laws of the United States, State of Arizona, City of Mesa.

5. Insurance. Prior to commencing any work, Combs shall provide MGAA with a certificate of insurance naming MGAA as an additional insured.

6. MGAA's representative for the above project shall be:

   Rich Adams
   Project Manager
   5835 South Sossaman Road
   Mesa, AZ 85212
   480.988.7655

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

Board Action Item

Re: Resolution 25-21

To:	**Board of Directors**
From:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Through:	**Jill Casson Owen, Snell & Wilmer**
Subject:	**Second Amended and Restated Intergovernmental Agreement, Restated Joint Powers Authority Agreement, and Revised Bylaws**
Date:	**May 20, 2025**

Proposed Motions:
To approve the Second Amended and Restated Intergovernmental Agreement and to recommend that the Members execute the Second Amended and Restated Intergovernmental Agreement.

To recommend that the Members execute the Second Amended and Restated Joint Powers Airport Authority Agreement.

To approve adoption of the revised Bylaws.

Narrative
Several local jurisdictions agreed in an Intergovernmental Agreement dated December 14, 1992 ("IGA") to work together in connection with the redevelopment of the Williams Air Force Base. The jurisdictions formed the Authority through a Joint Powers Airport Authority Agreement dated May 19, 1994 ("JPAA"). The IGA and the JPAA have been amended and restated through the years as the membership changed and the Airport flourished. More recently, the City of Phoenix withdrew from the Authority effective June 30, 2024, and the legal name of the Authority was changed to Mesa Gateway Airport Authority effective as of December 17, 2024.

As a result, the governing documents, including the Amended and Restated Intergovernmental Agreement, the Amended and Restated Joint Powers Authority Agreement and the Bylaws should be amended to reflect the changed membership and name along with other updates to reflect current circumstances.

The weighted voting rights for all Members as of July 1, 2024 following the withdrawal of Phoenix are:

Member	Votes
City of Mesa	50.00
Gila River Indian Community	22.23
Town of Gilbert	18.90
Town of Queen Creek	5.61
Apache Junction	3.26

The Authority is presenting its Board with the IGA, JPAA and Bylaws for review and consideration. Upon

Board approval, each member government will need to sign the IGA and JPAA.

Attachment(s)
1) Second Amended and Restated Intergovernmental Agreement
2) Second Amended and Restated Joint Powers Authority Agreement
3) Bylaws

RESOLUTION NO. 25-21A

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

WHEREAS, the City of Phoenix withdrew from the Authority effective June 30, 2024;

WHEREAS, the Authority and its Members desire to memorialize the removal of the City of Phoenix as a Member of the Authority, effective July 1, 2024, reflect the Authority name change effective December 17, 2024, and update and continue the ongoing commitment of the Members related to the ownership, development, reuse, operation and maintenance of the Airport;

WHEREAS, the Authority deems it appropriate to call for its Members to amend and restate the Intergovernmental Agreement;

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

> **The Board of Directors of the Authority hereby approves the Second Amended and Restated Intergovernmental Agreement attached hereto as Exhibit A and incorporated as if fully set forth herein, and the Board of Directors of the Authority hereby recommends to its Members that they execute the Second Amended and Restated Joint Powers Airport Authority 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 20th day of May, 2025.

_____
Julia Wheatley, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

RESOLUTION NO. 25-21B

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

WHEREAS, the City of Phoenix withdrew from the Authority effective June 30, 2024; and

WHEREAS, the Mesa Gateway Airport Authority changed its name effective December 17, 2024; and

WHEREAS, the Authority deems it appropriate to call for its Members to amend and restate the Joint Power Authority Agreement;

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

The Board of Directors of the Authority hereby recommends to its Members that they execute the Second Amended and Restated Joint Powers Airport Authority Agreement attached hereto as Exhibit A and incorporated as if fully set forth herein.

Passed and adopted by the Authority this 20th day of May, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

RESOLUTION NO. 25-21C

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

WHEREAS the Authority desires to revise the Bylaws of the Authority;

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 Bylaws of the Authority.

Passed and adopted by the Authority this 20th day of May, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

SECOND AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT

This Second Amended and Restated Intergovernmental Agreement ("Agreement") is made and entered into pursuant to Arizona Revised Statutes Section 11-951 et. seq. as of the ~~22nd~~ day of ~~May, 2006~~, 2025 by and between the ~~WILLIAMS~~MESA GATEWAY AIRPORT AUTHORITY, a municipal corporation (the "Authority"), the TOWN OF GILBERT, a municipal corporation, as a member of the ~~Airport~~ Authority ("Gilbert"), the CITY OF MESA, a municipal corporation, as a member of the Authority and individually with respect to Section 5 of this Agreement ("Mesa"), the TOWN OF QUEEN CREEK, a municipal corporation, as a member of the Authority ("Queen Creek"), the GILA RIVER INDIAN COMMUNITY as a member of the Authority, (the "Community"), and the CITY OF ~~PHOENIX, a~~APACHE JUNCTION, an Arizona municipal corporation~~, as a member of the Authority ("Phoenix~~ ("Apache Junction"), recite, consent and agree as provided herein.

Recitals.

A. Pursuant to the Intergovernmental Agreement dated December 14, 1992, Gilbert, Mesa and Queen Creek established the ~~Airport~~ Authority pursuant to the Joint Powers Airport Authority Agreement ("JPAA") dated May 19, 1994, recorded on May 19, 1994, as Instrument No. 94-0400695, official records of Maricopa County, Arizona~~ (the Joint Powers Airport Authority Agreement)~~. The First Amendment to the ~~Joint Powers Airport Authority Agreement~~JPAA was signed on May 19, 1995 to include the Community as a member of the Authority. The Authority, Gilbert, Mesa, Queen Creek, the Community and the City of Phoenix, an Arizona municipal corporation ("Phoenix") entered into the Amended and Restated Intergovernmental Agreement, dated May 22, 2006, and filed with the Arizona Secretary of State on July 20, 2006 to add Phoenix as a Member of the Authority. The Members entered into the Amended and Restated JPAA dated July 19, 2013 to add Apache Junction as a Member of the Authority.

B. The Authority was established pursuant to Arizona Revised Statutes, ~~Title 28, Chapter 25, Article 8~~Section 28-8521 (previously found in Arizona Revised Statutes, Section 2-351 et. seq.) ~~("Airport Authority Act")~~ for the purposes of acquiring, developing and operating an airport and related facilities located on a portion of the property formerly known as the Williams Air Force Base and subsequently re-named the Phoenix-Mesa Gateway Airport.

C. ~~The Airport~~Phoenix withdrew from the Authority ~~owns and operates Williams Gateway Airport~~effective July 1, 2024.

~~D. The City of Phoenix owns and operates Phoenix Sky Harbor International Airport.~~

D. The name of Phoenix-Mesa Gateway Airport was changed to Mesa Gateway Airport and the name of the Authority was changed from Phoenix-Mesa Gateway Airport Authority to Mesa Gateway Airport Authority effective December 17, 2024. The Authority owns and operates Mesa Gateway Airport.

E. Concurrently herewith, the Authority, Gilbert, Mesa, Queen Creek, Community and Apache Junction are entering into a second amended and restated JPAA ("2025 Second Amended and Restated JPAA") that reflects the changed membership and name.

~~E.~~F. ~~he Airport~~The Authority, Gilbert, Mesa, Queen Creek, Community and ~~Phoenix~~Apache Junction are committed to meeting the long-term aviation capacity needs of the metropolitan area.

G. By entering into this Agreement, the parties to this Agreement desire to continue to jointly exercise common powers with regard to the ownership, development, reuse, operation and maintenance of the Mesa Gateway Airport pursuant to Arizona Revised Statutes, Chapter 25, Article 8.

~~F. The Airport Authority has invited Phoenix to become a member of the Airport Authority.~~

~~G. Phoenix intends to become a meaningful proprietor, along with the other members of the Airport Authority, which are also meaningful proprietors of the Airport Authority, by participating as a member of the Airport Authority.~~

~~H. Mesa, Gilbert, Queen Creek, and the Community have invested over $45 million in the operation, maintenance and development of Williams Gateway Airport, including over $10 million in capital investment since 1993.~~

~~I. The Airport Authority is interested in adding a strong financial partner committed to aviation, to help fund large capital items such as passenger terminals, parking garages, and roadway systems which are not eligible to be funded by Airport Improvement Program (AIP) grants or Passenger Facility Charges.~~

~~J. Williams Gateway Airport's existing runways and aviation support systems are available for immediate service.~~

~~K. Phoenix Sky Harbor International Airport and Williams Gateway Airport, are the only existing or planned commercial service airports in the metropolitan area capable of handling large passenger and cargo aircraft.~~

~~L. The growing population and expanding aviation community will require additional aviation services in the future that could be met if Williams Gateway Airport achieves its potential to handle passenger and cargo customers.~~

~~M. Phoenix is interested in Williams Gateway Airport being developed to complement the passenger and cargo capabilities of Phoenix Sky Harbor International Airport.~~

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged by all the parties hereto, the parties hereto agree as follows:

Agreement

Section 1. Purpose and Goals.

1.1 The ~~Williams Gateway Airport~~ Authority, Mesa, Gilbert, Queen Creek, the Community and ~~Phoenix~~Apache Junction agree to work together to establish ~~a system of commercial service airports~~an airport to serve the long-term aviation needs of the ~~Valley~~region.

~~1.2 Phoenix agrees to invest $5 million in the Williams Gateway Airport Authority capital fund in fiscal year 2006-2007. This amount is approximately 50 percent~~

~~of the capital contributions of the current members of the Williams Gateway Airport Authority since 1993. Phoenix may make additional capital investments if funds are available.~~

~~1.3 It is the intent of the Williams Gateway Airport Authority to use the initial $5 million investment by the City of Phoenix to match Federal Aviation Administration (FAA) grant funds to the maximum extent possible. If the Williams Gateway Airport Authority is unable to attract FAA grants sufficient to use the entire $5 million as local match, the Board may, through the normal budget process, allocate the unused portion to local non-grant capital projects.~~

~~1.4 Representatives of Phoenix will accompany other representatives of the Airport Authority in meetings with the FAA in an effort to secure from the FAA a commitment to fund up to $200 million in capital projects with AIP grants, in accordance with the Airport Master Plan, the Airport Layout Plan, and the Airport Capital Improvements Program.~~

~~1.5 In fiscal year 2006-2007, Phoenix will contribute up to $1.3 million as their share of the annual operating investment for Williams Gateway Airport. This investment will evidence Phoenix's meaningful participation in the Airport Authority, the proprietor of Williams Gateway Airport.~~

~~1.6 Williams Gateway Airport and Phoenix Sky Harbor International Airport will work together to meet the long-term commercial service and cargo needs of the metropolitan community. Phoenix officials will work with the other members of the Airport Authority to encourage commercial passenger service and cargo airlines to use Williams Gateway Airport, in order to use the existing aviation capacity to its full potential.~~

~~1.7~~1.2 It is not the intention of the parties to restrict the marketing or service of ~~either~~ Williams~~Mesa~~ Gateway Airport ~~or Phoenix Sky Harbor International Airport~~. It is the intention of the ~~Airport~~ Authority to market Williams~~Mesa~~ Gateway Airport as a domestic ~~passenger service airport primarily serving airlines catering to point-to-point markets or serving domestic hub airports. It is the intention of Phoenix to Market Phoenix Sky Harbor International Airport as an international passenger service airport and primary passenger hub~~ and international commercial passenger and cargo airport.

~~1.8 It is the intention of the Airport Authority to market Williams Gateway Airport as an international cargo airport serving Arizona and neighboring states and as a domestic cargo airport serving the East Valley. It is the intention of Phoenix to market Phoenix Sky Harbor International Airport as the location for overnight package air cargo and passenger belly freight to domestic and international markets.~~

~~1.9 The Airport Authority and Phoenix will jointly develop an aviation marketing program to promote Williams Gateway Airport and Phoenix Sky Harbor International Airport to domestic and international airlines.~~

~~1.10 Phoenix Sky Harbor International Airport will continue to make available to Williams Gateway Airport technical assistance in areas such as finance, the environment, marketing, facilities management, and operations.~~

~~1.11 Phoenix and the Airport Authority will work together in areas of common interest regarding state and federal legislation, including funding of aviation facilities and services.~~

Section 2. Development of Authority's Budget.

2.1 ~~Phoenix will commit to a $1.3 million annual operating investment for Fiscal Years 2007-2011. Each Party~~Each Member shall contribute funds for the ~~operation~~Authority annual (operating and capital ~~budgets~~) budget as approved by the Authority's Board of Directors pursuant to Sections 8 and 9 of the 2025 Second Amended and ~~Revised Joint Powers Airport Authority Agreement~~Restated JPAA.

~~**Section 3. Development of Base Property**.~~

~~3.1 The Parties acknowledge that the Governor's Office for the State of Arizona has formulated an economic reuse plan for the development and use of all of the property within the Base Property. The Governor's economic reuse plan, as may be amended from time to time, shall be referred to hereinafter as the "Governor's Plan." It is the intent of the Authority and the Community, in conjunction with the Williams education consortium and other owners of property at Williams, to adopt development standards, design guidelines, restrictions, covenants and conditions for all or part of the Base Property consistent with the Governor's Plan. The Parties intend to negotiate in good faith to prepare and submit to Mesa a specific plan for the Airport Facility and Community Property pursuant to Arizona Revised Statutes § 9-461.08 in order to further delineate the permitted land uses and infrastructure requirements for new development.~~

~~**Section 4. Property Owner's Association**.~~

~~4.1 It is the intent of the Authority and the Community, in conjunction with the Williams education consortium and other owners of property at Williams, to participate in a property owner's association for the private regulation of development with respect the Base Property. The Parties agree to participate in such an association with respect to each Party's portion of the Base Property.~~

~~**Section 5. Golf Course and Wastewater Treatment Plant**.~~

~~5.1 Mesa, the Authority and its members agree to support the finding of the Record of Decision that the Golf Course will be offered first to the Community for negotiated sale and the Community agrees to support Mesa's request for conveyance of the existing wastewater treatment plant located on the Base Property (the "Wastewater Treatment Plant"). The Community agrees to operate and maintain the Golf Course as a public golf course, in substantially the same manner, condition and configuration as currently operated and used. Specifically, the Community agrees to accept effluent from the current Wastewater Treatment Plant until the Wastewater Treatment Plant is~~

~~decommissioned by Mesa. Mesa agrees to operate and maintain the Wastewater Treatment Plant in substantially the same manner, condition, and configuration as currently operated. The Community and Mesa agree to negotiate in good faith to establish an equitable rate regarding the sale of the effluent from the wastewater treatment plant for use in maintaining and operating the Golf Course.~~

~~**Section 6.**~~**Section 3. Archaeological Issues**.

~~6.1~~3.1 It is Authority's intent to negotiate in good faith a separate agreement with the Community regarding archaeological issues that complies with federal and state law, including, but not limited to, Section 10E of the National Historic Preservation Act and the Programmatic Agreement Among The United States Air Force, the Arizona State Historic Preservation Officer and the Advisory Council on Historic Preservation Concerning Disposal of Williams Air Force Base, Mesa, Arizona, February 1995.

To the extent allowed by federal and state law, the Authority acknowledges that the Community has rights to and ownership of all Native American data and artifacts recovered on property owned or controlled by the Authority. "A partial listing of Native American data and artifacts which might be recovered on property at Williams AFB includes, but is not limited to: whole or fragmentary tools, implements, containers, weapons, weapon projectiles, clothing, ornaments, containers, pottery, and other ceramics, basketry, cordage, weavings, coins, bullets, bottles, and other glassware, flaked stone, ground stone, pecked stone, worked bone, metal wood hide, feathers, and pigments." Further, to the extent allowed by federal and state law and Authority procurement requirements, and to the extent it meets the requirements of the Programmatic Agreement, the Authority that the Community may provide all Data Recovery Plans, data recovery, and mitigation required in association with the development on the Airport Facility.

~~**Section 7. Gambling**.~~

~~7.1 The Parties agree that they will comply with federal and state laws as such laws pertain to the establishment of gambling facilities, activities, events, or services, and that they will not operate or permit to be operated any such prohibited gambling facility, activities, events, or services on or in connection with any or all of the Base Property.~~

~~**Section 8.**~~**Section 4. Governing Law; Jurisdiction**.

~~8.1~~4.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Arizona. The court with the original jurisdiction for causes of action arising under this Agreement is the United States District Court for the State of Arizona. The Community agrees to, and does hereby, waive its sovereign immunity from the jurisdiction of the United States District Court for the State of Arizona in any action arising under this Agreement brought by or against the Community. The Community further agrees to accept and be bound by, thereby waiving its sovereign immunity from, a judgment or order which is final (because either the time for appeal thereof has expired or the judgment or order is issued by a court or other entity having final appellate jurisdiction over the matter is not subject to collateral attack) by any such court or any court or entity having appellate jurisdiction over any such court in any such action. The Community waives its sovereign immunity to the enforcement of any such final judgment against it without limitation. The Community hereby designates the Community's Governor as the appropriate party for the purposes of service of process. If the United States District Court for the State of Arizona finds that it does not have jurisdiction in any action arising under this Agreement brought by or against the Community, then the Parties agree that the action shall be adjudicated through arbitration in the State of Arizona as follows:

i.) the parties shall attempt to agree upon one (1) arbitrator with expertise on the subject matter of the dispute;

ii.) if the parties are unable to agree on an arbitrator, each party shall select an arbitrator within ten (10) days of the commencement of the arbitration and the two (2) arbitrators shall mutually appoint a third arbitrator within twenty (20) days of their appointment. If the two (2) arbitrators are unable to agree on the appointment of a third arbitrator within twenty (20) days, the third arbitrator shall be appointed by the American Arbitration Association; and

iii.) the arbitrator(s) shall confer with the parties immediately after appointment to determine an arbitration schedule including whether and to what extent discovery is required. The arbitrator(s) may set the matter for an evidentiary hearing or oral argument, or may dispose of the dispute based upon written submissions only. The decision of the majority of the arbitrator(s) shall be final, binding, and unappealable. Such decision shall be enforceable in United States District Court for the State of Arizona. The cost of arbitration shall be borne equally by the parties. The parties shall bear their own costs and attorney's fees associated with their participation in the arbitration unless the decision of the arbitrator shall specify otherwise.

~~**Section 9.**~~**Section 5. Incorporation of Recitals**.

~~9.1~~5.1 All of the recitals set forth above are hereby incorporated into this Agreement by this reference and made a part hereof.

~~**Section 10.**~~**Section 6. Attorneys' Fees**.

~~10.1~~6.1 If any action is brought to enforce this Agreement or to recover damages or equitable relief for a breach of this Agreement, the prevailing party shall be entitled to recover costs and attorneys' fees incurred in such action.

~~**Section 11.**~~**Section 7. Entire Agreement**.

~~11.1~~7.1 There are no oral agreements between the Authority and the Community with respect to those matters and transactions that are the subject of this Agreement, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understands, written or oral, if any, between the Authority and the Community with respect to those matters and transactions that are the subject of this Agreement.

~~**Section 12.**~~**Section 8. Severability**.

~~12.1~~8.1 If any provision of this Agreement shall be determined to be void by a court of competent jurisdiction, then such determine shall not affect any other provision of this Agreement and all such other provisions shall remain in force and effect.

~~**Section 13.**~~**Section 9. Termination of Airport Authority**.

~~13.1~~9.1 This Second Amended and Restated Intergovernmental Agreement shall remain in full force and effect unless modified or terminated by written agreement of a majority of the members of the ~~Airport~~ Authority. This Agreement shall also be deemed terminated should all parties hereto have exercised their right to withdraw from the ~~Airport~~ Authority in accordance with Section 10 of the Second Amended and Restated ~~Joint Powers Airport Authority Agreement~~JPAA.

~~13.2~~9.2 Notwithstanding the right to withdraw set forth in Section 10 of the Second Amended and Restated ~~Joint Powers Airport Authority Agreement~~JPAA, each party hereto agrees to remain a member of the ~~Airport~~ Authority and to be bound by this Intergovernmental Agreement for at least one year after the Effective Date.

~~13.3~~9.3 Unless otherwise agreed to by a majority of the members of the ~~Airport~~ Authority, upon termination of this Agreement:

~~13.3.1~~9.3.1 If one (1) member agrees to assume ownership of the Airport Facilities and agrees to assume the financial obligations of all members, then the ~~Airport~~ Authority shall transfer title of the Airport Facilities to such member.

~~13.3.2~~9.3.2 If no member agrees to assume ownership of the Airport Facilities and the financial obligations of all members, and if the State of Arizona agrees to assume such ownership and financial obligations, then the Airport Facilities shall be transferred to the State of Arizona.

~~13.3.3~~9.3.3 If the State of Arizona refuses to assume ownership of the Airport Facilities, then the Airport Facilities shall revert to the United States of America.

~~Section 14.~~Section 10. Term.

~~14.1~~10.1 This Second Amended and Restated Intergovernmental Agreement shall remain in full force and effect until a date that is ninety-nine (99) years after the Effective Date unless modified or terminated by written agreement of all parties hereto.

~~Section 15.~~Section 11. Notices.

~~15.1~~11.1 All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail as follows:

Town of Gilbert
50 East Civic Center Drive
Gilbert, Arizona 85296
Attention: Town Manager

City of Mesa
~~55 North Center~~20 E. Main Street
Mesa, Arizona 85201
Attention: City Manager

If by United States Postal Service:
City of Mesa
Post Office Box 1466
Mesa, Arizona 85211-1466
Attention: City Manager

Town of Queen Creek
22350 South Ellsworth Road
Queen Creek, Arizona 85242-0650
Attention: Town Administrator

Gila River Indian Community
Administrative Offices
P.O. Box 97
Sacaton, Arizona 85247
Attention: Lieutenant Governor

City of ~~Phoenix~~Apache Junction
300 East Superstition Boulevard
~~3400 E. Sky Harbor Blvd.~~
~~Suite 3300~~
~~Phoenix~~Apache Junction, Arizona ~~85034-4405~~85119
Attention: ~~Aviation Director~~City Manager

~~Section 16.~~Section 12. Cancellation.

~~16.1~~12.1 This Agreement may be canceled pursuant to Arizona Revised Statutes, Section 38-511.

~~Section 17.~~Section 13. Approving Action.

~~17.1~~13.1 Copies of appropriate action by ordinance, resolution or otherwise authorizing the respective parties to enter into this Agreement are attached hereto as Exhibit A.

~~**Section 18. Federal Aviation Administration**.~~

~~18.1 The parties recognize that contributions by Phoenix will be obtained from its Aviation Department. Those contributions are subject to review by the Federal Aviation Administration. Nothing herein requires Phoenix to contribute funding contrary to the Federal Aviation Administration's policies and procedures.~~

~~**Section 19. Bond Ordinances**.~~

~~19.1 Notwithstanding any of the provisions in this Agreement, Phoenix is not assuming any obligation in connection with this Agreement that will have priority over or parity with any bond issued by Phoenix.~~

~~Section 20.~~Section 14. Audit Records.

~~20.1~~14.1 The parties, the Federal Aviation Administration, the Comptroller of the United States, or any duly authorized representative reserves the right, at reasonable times, to audit and/or copy the ~~Airport~~ Authority's books and records directly pertinent to this Agreement. Nothing herein requires the ~~Airport~~ Authority to create or maintain any records that the ~~Airport~~ Authority does not maintain in the ordinary course of business or pursuant to a provision of law.

Section 15. Counterparts.

15.1 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one in the same instrument, which instrument shall be deemed fully executed when one or more counterparts have been executed by each of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

Attest:

By: _____
City Clerk

~~TOWN~~CITY OF ~~GILBERT~~APACHE JUNCTION

By: _____
~~Its~~Walter Wilson, Mayor

Attest:

By: _____

~~CITY OF MESA~~

GILA RIVER INDIAN COMMUNITY

By: _____
~~Its Mayor~~Stephen Roe Lewis, Governor

Attest:

By: _____
Town Clerk

TOWN OF ~~QUEEN CREEK~~GILBERT

By: _____
~~Its~~Scott Anderson, Mayor

Attest:

By: _____
City Clerk

~~WILLIAMS GATEWAY AIRPORT AUTHORITY, a Municipal Corporation~~

CITY OF MESA

By: _____
~~Its Chairman~~Mark Freeman, Mayor

Attest:

By: _____

~~GILA RIVER INDIAN COMMUNITY~~

MESA GATEWAY AIRPORT AUTHORITY

By: _____
~~Its Governor~~Its Chair

Attest:

By: _____

~~CITY~~TOWN OF ~~PHOENIX~~QUEEN CREEK

By: _____

Town Clerk

~~Its City Manager~~Julia Wheatley, Mayor

DETERMINATION OF LEGAL COUNSEL

The foregoing Second Amended and Restated Intergovernmental 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 applicable laws of each party.

Date	Apache Junction City Attorney
Date	Gila River Indian Community Attorney
Date	Gilbert Town Attorney
Date	Mesa City Attorney
Date	~~Phoenix City Attorney~~Mesa Gateway Airport Authority Attorney
Date	Queen Creek Town Attorney
~~Date~~	~~Williams Gateway Airport Authority, Attorney~~

Exhibit A

[Ordinance, Resolution or Minutes Approving Second Amended and Restated IGA]

(Attached)

Summary report: Litera Compare for Word 11.10.1.2 Document comparison done on 5/13/2025 8:51:07 AM	
Style name: Mare's Blackline	
Intelligent Table Comparison: Active	
Original DMS: nd://4930-7001-9615/1/MGAA - Second Amended and Restated IGA (2025).docx	
Modified DMS: nd://4930-7001-9615/7/MGAA - Second Amended and Restated IGA (2025).docx	
Changes:	
Add	124
~~Delete~~	158
~~Move From~~	11
Move To	11
Table Insert	3
~~Table Delete~~	1
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	308

SECOND AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT

This Second Amended and Restated Intergovernmental Agreement ("Agreement") is made and entered into pursuant to Arizona Revised Statutes Section 11-951 et. seq. as of the ___ day of _____, 2025 by and between the MESA GATEWAY AIRPORT AUTHORITY, a municipal corporation (the "Authority"), the TOWN OF GILBERT, a municipal corporation, as a member of the Authority ("Gilbert"), the CITY OF MESA, a municipal corporation, as a member of the Authority and individually with respect to Section 5 of this Agreement ("Mesa"), the TOWN OF QUEEN CREEK, a municipal corporation, as a member of the Authority ("Queen Creek"), the GILA RIVER INDIAN COMMUNITY as a member of the Authority, (the "Community"), and the CITY OF APACHE JUNCTION, an Arizona municipal corporation ("Apache Junction"), recite, consent and agree as provided herein.

Recitals.

A. Pursuant to the Intergovernmental Agreement dated December 14, 1992, Gilbert, Mesa and Queen Creek established the Authority pursuant to the Joint Powers Airport Authority Agreement ("JPAA") dated May 19, 1994, recorded on May 19, 1994, as Instrument No. 94-0400695, official records of Maricopa County, Arizona. The First Amendment to the JPAA was signed on May 19, 1995 to include the Community as a member of the Authority. The Authority, Gilbert, Mesa, Queen Creek, the Community and the City of Phoenix, an Arizona municipal corporation ("Phoenix") entered into the Amended and Restated Intergovernmental Agreement, dated May 22, 2006, and filed with the Arizona Secretary of State on July 20, 2006 to add Phoenix as a Member of the Authority. The Members entered into the Amended and Restated JPAA dated July 19, 2013 to add Apache Junction as a Member of the Authority.

B. The Authority was established pursuant to Arizona Revised Statutes, Section 28-8521 (previously found in Arizona Revised Statutes, Section 2-351 et. seq.) for the purposes of acquiring, developing and operating an airport and related facilities located on a portion of the property formerly known as the Williams Air Force Base and subsequently re-named the Phoenix-Mesa Gateway Airport.

C. Phoenix withdrew from the Authority effective July 1, 2024.

D. The name of Phoenix-Mesa Gateway Airport was changed to Mesa Gateway Airport and the name of the Authority was changed from Phoenix-Mesa Gateway Airport Authority to Mesa Gateway Airport Authority effective December 17, 2024. The Authority owns and operates Mesa Gateway Airport.

E. Concurrently herewith, the Authority, Gilbert, Mesa, Queen Creek, Community and Apache Junction are entering into a second amended and restated JPAA ("2025 Second Amended and Restated JPAA") that reflects the changed membership and name.

F. The Authority, Gilbert, Mesa, Queen Creek, Community and Apache Junction are committed to meeting the long-term aviation capacity needs of the metropolitan area.

G. By entering into this Agreement, the parties to this Agreement desire to continue to jointly exercise common powers with regard to the ownership, development, reuse, operation and maintenance of the Mesa Gateway Airport pursuant to Arizona Revised Statutes, Chapter 25, Article 8.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged by all the parties hereto, the parties hereto agree as follows:

Agreement

Section 1. Purpose and Goals.

1.1 The Authority, Mesa, Gilbert, Queen Creek, the Community and Apache Junction agree to work together to establish an airport to serve the long-term aviation needs of the region.

1.2 It is not the intention of the parties to restrict the marketing or service of Mesa Gateway Airport. It is the intention of the Authority to market Mesa Gateway Airport as a domestic and international commercial passenger and cargo airport.

Section 2. Development of Authority's Budget.

2.1 Each Member shall contribute funds for the Authority annual (operating and capital) budget as approved by the Authority's Board of Directors pursuant to Sections 8 and 9 of the 2025 Second Amended and Restated JPAA.

Section 3. Archaeological Issues.

3.1 It is Authority's intent to negotiate in good faith a separate agreement with the Community regarding archaeological issues that complies with federal and state law, including, but not limited to, Section 10E of the National Historic Preservation Act and the Programmatic Agreement Among The United States Air Force, the Arizona State Historic Preservation Officer and the Advisory Council on Historic Preservation Concerning Disposal of Williams Air Force Base, Mesa, Arizona, February 1995.

To the extent allowed by federal and state law, the Authority acknowledges that the Community has rights to and ownership of all Native American data and artifacts recovered on property owned or controlled by the Authority. "A partial listing of Native American data and artifacts which might be recovered on property at Williams AFB includes, but is not limited to: whole or fragmentary tools, implements, containers, weapons, weapon projectiles, clothing, ornaments, containers, pottery, and other ceramics, basketry, cordage, weavings, coins, bullets, bottles, and other glassware, flaked stone, ground stone, pecked stone, worked bone, metal wood hide, feathers, and pigments." Further, to the extent allowed by federal and state law and Authority procurement requirements, and to the extent it meets the requirements of the Programmatic Agreement, the Authority that the Community may provide all Data Recovery Plans, data recovery, and mitigation required in association with the development on the Airport Facility.

Section 4. Governing Law; Jurisdiction.

4.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Arizona. The court with the original jurisdiction for causes of action arising under this Agreement is the United States District Court for the State of Arizona. The Community agrees to, and does hereby, waive its sovereign immunity from the jurisdiction of the United States District Court for the State of Arizona in any action arising under this Agreement brought by or against the Community. The Community further agrees to accept and be bound by, thereby waiving its sovereign immunity from, a judgment or order which is final (because either the time for appeal thereof has expired or the judgment or order is issued by a court or other entity having final appellate jurisdiction over the matter is not subject to collateral attack) by any such court or any court or entity having appellate jurisdiction over any such court in any such action. The Community waives its sovereign immunity to the enforcement of any such final judgment against it without limitation. The Community hereby designates the Community's Governor as the appropriate party for the purposes of service of process. If the United States District Court for the State of Arizona finds that it does not have jurisdiction in any action arising under this Agreement brought by or against the Community, then the Parties agree that the action shall be adjudicated through arbitration in the State of Arizona as follows:

i.) the parties shall attempt to agree upon one (1) arbitrator with expertise on the subject matter of the dispute;

ii.) if the parties are unable to agree on an arbitrator, each party shall select an arbitrator within ten (10) days of the commencement of the arbitration and the two (2) arbitrators shall mutually appoint a third arbitrator within twenty (20) days of their appointment. If the two (2) arbitrators are unable to agree on the appointment of a third arbitrator within twenty (20) days, the third arbitrator shall be appointed by the American Arbitration Association; and

iii.) the arbitrator(s) shall confer with the parties immediately after appointment to determine an arbitration schedule including whether and to what extent discovery is required. The arbitrator(s) may set the matter for an evidentiary hearing or oral argument, or may dispose of the dispute based upon written submissions only. The decision of the majority of the arbitrator(s) shall be final, binding, and unappealable. Such decision shall be enforceable in United States District Court for the State of Arizona. The cost of arbitration shall be borne equally by the parties. The parties shall bear their own costs and attorney's fees associated with their participation in the arbitration unless the decision of the arbitrator shall specify otherwise.

Section 5. Incorporation of Recitals.

5.1 All of the recitals set forth above are hereby incorporated into this Agreement by this reference and made a part hereof.

Section 6. Attorneys' Fees.

6.1 If any action is brought to enforce this Agreement or to recover damages or equitable relief for a breach of this Agreement, the prevailing party shall be entitled to recover costs and attorneys' fees incurred in such action.

Section 7. Entire Agreement.

7.1 There are no oral agreements between the Authority and the Community with respect to those matters and transactions that are the subject of this Agreement, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understands, written or oral, if any, between the Authority and the Community with respect to those matters and transactions that are the subject of this Agreement.

Section 8. Severability.

8.1 If any provision of this Agreement shall be determined to be void by a court of competent jurisdiction, then such determine shall not affect any other provision of this Agreement and all such other provisions shall remain in force and effect.

Section 9. Termination of Airport Authority.

9.1 This Second Amended and Restated Intergovernmental Agreement shall remain in full force and effect unless modified or terminated by written agreement of a majority of the members of the Authority. This Agreement shall also be deemed terminated should all parties hereto have exercised their right to withdraw from the Authority in accordance with Section 10 of the Second Amended and Restated JPAA.

9.2 Notwithstanding the right to withdraw set forth in Section 10 of the Second Amended and Restated JPAA, each party hereto agrees to remain a member of the Authority and to be bound by this Intergovernmental Agreement for at least one year after the Effective Date.

9.3 Unless otherwise agreed to by a majority of the members of the Authority, upon termination of this Agreement:

9.3.1 If one (1) member agrees to assume ownership of the Airport Facilities and agrees to assume the financial obligations of all members, then the Authority shall transfer title of the Airport Facilities to such member.

9.3.2 If no member agrees to assume ownership of the Airport Facilities and the financial obligations of all members, and if the State of Arizona agrees to assume such ownership and financial obligations, then the Airport Facilities shall be transferred to the State of Arizona.

9.3.3 If the State of Arizona refuses to assume ownership of the Airport Facilities, then the Airport Facilities shall revert to the United States of America.

Section 10. Term.

10.1 This Second Amended and Restated Intergovernmental Agreement shall remain in full force and effect until a date that is ninety-nine (99) years after the Effective Date unless modified or terminated by written agreement of all parties hereto.

Section 11. Notices.

11.1 All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail as follows:

Town of Gilbert
50 East Civic Center Drive
Gilbert, Arizona 85296
Attention: Town Manager

City of Mesa
20 E. Main Street
Mesa, Arizona 85201
Attention: City Manager

If by United States Postal Service:
City of Mesa
Post Office Box 1466
Mesa, Arizona 85211-1466
Attention: City Manager

Town of Queen Creek
22350 South Ellsworth Road
Queen Creek, Arizona 85242-0650
Attention: Town Administrator

Gila River Indian Community
Administrative Offices
P.O. Box 97
Sacaton, Arizona 85247
Attention: Lieutenant Governor

City of Apache Junction
300 East Superstition Boulevard
Apache Junction, Arizona 85119
Attention: City Manager

Section 12. Cancellation.

12.1 This Agreement may be canceled pursuant to Arizona Revised Statutes, Section 38-511.

Section 13. Approving Action.

13.1 Copies of appropriate action by ordinance, resolution or otherwise authorizing the respective parties to enter into this Agreement are attached hereto as Exhibit A.

Section 14. Audit Records.

14.1 The parties, the Federal Aviation Administration, the Comptroller of the United States, or any duly authorized representative reserves the right, at reasonable times, to audit and/or copy the Authority's books and records directly pertinent to this Agreement. Nothing herein requires the Authority to create or maintain any records that the Authority does not maintain in the ordinary course of business or pursuant to a provision of law.

Section 15. Counterparts.

15.1 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one in the same instrument, which instrument shall be deemed fully executed when one or more counterparts have been executed by each of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

Attest:

By: _____
City Clerk

CITY OF APACHE JUNCTION

By: _____
Walter Wilson, Mayor

Attest:

By: _____

GILA RIVER INDIAN COMMUNITY

By: _____
Stephen Roe Lewis, Governor

Attest:

By: _____
Town Clerk

TOWN OF GILBERT

By: _____
Scott Anderson, Mayor

Attest:

By: _____
City Clerk

CITY OF MESA

By: _____
Mark Freeman, Mayor

Attest:

By: _____

MESA GATEWAY AIRPORT AUTHORITY

By: _____
Its Chair

Attest:

By: _____
Town Clerk

TOWN OF QUEEN CREEK

By: _____
Julia Wheatley, Mayor

DETERMINATION OF LEGAL COUNSEL

The foregoing Second Amended and Restated Intergovernmental 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 applicable laws of each party.

Date	Apache Junction City Attorney
Date	Gila River Indian Community Attorney
Date	Gilbert Town Attorney
Date	Mesa City Attorney
Date	Mesa Gateway Airport Authority Attorney
Date	Queen Creek Town Attorney

Exhibit A

[Ordinance, Resolution or Minutes Approving Second Amended and Restated IGA]

(Attached)

DO NOT REMOVE

This is part of the official document

~~PHOENIX-MESA~~MESA GATEWAY AIRPORT AUTHORITY

SECOND AMENDED AND RESTATED JOINT POWERS AIRPORT AUTHORITY AGREEMENT

This Second Amended and Restated Joint Powers Airport Authority Agreement (the "Agreement") establishing and continuing the ~~Phoenix-Mesa~~Mesa Gateway Airport Authority (the "Airport Authority"), is made and entered into as of ___ day of _____, ~~2014~~2025, pursuant to Arizona Revised Statutes ("A.R.S.") Section 28-8521, et seq., by and among the Town of Gilbert, an Arizona municipal corporation ("Gilbert"), the City of Mesa, an Arizona municipal corporation ("Mesa"), the Town of Queen Creek, an Arizona municipal corporation ("Queen Creek"), the Gila River Indian Community, a federally recognized Indian tribe ("Community"), ~~the City of Phoenix, an Arizona municipal corporation ("Phoenix"),~~ and the City of Apache Junction, an Arizona municipal corporation ("Apache Junction") (collectively "Members" or "parties" and individually "Member" or "party").

The parties to this Agreement agree as follows:

Section 1 Recitals.

1.1 The United States closed Williams Air Force Base ("Williams") as an operating location of the United States Air Force ("USAF").

1.2 Williams had existing aviation facilities that are suited to be operated and developed as an airport facility pursuant to the joint powers airport authority powers found in ~~Arizona Revised Statutes ("~~A.R.S.~~")~~ Section 28-8521, *et seq.*

1.3 The original joint powers airport authority agreement was made and entered into as of 19th day of May, 1994, by and among Gilbert, Mesa, and Queen Creek and recorded on May 19, 1994, as Instrument No. 94-0400695, official records of Maricopa County, Arizona.

1.4 Through the original joint powers airport authority agreement, it was the desire of Gilbert, Mesa, and Queen Creek that the joint powers airport authority agreement take the place of and cancel the Intergovernmental Agreement (Williams Air Force Base - Management and Operation) that was recorded on December 14, 1992 at Recorder's No. 92-0712408 in the records of Maricopa County, Arizona, the substance of which was incorporated in the original joint powers airport authority agreement.

1.5 By entering into the original joint powers airport authority agreement, the parties to that agreement desired to establish a joint powers airport authority to develop, reuse, operate, and maintain the existing Williams aviation facilities. Upon establishment of the joint powers airport authority, the new facilities were known as the Williams Gateway Airport Authority.

1.5.1 Via 1995 and 2006 Amendments to the original joint powers airport authority agreement, the Community and the City of Phoenix ("Phoenix") were added as Members of the Airport Authority, respectively.

1.5.2 Via 2009 Amendment, the legal name of the entity was changed to the Phoenix-Mesa Gateway Airport Authority.

1.5.3 Apache Junction also became a Member of the Airport Authority effective July 1, 2013.

1.5.4 Phoenix withdrew from the Airport Authority effective June 30, 2024.

1.5.5 The legal name of the Airport Authority was changed to Mesa Gateway Airport Authority effective as of December 17, 2024.

Section 2 Formation of Airport Authority.

2.1 Upon approval and execution of this Agreement by all the parties, a joint powers airport authority called the ~~Phoenix-Mesa~~Mesa Gateway Airport Authority is formed with all parties as Members pursuant to A.R.S. Section 28-8521, with all powers granted to it under Arizona law.

Section 3 Board of Directors and Officers.

3.1 Upon execution of this Agreement, each Member shall appoint one representative to act with the authority of the appointing Member for the purpose of implementing this Agreement. Each Member shall also designate at least one alternate representative to act with the authority of the appointing Member in the absence of the representative. The appointed representative and all alternates shall be duly elected or appointed members of the governing body of the appointing Member. Notice of such appointment and of any subsequent replacement appointment shall be delivered in writing to the other Members of the Airport Authority.

3.2 The appointing authority as to each Member shall be each Member's respective governing body.

3.3 Each representative so appointed shall be a Director on the Board of Directors of the Airport Authority. The Board of Directors shall consist of only the representatives appointed by the Members of the Airport Authority. In the absence of the representative or alternate representatives, any representative of the Member governing body attending Board meetings or otherwise implementing this Agreement is presumed to act with the authority of the Member governing body.

3.4 The Board of Directors may establish a fixed time, date and place for regularly scheduled meetings. Special meetings of the Board may be called by the ~~Chairman~~Chair on no less than 24-hours' notice to the public, and each Director, either personally ~~or~~, by mail ~~or by facsimile~~, by email, by text message, or by telephone. Notice of meetings of the Board shall be provided and meetings shall be conducted in accordance with the Arizona open meeting law, A.R.S. Section 38-431, *et seq.* Nothing herein shall prohibit the holding of an emergency session on less than 24-hours' notice in accordance with the provisions of the Arizona open meeting law. A Board Member may attend a Board meeting via electronic means, including telephonic conference. The Board may conduct a telephonic Board meeting so long as such telephonic meeting is conducted in accordance with the provisions of the Arizona open meeting law.

3.5 A majority of the membership of the Board of Directors shall constitute a quorum. A quorum shall be necessary to conduct the business of the Board. If a quorum is lost at any meeting of the Board of Directors, the remaining Directors present at the meeting may recess the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present.

3.6 The Board of Directors shall annually choose from its Directors a ~~Chairman~~Chair, a Vice ~~Chairman~~Chair and a Secretary, each of whom shall serve at the pleasure of the Board of Directors. The Board of Directors at any time may appoint such other officers and agents as it shall deem necessary who shall hold their offices at the pleasure of the Board of Directors and who shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

3.7 The ~~Chairman~~Chair, or in the ~~Chairman's~~Chair's absence, the Vice ~~Chairman~~Chair, shall preside at all meetings of the Board of Directors. In the absence of the ~~Chairman~~Chair and Vice ~~Chairman~~Chair, the Secretary shall preside at the meeting of the Board of Directors.

3.8 The Secretary shall see that the minutes of all meetings of the Board of Directors are kept.

Section 4 **Airport Authority Staff**.

4.1 The Board of Directors shall employ an Executive Director and approve an annual budget for such other managers and staff as the Executive Director shall deem necessary to manage and conduct the operations, maintenance and development of the airport facilities in accordance with the provisions of this Agreement and policies and procedures approved by the Board of Directors. The Executive Director shall report directly to the Board of Directors and shall supervise the Airport Authority Staff.

Section 5 **Ownership of Airport Facilities**.

5.1 Upon conveyance by the USAF to the Airport Authority, title to all or a portion of the certain aviation facilities, both real and personal property, formerly owned and operated by the USAF at Williams situated in the County of Maricopa, State of Arizona ("Airport Facilities"), shall be held by the Airport Authority.

5.2 The Airport Authority may acquire or convey real and personal property from time to time.

5.3 Development, reuse, operation, and maintenance of the Airport Facilities shall be overseen by the Board of Directors and shall be conducted in accordance with the provisions of this Agreement and policies and procedures developed hereunder.

5.4 Each Member agrees that should said Member withdraw from the Airport Authority pursuant to Section 10, effective upon such withdrawal, any ownership rights of said Member in the Airport Facilities shall also terminate. A Member shall not be deemed to have withdrawn from the Airport Authority simply by virtue of the termination of this Agreement pursuant to Section 13. Each Member hereto also agrees to execute upon withdrawal any and all documents necessary to evidence and effectuate such withdrawal.

Section 6 **Recharacterization of Members' Loans to Airport Authority**.

~~6.1 The Airport Authority has entered into a loan agreement ("Loan") and one or more promissory notes ("Notes") with each Member. A list of all Member's Loans and Notes is attached as **Exhibit A**. The Loans and Notes document the Members' cumulative investment (principal plus interest) in the Airport Authority.~~

~~6.2~~6.1 ~~The Members and the Airport Authority desire to recharacterize all of the Members' loans to the Airport Authority as follows.~~ Effective July 1, 2014, the Members ~~deem~~deemed all of the Members' respective prior loans as appropriations (or contributions) to the Airport Authority in accordance with A.R.S. § 28-8521(B)(4). The precise amount of each ~~Member's~~Member's cumulative contributions (since becoming a Member of the Airport Authority) is set forth in **Exhibit ~~B~~**. ~~Effective July 1, 2014, the Members also deem the Loans and Notes listed in Exhibit~~ **A** ~~cancelled~~.

~~6.3~~6.2 Members shall continue to make annual appropriations to the Airport Authority as required in this Agreement, particularly Section 9.

~~6.4~~6.3 Notwithstanding anything to the contrary in this Section 6, each Member shall exercise its voting rights (related to the administration and management of the Airport Authority) in accordance with Section 8.

~~6.5~~6.4 Each Member agrees that should said Member withdraw from the Airport Authority pursuant to Section 10, effective upon such withdrawal, all rights and interests of said Member in the Airport Authority shall also terminate. Each Member also agrees to execute upon withdrawal any and all documents necessary to evidence and effectuate such withdrawal.

Section 7 **Powers of the ~~Phoenix-Mesa~~Mesa Gateway Airport Authority**.

The ~~Phoenix-Mesa~~Mesa Gateway Airport Authority, acting through the Board of Directors, may:

7.1 Own, operate, and maintain property and facilities related to aviation, air navigation, and aerospace.

7.2 Own and lease property and facilities that are not related to aviation, air navigation, and aerospace.

7.3 Prescribe user fees and charges.

7.4 Operate facilities and construct improvements.

7.5 If authorized by the Members, exercise the right of eminent domain in the names of the Members.

7.6 Engage employees and consultants.

7.7 Enter into contracts, leases, and development agreements.

7.8 Enter into agreements with the State of Arizona, any political subdivision of the State, or the federal government.

7.9 Prepare and receive annual operating budgets.

7.10 Borrow money and issue revenue bonds, and issue other financial obligations incurred for the purposes of this Section and authorized under A.R.S. Section 28-8521, *et seq.*

7.11 Sue and be sued.

7.12 Exercise incidental powers as may be necessary to the exercise of the powers prescribed in this Section and under A.R.S. Sections 28-8527 and 28-8529, and to implement the responsibilities, goals, and purpose of the Airport Authority.

Section 8 **Voting Rights**.

8.1 Each member of the Board of Directors is entitled to one vote, and a motion will carry if supported by a majority of the quorum unless a Member requests that a weighted vote be taken. If a weighted vote is requested, then the following terms and conditions apply.

8.1.1 Subject to Section 8.1.2, each member of the Board of Directors is entitled to cast a weighted vote equal to that Member's cumulative appropriations to the Airport Authority as a percentage of the total appropriations made by all current Members to the Airport Authority since 1993 when the initial Intergovernmental Agreement Group was formed. For purposes of this Section 8.1.1, and in accordance with Section IV(4)(d) of the Memorandum of Understanding (MOU) (effective March 21, 2011) among the Airport Authority, City of Mesa, and Able Engineering and Components, Inc., Mesa's cumulative contributions to the Airport Authority include the City Rent (as defined in the MOU) paid by Mesa to the Airport Authority to service the debt on the Airport Authority's Series 2012 Bond Issue in the amount of $19,220,000 (to finance the FAA-certified maintenance, repair, and overhaul facility subleased to others).

8.1.2 The percentage calculated under Section 8.1.1 is then adjusted so that no Member's vote will exceed 50% of the total weighted votes. If any Member's percentage as calculated exceeds 50%, then the excess percentage (over 50%) is allocated proportionally to the remaining Members

so that the weighted vote of all Members combined equals 100% (or 100 votes). Under this formula, the weighted votes for all Members as of July 1, ~~2014~~2024 are:

Member	Votes
City of Mesa	~~50~~50.00
~~City of Phoenix~~	~~21~~
Gila River Indian Community	~~13~~22.23
Town of Gilbert	~~12~~18.90
Town of Queen Creek	~~3~~5.61
Apache Junction	~~1~~3.26

8.1.3 All matters on which a weighted vote is taken must be decided by a simple majority of all Members' weighted votes, not just the weighted votes represented at the meeting.

8.2 ~~Beginning in Fiscal Year 2015-16, the~~The number of weighted votes of each Member will be adjusted annually before the start of each Fiscal Year based on the Airport Authority's adopted operating budget for the Fiscal Year.

8.3 If a Member withdraws from the Airport Authority, the weighted votes of remaining Members must be recalculated at the beginning of the next fiscal year. In recalculating the weighted votes, all appropriations of the withdrawing Member will be disregarded.

8.4 No Member may invoke weighted voting for matters related to modifications to the approved airport layout plan and airport master plan, or for adjustments to the percentage contributions or the amounts of each Member contribution to the annual budget.

Section 9 Operating Budget.

9.1 The fiscal year of the Airport Authority shall run from July 1 to June 30.

9.2 The Board of Directors shall, by ~~April~~June 1 of each fiscal year, recommend to the Members of the Airport Authority an annual operating budget for the Airport Authority for the next fiscal year and shall state the amounts of each Member contribution or proportion of the Airport Authority's annual operating budget to be provided by each Member. At least thirty (30) days before the annual budget is recommended to the Members of the Airport Authority by the Board of Directors, the Board may consider adjustments to the amounts of each Member contribution or percentage contributions of each Member. Adjustments to the amounts of each Member contribution or percentage contributions of any Member must be approved by a unanimous vote.

9.3 By June 15 of each year, the Board of Directors shall, if necessary due to the addition or withdrawal of Members, have decided by a unanimous vote on the amounts of each Member contribution or a reallocation of the percentage contributions among the Members or have assigned each Member its pro rata increase or decrease in contribution.

9.4 The governing bodies of the Airport Authority's Members, including any new Members admitted pursuant to Section 11 shall approve and adopt the operating budget recommended by the Board, as may be revised pursuant to Section 9.3, by June 30 of each year or withdraw from the Airport Authority pursuant to Section 10.

9.5 The Board of Directors may from time to time recommend to the Members of the Airport Authority amendments to the approved and adopted operating budget. The governing bodies of the Members shall approve amendments to the operating budget or withdraw from the Airport Authority pursuant to Section 10.

9.6 The Airport Authority shall adopt and periodically amend a ~~reuse and development~~Strategic Business plan and a ~~capital improvements plan~~Capital Improvements Plan. Expenditures for or by the Airport Authority shall be consistent with these plans. In addition, expenditures by the Airport Authority shall be limited to those items that directly relate to or benefit the operation and development of the Airport Facilities and the Airport Authority.

Section 10 Withdrawal From Airport Authority.

10.1 No Member shall have the right to withdraw from the Airport Authority during the term of this Agreement except as provided in this Section.

10.2 At least one hundred twenty (120) days prior to the withdrawal deadline, a Member that intends to withdraw from the Airport Authority must provide a written notice of intent to withdraw to the Members of the Airport Authority, but if a Member provides a notice of intent to withdraw between one hundred twenty (120) and one hundred fifty (150) days prior to the withdrawal deadline, then other Members may submit notices of intent to withdraw up to sixty (60) days prior to the withdrawal deadline. The withdrawal deadline shall be February 28 of each fiscal year.

10.3 The withdrawing Member shall pay its pro rata annual budget contribution for the current fiscal year and its pro rata share of any outstanding obligations to which the withdrawing Member has obligated itself. Any obligations of the withdrawing Member to the Airport Authority shall remain outstanding until fully paid and satisfied.

Section 11 Admission To Airport Authority.

11.1 A city, town, county or American Indian Community may be admitted to the Airport Authority upon: (l) written request to the existing Members of the Airport Authority prior to February 1 of each fiscal year; (2) the unanimous approval of the existing Members of the Airport Authority no later than June 30 of each fiscal year but after recommendation of the annual budget to the Members of the Airport Authority; and (3) execution, acknowledgement, and deliverance to the Airport Authority of such instruments as the Members may deem necessary or advisable to effect the admission of such city, town, or county as an additional Member, including (without limitation) the written acceptance and adoption by such city, town, county or American Indian Community of the provisions of this Agreement.

11.2 The fiscal obligations of a new Member are not effective until the beginning of the new fiscal year.

11.3 The parties acknowledge that Gilbert, Mesa, and Queen Creek waived all notice and procedural requirements for admission of the Community when it became a Member of the Airport Authority effective July 1, 1995.

11.4 The parties waived all notice and procedural requirements in this Agreement for admission of Apache Junction when it became a Member effective July 1, 2013.

Section 12 Effective Date.

12.1 This Agreement shall become effective (the "Effective Date") on the later of its filing with the Arizona Secretary of State and the Maricopa County Recorder in accordance with Section 19 hereof.

Section 13 Termination of Airport Authority.

13.1 This Agreement shall remain in full force and effect unless modified or terminated by written agreement of a majority of the Members of the Airport Authority. This Agreement shall also be deemed terminated should all parties hereto have exercised their right to withdraw from the Airport Authority in accordance with Section 10 of this Agreement.

13.2 Notwithstanding the right to withdraw set forth in Section 10, each party hereto agrees to remain a Member of the Airport Authority and to be bound by this Agreement until the end of the current fiscal year.

13.3 Unless otherwise agreed to by a majority of the Members of the Airport Authority, upon termination of this Agreement:

13.3.1 If one Member agrees to assume ownership of the Airport Facilities and agrees to assume the financial obligations of all Members, then the Airport Authority shall transfer title of the Airport Facilities to such Member.

13.3.2 If no Member agrees to assume ownership of the Airport Facilities and the financial obligations of all Members, and if the State of Arizona agrees to assume such ownership and financial obligations, then the Airport Facilities shall be transferred to the State of Arizona.

13.3.3 If the State of Arizona refuses to assume ownership of the Airport Facilities, then the Airport Facilities shall revert to the United States of America.

Section 14 Annual Report to Legislature.

~~The Chairperson~~If invited, the Chair of the Board of Directors of the Airport Authority shall annually present a report of the activities of the Airport Authority to the State House of Representatives, Ways and Means Committee, and the State Senate Finance Committee.

Section 15 Governing Law.

15.1 This Agreement and the obligations of the Members hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of Arizona. The court with the original jurisdiction for causes of action arising under this Agreement is the United States District Court for the District of Arizona.

15.2 **Sovereign Immunity**. The Community expressly and irrevocably waives its sovereign immunity from suit solely for the limited purpose of allowing the Airport Authority to commence arbitration proceedings and enforce arbitration decisions or awards that involve a dispute or claim arising out of this Agreement. This limited waiver of sovereign immunity does not extend to any person or entity other than the Airport Authority. Except as provided in Section 15.2.1 through Section 15.2.6, nothing in this Agreement, or in the Commercial Arbitration Rules of the American Arbitration Association ("AAA") (referred to below), or in any related agreement, exhibit, document or undertaking, shall be construed as waiving, qualifying, diminishing, impairing or otherwise adversely affecting the sovereign immunity of the Community or any of its entities, enterprises, affiliates or subdivisions. Further, except as specified in Section 15.2.1 through Section 15.2.6, and unless explicitly stated within this Agreement, nothing in this Agreement, or in the AAA rules, or in any related agreement, exhibit, document or undertaking, shall be construed as a waiver of such sovereign immunity or as consent or agreement by the Community to the jurisdiction of any governmental authority, or any state or municipal court.

15.2.1 **Mediation**. Any dispute that may arise under this Agreement shall be submitted to a mediator agreed to by both parties as soon as practicable after the dispute arises, but in any event prior to the commencement of arbitration. The mediator's fees and expenses shall be shared equally by the parties, who agree to exercise their best efforts in good faith to resolve all disputes in mediation. Mediation will begin on the date one party sends written notice to the other requesting mediation and presenting in the notice the matter to be mediated. The mediation will conclude when both parties sign an agreement that resolves the subject of the mediation. If no agreement is reached within sixty (60) calendar days after the date of the original written notice, the mediation will be considered unsuccessful, and either party may invoke its arbitration rights under this Agreement.

15.2.2 **Binding Arbitration**. Any claim or dispute arising under this Agreement between the Airport Authority and the Community ("dispute" or "disputes"), including, without limitation, whether a dispute is subject to arbitration, not resolved by negotiation between the parties, shall be resolved through binding arbitration conducted in Maricopa County, Arizona as provided in this Section 15. Either party may initiate the arbitration by giving written demand for arbitration to the other party in accordance with the notice provisions of this Agreement, setting forth the nature of the claim or dispute, the amount involved, if any, and the remedy sought.

15.2.3 **Conduct of Arbitration**. The arbitration shall be subject to Public Law No. 107-159 (116 Stat. 122 (2002)) and shall be conducted in accordance with the then-current AAA rules (but not under the administration of the AAA) except as otherwise provided in this Section 15. A single arbitrator shall be selected by agreement of both parties. If the parties cannot agree upon a single arbitrator within 30 days of receipt of a written demand for arbitration, either party may submit a request to the federal district court for an appointment of an arbitrator. No arbitrator shall have or previously have had any significant relationship with any of the parties hereto. The single arbitrator shall be knowledgeable in the subject matter of the dispute. The arbitration decision shall be rendered within 45 days after the arbitration hearing or the time period, if any, required by the AAA rules, whichever is sooner. The award of the arbitrator shall be supported by written findings of fact, conclusions of law, and a calculation of how damages, if any, were determined. The arbitrator also may grant provisional or ancillary remedies (e.g., the appointment of a receiver, injunctive relief, etc.) either during the pendency of the arbitration proceeding or as part of an arbitration award. Upon written request and after notice to the other party, the arbitrator may modify the applicable arbitration rules in the interests of justice. The award of the arbitrator shall be final and binding upon the parties, including any party refusing to submit to arbitration under this Section 15, and a judgment thereon may be entered in the United States District Court, District of Arizona as provided by Public Law 107-159. Any refusal to submit to arbitration hereunder, any exercise of a right under the Federal Arbitration Act (9 USC § 1, *et seq*.), which shall apply to the construction and interpretation of this Section 15, or any enforcement of an award rendered in the arbitration shall be in and subject to the jurisdiction of the United States District Court, District of Arizona.

15.2.4 In deciding any matter submitted to arbitration pursuant to this Section 15, federal law shall apply. If there is no applicable federal law, the arbitrator shall be guided by the laws of the State of Arizona. The statute of limitations, estoppel, waiver, laches and similar doctrines that would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding.

15.2.5 **Discovery**. The parties may conduct discovery in advance of the arbitration hearing in accordance with the AAA rules. Based on the nature and amount of the dispute, the arbitrator may establish a discovery schedule or discovery cutoff date or may limit discovery.

15.2.6 **Costs of Arbitration and Attorney's Fees**. Each party shall bear its own attorney's fees and expenses. The fees and all other expenses of the arbitrator, witness fees, and other reasonable fees and costs, other than attorney's fees and expenses, incurred by the prevailing party shall be assessed against the non-prevailing party by the arbitrator and included in any award or decision.

Section 16 Amendments.

This Agreement may be amended only by an instrument in writing approved and signed by all of the Members.

Section 17 Legal Counsel Review.

This Agreement shall be submitted to the legal counsel for each party hereto prior to its execution by said party, in order to determine whether this Agreement is in proper form and is within the powers and authority granted under the laws applicable to said party. Attached hereto and incorporated herein by reference is a copy of said written determination of each party's legal counsel.

Section 18 Notices.

All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail as follows:

Town of Gilbert
50 East Civic Center Drive
Gilbert, Arizona 85296
Attention: Town Manager

City of Mesa
20 E. Main Street
Mesa, Arizona 85201
Attention: City Manager

If by United States Postal Service:
City of Mesa
Post Office Box 1466
Mesa, Arizona 85211-1466
Attention: City Manager

Town of Queen Creek
22358 South Ellsworth Road
Queen Creek, Arizona 85142
Attention: Town Manager

Gila River Indian Community
Administrative Offices
P.O. Box 97
Sacaton, Arizona 85147
Attention: Lieutenant Governor

~~City of Phoenix~~
~~3400 E. Sky Harbor Blvd., Suite 3300~~
~~Phoenix, Arizona 85034~~
~~Attention: Aviation Director~~

City of Apache Junction
300 E. Superstition Blvd.
Apache Junction, AZ 85119
Attention: City Manager

Section 19 Filing.

A completely executed copy of this Agreement shall be filed with the Arizona Secretary of State, the Maricopa County Recorder, and the City Clerk, or the Town Clerk, as appropriate, of each other party hereto.

Section 20 Remedies.

In the event of any violation or threatened violation by any party to this Agreement, of any of the terms, restrictions, acknowledgements, covenants or conditions of this Agreement, the other parties hereto shall be entitled to full and adequate relief by injunction and all other legal and equitable remedies.

Section 21 Cancellation.

This Agreement may be canceled pursuant to A.R.S. Section 38-511.

Section 22 Approving Action.

Copies of appropriate action by ordinance, resolution or otherwise authorizing the respective parties to enter into this Agreement are attached hereto as **Exhibit ~~C~~B**. The Agreement may be signed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument.

Section 23 Federal Aviation Administration.

~~The parties recognize that contributions by Phoenix will be obtained from its Aviation Department. Those contributions are subject to review by the Federal Aviation Administration.~~ Nothing herein requires any Member to contribute funding contrary to the Federal Aviation Administration's policies and procedures.

Section 24 Bond Ordinances.

Notwithstanding any of the provisions in this Agreement, no Member assumes any obligation in connection with this Agreement that will have priority over or parity with any bond issued by each Member in its individual capacity.

Section 25 Audit Records.

The parties, the Federal Aviation Administration, the Comptroller of the United States, or any duly authorized representative reserves the right, at reasonable times, to audit and/or copy the Airport Authority's books and records directly pertinent to this Agreement. Nothing herein requires the Airport Authority to create or maintain any records that the Airport Authority does not maintain in the ordinary course of business or pursuant to a provision of law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as provided in Section 12.

Attest:

By: _____
~~Town~~City Clerk

~~TOWN~~CITY OF ~~GILBERT~~APACHE JUNCTION

By: _____
~~John Lewis,~~Walter Wilson, Mayor

Attest:

By: _____
~~City Clerk~~

~~CITY OF MESA~~

GILA RIVER INDIAN COMMUNITY

By: _____
~~John Giles, Mayor~~Stephen Roe Lewis, Governor

Attest:

By: _____
Town Clerk

TOWN OF ~~QUEEN CREEK~~GILBERT

By: _____
~~Gail Barney,~~Scott Anderson, Mayor

Attest:

By: _____
City Clerk

~~GILA RIVER INDIAN COMMUNITY~~

CITY OF MESA

By: _____
~~Gregory Mendoza, Governor~~Mark Freeman, Mayor

Attest:

By: _____
~~City~~Town Clerk

~~CITY~~TOWN OF ~~PHOENIX~~QUEEN CREEK

By: _____
~~Ed Zuercher, City Manager~~Julia Wheatley, Mayor

~~Attest:~~

~~By: _____~~
~~City Clerk~~

~~CITY OF APACHE JUNCTION~~

~~By: _____~~
~~John Insalaco, Mayor~~

DETERMINATION OF LEGAL COUNSEL

The ~~amended and restated~~Second Amended and Restated Joint Powers Airport Authority 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 applicable laws of each party.

Date	Apache Junction City Attorney
Date	Gila River Indian Community Attorney
Date	Gilbert Town Attorney
Date	Mesa City Attorney
~~Date~~	~~Phoenix City Attorney~~
Date	Queen Creek Town Attorney
~~Date~~	~~Apache Junction City Attorney~~

Exhibit A

~~List of Phoenix-Mesa Gateway Airport Authority Members' Loans and Notes~~

~~Member Agency~~	~~Date of Loan Agreement~~	~~Date of Latest Promissory Note~~
~~City of Mesa~~	~~July 22, 1999~~	~~June 30, 2014~~
~~City of Phoenix~~	~~July 1, 2006~~	~~June 30, 2014~~
~~Gila River Indian Community~~	~~June 28, 2002~~	~~June 30, 2014~~
~~Town of Gilbert~~	~~July 20, 1999~~	~~June 30, 2014~~
~~Town of Queen Creek~~	~~December 6, 2000~~	~~June 30, 2014~~
~~City of Apache Junction~~	~~July 19, 2013~~	~~June 30, 2014~~

~~Exhibit B~~

~~Phoenix-Mesa~~Mesa Gateway Airport Authority Members' Cumulative Contributions ~~(Principal and Interest[1] from Inception of Membership through June 30, 2015)~~as of December 10, 2024

Member Agency	~~Cum.~~ Principal[2]	~~Cum.~~ Interest[3]	~~Cum.~~Cumulative Total
City of Mesa	~~$52,390,106~~	~~$22,344,907~~	$ ~~74,735,013~~103,756,406
~~City of Phoenix~~	~~16,700,000~~	~~2,671,379~~	~~19,371,379~~
Gila River Indian Community	~~8,884,550~~	~~3,010,834~~	~~11,895,384~~$13,159,550
Town of Gilbert	~~7,874,250~~	~~2,943,254~~	~~10,817,504~~$11,199,250
Town of Queen Creek	~~2,075,070~~	~~657,196~~	~~2,732,266~~$3,310,070
City of Apache Junction	~~660,000~~	~~15,900~~	~~675,900~~$1,895,000
Total	~~$84,523,976~~	~~$31,643,470~~	$~~120,227,446~~133,320,276

~~[1] Rounded to nearest dollar.~~

~~[2] Cumulative principal is through June 30, 2015, reflecting execution of FY 2015 promissory notes. But contribution payments for fiscal year 2015 are made quarterly throughout the year.~~

~~[3] Cumulative interest is shown through June 30, 2015.~~

Exhibit ~~C~~B

[Ordinance, Resolution or Minutes Approving Second Amended and Restated JPAA Agreement]

(Attached)

~~PhxMesa~~Mesa Gateway Airport

RESOLUTION NO. ~~14-67~~_____

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

~~WHEREAS, the Airport Authority deems it appropriate to call for its Members to amend the Joint Power Authority Agreement;~~

~~WHEREAS, the Airport Authority deems it appropriate to authorize the Executive Director to re-characterize Member Contributions from loans to cumulative appropriations;~~

~~WHEREAS, the Airport Authority deems it appropriate to authorize the Executive Director to execute the Loan Cancellation Agreements with each of the Member Agencies;~~

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

> ~~**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby recommends to its Members that they execute the Amended and Restated Joint Powers Airport Authority Agreement (JPAAA), attached hereto as Exhibit A, and incorporated as if fully set forth herein. This Resolution also authorizes the Executive Director to re-characterize Member Contributions from loans to cumulative appropriations, and to execute a Loan Cancellation Agreement with each Member.**~~

~~Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 21st day of October 2014.~~

~~ATTEST~~

_____
~~CLERK~~

_____
~~CHAIR~~

~~APPROVED AS TO FORM~~

_____
~~ATTORNEY~~

Summary report: Litera Compare for Word 11.10.1.2 Document comparison done on 5/13/2025 8:56:25 AM	
Style name: Mare's Blackline	
Intelligent Table Comparison: Active	
Original DMS: nd://4921-1371-8303/1/MGAA - Second Amended and Restated JPAA Agreement (2025).docx	
Modified DMS: nd://4921-1371-8303/9/MGAA - Second Amended and Restated JPAA Agreement (2025).docx	
Changes:	
Add	84
~~Delete~~	107
~~Move From~~	5
Move To	5
Table Insert	2
~~Table Delete~~	19
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	222

DO NOT REMOVE

This is part of the official document

MESA GATEWAY AIRPORT AUTHORITY

SECOND AMENDED AND RESTATED JOINT POWERS AIRPORT AUTHORITY AGREEMENT

This Second Amended and Restated Joint Powers Airport Authority Agreement (the "Agreement") establishing and continuing the Mesa Gateway Airport Authority (the "Airport Authority"), is made and entered into as of ___ day of _____, 2025, pursuant to Arizona Revised Statutes ("A.R.S.") Section 28-8521, et seq., by and among the Town of Gilbert, an Arizona municipal corporation ("Gilbert"), the City of Mesa, an Arizona municipal corporation ("Mesa"), the Town of Queen Creek, an Arizona municipal corporation ("Queen Creek"), the Gila River Indian Community, a federally recognized Indian tribe ("Community"), and the City of Apache Junction, an Arizona municipal corporation ("Apache Junction") (collectively "Members" or "parties" and individually "Member" or "party").

The parties to this Agreement agree as follows:

Section 1 Recitals.

1.1 The United States closed Williams Air Force Base ("Williams") as an operating location of the United States Air Force ("USAF").

1.2 Williams had existing aviation facilities that are suited to be operated and developed as an airport facility pursuant to the joint powers airport authority powers found in A.R.S. Section 28-8521, *et seq.*

1.3 The original joint powers airport authority agreement was made and entered into as of 19th day of May, 1994, by and among Gilbert, Mesa, and Queen Creek and recorded on May 19, 1994, as Instrument No. 94-0400695, official records of Maricopa County, Arizona.

1.4 Through the original joint powers airport authority agreement, it was the desire of Gilbert, Mesa, and Queen Creek that the joint powers airport authority agreement take the place of and cancel the Intergovernmental Agreement (Williams Air Force Base - Management and Operation) that was recorded on December 14, 1992 at Recorder's No. 92-0712408 in the records of Maricopa County, Arizona, the substance of which was incorporated in the original joint powers airport authority agreement.

1.5 By entering into the original joint powers airport authority agreement, the parties to that agreement desired to establish a joint powers airport authority to develop, reuse, operate, and maintain the existing Williams aviation facilities. Upon establishment of the joint powers airport authority, the new facilities were known as the Williams Gateway Airport Authority.

1.5.1 Via 1995 and 2006 Amendments to the original joint powers airport authority agreement, the Community and the City of Phoenix ("Phoenix") were added as Members of the Airport Authority, respectively.

1.5.2 Via 2009 Amendment, the legal name of the entity was changed to the Phoenix-Mesa Gateway Airport Authority.

1.5.3 Apache Junction also became a Member of the Airport Authority effective July 1, 2013.

1.5.4 Phoenix withdrew from the Airport Authority effective June 30, 2024.

1.5.5 The legal name of the Airport Authority was changed to Mesa Gateway Airport Authority effective as of December 17, 2024.

Section 2 Formation of Airport Authority.

2.1 Upon approval and execution of this Agreement by all the parties, a joint powers airport authority called the Mesa Gateway Airport Authority is formed with all parties as Members pursuant to A.R.S. Section 28-8521, with all powers granted to it under Arizona law.

Section 3 Board of Directors and Officers.

3.1 Upon execution of this Agreement, each Member shall appoint one representative to act with the authority of the appointing Member for the purpose of implementing this Agreement. Each Member shall also designate at least one alternate representative to act with the authority of the appointing Member in the absence of the representative. The appointed representative and all alternates shall be duly elected or appointed members of the governing body of the appointing Member. Notice of such appointment and of any subsequent replacement appointment shall be delivered in writing to the other Members of the Airport Authority.

3.2 The appointing authority as to each Member shall be each Member's respective governing body.

3.3 Each representative so appointed shall be a Director on the Board of Directors of the Airport Authority. The Board of Directors shall consist of only the representatives appointed by the Members of the Airport Authority. In the absence of the representative or alternate representatives, any representative of the Member governing body attending Board meetings or otherwise implementing this Agreement is presumed to act with the authority of the Member governing body.

3.4 The Board of Directors may establish a fixed time, date and place for regularly scheduled meetings. Special meetings of the Board may be called by the Chair on no less than 24-hours' notice to the public, and each Director, either personally, by mail, by email, by text message, or by telephone. Notice of meetings of the Board shall be provided and meetings shall be conducted in accordance with the Arizona open meeting law, A.R.S. Section 38-431, *et seq.* Nothing herein shall prohibit the holding of an emergency session on less than 24-hours' notice in accordance with the provisions of the Arizona open meeting law. A Board Member may attend a Board meeting via electronic means, including telephonic conference. The Board may conduct a telephonic Board meeting so long as such telephonic meeting is conducted in accordance with the provisions of the Arizona open meeting law.

3.5 A majority of the membership of the Board of Directors shall constitute a quorum. A quorum shall be necessary to conduct the business of the Board. If a quorum is lost at any meeting of the Board of Directors, the remaining Directors present at the meeting may recess the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present.

3.6 The Board of Directors shall annually choose from its Directors a Chair, a Vice Chair and a Secretary, each of whom shall serve at the pleasure of the Board of Directors. The Board of Directors at any time may appoint such other officers and agents as it shall deem necessary who shall hold their offices at the pleasure of the Board of Directors and who shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

3.7 The Chair, or in the Chair's absence, the Vice Chair, shall preside at all meetings of the Board of Directors. In the absence of the Chair and Vice Chair, the Secretary shall preside at the meeting of the Board of Directors.

3.8 The Secretary shall see that the minutes of all meetings of the Board of Directors are kept.

Section 4 **Airport Authority Staff**.

4.1 The Board of Directors shall employ an Executive Director and approve an annual budget for such other managers and staff as the Executive Director shall deem necessary to manage and conduct the operations, maintenance and development of the airport facilities in accordance with the provisions of this Agreement and policies and procedures approved by the Board of Directors. The Executive Director shall report directly to the Board of Directors and shall supervise the Airport Authority Staff.

Section 5 **Ownership of Airport Facilities**.

5.1 Upon conveyance by the USAF to the Airport Authority, title to all or a portion of the certain aviation facilities, both real and personal property, formerly owned and operated by the USAF at Williams situated in the County of Maricopa, State of Arizona ("Airport Facilities"), shall be held by the Airport Authority.

5.2 The Airport Authority may acquire or convey real and personal property from time to time.

5.3 Development, reuse, operation, and maintenance of the Airport Facilities shall be overseen by the Board of Directors and shall be conducted in accordance with the provisions of this Agreement and policies and procedures developed hereunder.

5.4 Each Member agrees that should said Member withdraw from the Airport Authority pursuant to Section 10, effective upon such withdrawal, any ownership rights of said Member in the Airport Facilities shall also terminate. A Member shall not be deemed to have withdrawn from the Airport Authority simply by virtue of the termination of this Agreement pursuant to Section 13. Each Member hereto also agrees to execute upon withdrawal any and all documents necessary to evidence and effectuate such withdrawal.

Section 6 **Recharacterization of Members' Loans to Airport Authority**.

6.1 Effective July 1, 2014, the Members deemed all of the Members' respective prior loans as appropriations (or contributions) to the Airport Authority in accordance with A.R.S. § 28-8521(B)(4). The precise amount of each Member's cumulative contributions (since becoming a Member of the Airport Authority) is set forth in **Exhibit A**.

6.2 Members shall continue to make annual appropriations to the Airport Authority as required in this Agreement, particularly Section 9.

6.3 Notwithstanding anything to the contrary in this Section 6, each Member shall exercise its voting rights (related to the administration and management of the Airport Authority) in accordance with Section 8.

6.4 Each Member agrees that should said Member withdraw from the Airport Authority pursuant to Section 10, effective upon such withdrawal, all rights and interests of said Member in the Airport Authority shall also terminate. Each Member also agrees to execute upon withdrawal any and all documents necessary to evidence and effectuate such withdrawal.

Section 7 **Powers of the Mesa Gateway Airport Authority**.

The Mesa Gateway Airport Authority, acting through the Board of Directors, may:

7.1 Own, operate, and maintain property and facilities related to aviation, air navigation, and aerospace.

7.2 Own and lease property and facilities that are not related to aviation, air navigation, and aerospace.

7.3 Prescribe user fees and charges.

7.4 Operate facilities and construct improvements.

7.5 If authorized by the Members, exercise the right of eminent domain in the names of the Members.

7.6 Engage employees and consultants.

7.7 Enter into contracts, leases, and development agreements.

7.8 Enter into agreements with the State of Arizona, any political subdivision of the State, or the federal government.

7.9 Prepare and receive annual operating budgets.

7.10 Borrow money and issue revenue bonds, and issue other financial obligations incurred for the purposes of this Section and authorized under A.R.S. Section 28-8521, *et seq.*

7.11 Sue and be sued.

7.12 Exercise incidental powers as may be necessary to the exercise of the powers prescribed in this Section and under A.R.S. Sections 28-8527 and 28-8529, and to implement the responsibilities, goals, and purpose of the Airport Authority.

Section 8 <u>Voting Rights</u>.

8.1 Each member of the Board of Directors is entitled to one vote, and a motion will carry if supported by a majority of the quorum unless a Member requests that a weighted vote be taken. If a weighted vote is requested, then the following terms and conditions apply.

8.1.1 Subject to Section 8.1.2, each member of the Board of Directors is entitled to cast a weighted vote equal to that Member's cumulative appropriations to the Airport Authority as a percentage of the total appropriations made by all current Members to the Airport Authority since 1993 when the initial Intergovernmental Agreement Group was formed. For purposes of this Section 8.1.1, and in accordance with Section IV(4)(d) of the Memorandum of Understanding (MOU) (effective March 21, 2011) among the Airport Authority, City of Mesa, and Able Engineering and Components, Inc., Mesa's cumulative contributions to the Airport Authority include the City Rent (as defined in the MOU) paid by Mesa to the Airport Authority to service the debt on the Airport Authority's Series 2012 Bond Issue in the amount of $19,220,000 (to finance the FAA-certified maintenance, repair, and overhaul facility subleased to others).

8.1.2 The percentage calculated under Section 8.1.1 is then adjusted so that no Member's vote will exceed 50% of the total weighted votes. If any Member's percentage as calculated exceeds 50%, then the excess percentage (over 50%) is allocated proportionally to the remaining Members so that the weighted vote of all Members combined equals 100% (or 100 votes). Under this formula, the weighted votes for all Members as of July 1, 2024 are:

Member	Votes
City of Mesa	50.00
Gila River Indian Community	22.23
Town of Gilbert	18.90
Town of Queen Creek	5.61
Apache Junction	3.26

8.1.3 All matters on which a weighted vote is taken must be decided by a simple majority of all Members' weighted votes, not just the weighted votes represented at the meeting.

8.2 The number of weighted votes of each Member will be adjusted annually before the start of each Fiscal Year based on the Airport Authority's adopted operating budget for the Fiscal Year.

8.3 If a Member withdraws from the Airport Authority, the weighted votes of remaining Members must be recalculated at the beginning of the next fiscal year. In recalculating the weighted votes, all appropriations of the withdrawing Member will be disregarded.

8.4 No Member may invoke weighted voting for matters related to modifications to the approved airport layout plan and airport master plan, or for adjustments to the percentage contributions or the amounts of each Member contribution to the annual budget.

Section 9 Operating Budget.

9.1 The fiscal year of the Airport Authority shall run from July 1 to June 30.

9.2 The Board of Directors shall, by June 1 of each fiscal year, recommend to the Members of the Airport Authority an annual operating budget for the Airport Authority for the next fiscal year and shall state the amounts of each Member contribution or proportion of the Airport Authority's annual operating budget to be provided by each Member. At least thirty (30) days before the annual budget is recommended to the Members of the Airport Authority by the Board of Directors, the Board may consider adjustments to the amounts of each Member contribution or percentage contributions of each Member. Adjustments to the amounts of each Member contribution or percentage contributions of any Member must be approved by a unanimous vote.

9.3 By June 15 of each year, the Board of Directors shall, if necessary due to the addition or withdrawal of Members, have decided by a unanimous vote on the amounts of each Member contribution or a reallocation of the percentage contributions among the Members or have assigned each Member its pro rata increase or decrease in contribution.

9.4 The governing bodies of the Airport Authority's Members, including any new Members admitted pursuant to Section 11 shall approve and adopt the operating budget recommended by the Board, as may be revised pursuant to Section 9.3, by June 30 of each year or withdraw from the Airport Authority pursuant to Section 10.

9.5 The Board of Directors may from time to time recommend to the Members of the Airport Authority amendments to the approved and adopted operating budget. The governing bodies of the Members shall approve amendments to the operating budget or withdraw from the Airport Authority pursuant to Section 10.

9.6 The Airport Authority shall adopt and periodically amend a Strategic Business plan and a Capital Improvements Plan. Expenditures for or by the Airport Authority shall be consistent with these plans. In addition, expenditures by the Airport Authority shall be limited to those items that directly relate to or benefit the operation and development of the Airport Facilities and the Airport Authority.

Section 10 Withdrawal From Airport Authority.

10.1 No Member shall have the right to withdraw from the Airport Authority during the term of this Agreement except as provided in this Section.

10.2 At least one hundred twenty (120) days prior to the withdrawal deadline, a Member that intends to withdraw from the Airport Authority must provide a written notice of intent to withdraw to the Members of the Airport Authority, but if a Member provides a notice of intent to withdraw between one hundred twenty (120) and one hundred fifty (150) days prior to the withdrawal deadline, then other Members may submit notices of intent to withdraw up to sixty (60) days prior to the withdrawal deadline. The withdrawal deadline shall be February 28 of each fiscal year.

10.3 The withdrawing Member shall pay its pro rata annual budget contribution for the current fiscal year and its pro rata share of any outstanding obligations to which the withdrawing Member has obligated itself. Any obligations of the withdrawing Member to the Airport Authority shall remain outstanding until fully paid and satisfied.

Section 11 Admission To Airport Authority.

11.1 A city, town, county or American Indian Community may be admitted to the Airport Authority upon: (l) written request to the existing Members of the Airport Authority prior to February 1 of each fiscal year; (2) the unanimous approval of the existing Members of the Airport Authority no later than June 30 of each fiscal year but after recommendation of the annual budget to the Members of the Airport Authority; and (3) execution, acknowledgement, and deliverance to the Airport Authority of such instruments as the Members may deem necessary or advisable to effect the admission of such city, town, or county as an additional Member, including (without limitation) the written acceptance and adoption by such city, town, county or American Indian Community of the provisions of this Agreement.

11.2 The fiscal obligations of a new Member are not effective until the beginning of the new fiscal year.

11.3 The parties acknowledge that Gilbert, Mesa, and Queen Creek waived all notice and procedural requirements for admission of the Community when it became a Member of the Airport Authority effective July 1, 1995.

11.4 The parties waived all notice and procedural requirements in this Agreement for admission of Apache Junction when it became a Member effective July 1, 2013.

Section 12 Effective Date.

12.1 This Agreement shall become effective (the “Effective Date”) on the later of its filing with the Arizona Secretary of State and the Maricopa County Recorder in accordance with Section 19 hereof.

Section 13 Termination of Airport Authority.

13.1 This Agreement shall remain in full force and effect unless modified or terminated by written agreement of a majority of the Members of the Airport Authority. This Agreement shall also be deemed terminated should all parties hereto have exercised their right to withdraw from the Airport Authority in accordance with Section 10 of this Agreement.

13.2 Notwithstanding the right to withdraw set forth in Section 10, each party hereto agrees to remain a Member of the Airport Authority and to be bound by this Agreement until the end of the current fiscal year.

13.3 Unless otherwise agreed to by a majority of the Members of the Airport Authority, upon termination of this Agreement:

13.3.1 If one Member agrees to assume ownership of the Airport Facilities and agrees to assume the financial obligations of all Members, then the Airport Authority shall transfer title of the Airport Facilities to such Member.

13.3.2 If no Member agrees to assume ownership of the Airport Facilities and the financial obligations of all Members, and if the State of Arizona agrees to assume such ownership and financial obligations, then the Airport Facilities shall be transferred to the State of Arizona.

13.3.3 If the State of Arizona refuses to assume ownership of the Airport Facilities, then the Airport Facilities shall revert to the United States of America.

Section 14 Annual Report to Legislature.

If invited, the Chair of the Board of Directors of the Airport Authority shall annually present a report of the activities of the Airport Authority to the State House of Representatives, Ways and Means Committee, and the State Senate Finance Committee.

Section 15 Governing Law.

15.1 This Agreement and the obligations of the Members hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of Arizona. The court with the original jurisdiction for causes of action arising under this Agreement is the United States District Court for the District of Arizona.

15.2 **Sovereign Immunity**. The Community expressly and irrevocably waives its sovereign immunity from suit solely for the limited purpose of allowing the Airport Authority to commence arbitration proceedings and enforce arbitration decisions or awards that involve a dispute or claim arising out of this Agreement. This limited waiver of sovereign immunity does not extend to any person or entity other than the Airport Authority. Except as provided in Section 15.2.1 through Section 15.2.6, nothing in this Agreement, or in the Commercial Arbitration Rules of the American Arbitration Association ("AAA") (referred to below), or in any related agreement, exhibit, document or undertaking, shall be construed as waiving, qualifying, diminishing, impairing or otherwise adversely affecting the sovereign immunity of the Community or any of its entities, enterprises, affiliates or subdivisions. Further, except as specified in Section 15.2.1 through Section 15.2.6, and unless explicitly stated within this Agreement, nothing in this Agreement, or in the AAA rules, or in any related agreement, exhibit, document or undertaking, shall be construed as a waiver of such sovereign immunity or as consent or agreement by the Community to the jurisdiction of any governmental authority, or any state or municipal court.

15.2.1 **Mediation**. Any dispute that may arise under this Agreement shall be submitted to a mediator agreed to by both parties as soon as practicable after the dispute arises, but in any event prior to the commencement of arbitration. The mediator's fees and expenses shall be shared equally by the parties, who agree to exercise their best efforts in good faith to resolve all disputes in mediation. Mediation will begin on the date one party sends written notice to the other requesting mediation and presenting in the notice the matter to be mediated. The mediation will conclude when both parties sign an agreement that resolves the subject of the mediation. If no agreement is reached within sixty (60) calendar days after the date of the original written notice, the mediation will be considered unsuccessful, and either party may invoke its arbitration rights under this Agreement.

15.2.2 **Binding Arbitration**. Any claim or dispute arising under this Agreement between the Airport Authority and the Community ("dispute" or "disputes"), including, without limitation, whether a dispute is subject to arbitration, not resolved by negotiation between the parties, shall be resolved through binding arbitration conducted in Maricopa County, Arizona as provided in this Section 15. Either

party may initiate the arbitration by giving written demand for arbitration to the other party in accordance with the notice provisions of this Agreement, setting forth the nature of the claim or dispute, the amount involved, if any, and the remedy sought.

15.2.3 **Conduct of Arbitration**. The arbitration shall be subject to Public Law No. 107-159 (116 Stat. 122 (2002)) and shall be conducted in accordance with the then-current AAA rules (but not under the administration of the AAA) except as otherwise provided in this Section 15. A single arbitrator shall be selected by agreement of both parties. If the parties cannot agree upon a single arbitrator within 30 days of receipt of a written demand for arbitration, either party may submit a request to the federal district court for an appointment of an arbitrator. No arbitrator shall have or previously have had any significant relationship with any of the parties hereto. The single arbitrator shall be knowledgeable in the subject matter of the dispute. The arbitration decision shall be rendered within 45 days after the arbitration hearing or the time period, if any, required by the AAA rules, whichever is sooner. The award of the arbitrator shall be supported by written findings of fact, conclusions of law, and a calculation of how damages, if any, were determined. The arbitrator also may grant provisional or ancillary remedies (e.g., the appointment of a receiver, injunctive relief, etc.) either during the pendency of the arbitration proceeding or as part of an arbitration award. Upon written request and after notice to the other party, the arbitrator may modify the applicable arbitration rules in the interests of justice. The award of the arbitrator shall be final and binding upon the parties, including any party refusing to submit to arbitration under this Section 15, and a judgment thereon may be entered in the United States District Court, District of Arizona as provided by Public Law 107-159. Any refusal to submit to arbitration hereunder, any exercise of a right under the Federal Arbitration Act (9 USC § 1, *et seq*.), which shall apply to the construction and interpretation of this Section 15, or any enforcement of an award rendered in the arbitration shall be in and subject to the jurisdiction of the United States District Court, District of Arizona.

15.2.4 In deciding any matter submitted to arbitration pursuant to this Section 15, federal law shall apply. If there is no applicable federal law, the arbitrator shall be guided by the laws of the State of Arizona. The statute of limitations, estoppel, waiver, laches and similar doctrines that would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding.

15.2.5 **Discovery**. The parties may conduct discovery in advance of the arbitration hearing in accordance with the AAA rules. Based on the nature and amount of the dispute, the arbitrator may establish a discovery schedule or discovery cutoff date or may limit discovery.

15.2.6 **Costs of Arbitration and Attorney's Fees**. Each party shall bear its own attorney's fees and expenses. The fees and all other expenses of the arbitrator, witness fees, and other reasonable fees and costs, other than attorney's fees and expenses, incurred by the prevailing party shall be assessed against the non-prevailing party by the arbitrator and included in any award or decision.

Section 16 Amendments.

This Agreement may be amended only by an instrument in writing approved and signed by all of the Members.

Section 17 Legal Counsel Review.

This Agreement shall be submitted to the legal counsel for each party hereto prior to its execution by said party, in order to determine whether this Agreement is in proper form and is within the powers and authority granted under the laws applicable to said party. Attached hereto and incorporated herein by reference is a copy of said written determination of each party's legal counsel.

Section 18 Notices.

All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail as follows:

Town of Gilbert
50 East Civic Center Drive
Gilbert, Arizona 85296
Attention: Town Manager

City of Mesa
20 E. Main Street
Mesa, Arizona 85201
Attention: City Manager

If by United States Postal Service:
City of Mesa
Post Office Box 1466
Mesa, Arizona 85211-1466
Attention: City Manager

Town of Queen Creek
22358 South Ellsworth Road
Queen Creek, Arizona 85142
Attention: Town Manager

Gila River Indian Community
Administrative Offices
P.O. Box 97
Sacaton, Arizona 85147
Attention: Lieutenant Governor

City of Apache Junction
300 E. Superstition Blvd.
Apache Junction, AZ 85119
Attention: City Manager

Section 19 Filing.

A completely executed copy of this Agreement shall be filed with the Arizona Secretary of State, the Maricopa County Recorder, and the City Clerk, or the Town Clerk, as appropriate, of each other party hereto.

Section 20 Remedies.

In the event of any violation or threatened violation by any party to this Agreement, of any of the terms, restrictions, acknowledgements, covenants or conditions of this Agreement, the other parties hereto shall be entitled to full and adequate relief by injunction and all other legal and equitable remedies.

Section 21 Cancellation.

This Agreement may be canceled pursuant to A.R.S. Section 38-511.

Section 22 **Approving Action**.

Copies of appropriate action by ordinance, resolution or otherwise authorizing the respective parties to enter into this Agreement are attached hereto as **Exhibit B**. The Agreement may be signed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument.

Section 23 **Federal Aviation Administration**.

Nothing herein requires any Member to contribute funding contrary to the Federal Aviation Administration's policies and procedures.

Section 24 **Bond Ordinances**.

Notwithstanding any of the provisions in this Agreement, no Member assumes any obligation in connection with this Agreement that will have priority over or parity with any bond issued by each Member in its individual capacity.

Section 25 **Audit Records**.

The parties, the Federal Aviation Administration, the Comptroller of the United States, or any duly authorized representative reserves the right, at reasonable times, to audit and/or copy the Airport Authority's books and records directly pertinent to this Agreement. Nothing herein requires the Airport Authority to create or maintain any records that the Airport Authority does not maintain in the ordinary course of business or pursuant to a provision of law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as provided in Section 12.

Attest:

By: _____
City Clerk

CITY OF APACHE JUNCTION

By: _____
Walter Wilson, Mayor

Attest:

By: _____

GILA RIVER INDIAN COMMUNITY

By: _____
Stephen Roe Lewis, Governor

Attest:

By: _____
Town Clerk

TOWN OF GILBERT

By: _____
Scott Anderson, Mayor

Attest:

By: _____
City Clerk

CITY OF MESA

By: _____
Mark Freeman, Mayor

Attest:

By: _____
Town Clerk

TOWN OF QUEEN CREEK

By: _____
Julia Wheatley, Mayor

DETERMINATION OF LEGAL COUNSEL

The Second Amended and Restated Joint Powers Airport Authority 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 applicable laws of each party.

Date	Apache Junction City Attorney
Date	Gila River Indian Community Attorney
Date	Gilbert Town Attorney
Date	Mesa City Attorney
Date	Queen Creek Town Attorney

Exhibit A

Mesa Gateway Airport Authority Members' Cumulative Contributions as of December 10, 2024

Member Agency	Cumulative Total
City of Mesa	$103,756,406
Gila River Indian Community	$13,159,550
Town of Gilbert	$11,199,250
Town of Queen Creek	$3,310,070
City of Apache Junction	$1,895,000
Total	$133,320,276

Exhibit B

[Ordinance, Resolution or Minutes Approving Second Amended and Restated JPAA Agreement]

(Attached)

Mesa Gateway Airport

RESOLUTION NO. _____

~~PHOENIX-MESA~~MESA GATEWAY AIRPORT AUTHORITY

BYLAWS
Adopted September 28, 1995
Revised June 2007; [MONTH] 2025

Section 1 Composition of Board of Directors and Officers.

1.1 Directors and alternates. The Board of Directors ("Board") shall consist of one representative from each member of the ~~Phoenix-Mesa~~Mesa Gateway Airport Authority ("Authority"). The governing body of each Authority member shall select its representative to the Board, which representative shall act with the authority of the appointing Authority member, as well as at least one alternate representative to act with the authority of the Authority member in the absence of the representative. Notice of such appointments and any subsequent replacement appointments shall be delivered in writing to the other members of the Authority. In the absence of an Authority member's representative or alternate representative at a Board meeting, any member of the Authority member's governing body attending a Board meeting is presumed to act with the authority of the Authority member.

1.2 Officers. The Board shall annually choose from its Directors, at the Board meeting immediately following the start of each fiscal year, a ~~Chairman~~Chair, a Vice ~~Chairman~~Chair, a Secretary, and a Treasurer, each of whom shall serve at the pleasure of the Board. The Board at any time may appoint such other officers and agents as it shall deem necessary who shall hold their offices at the pleasure of the Board and who shall exercise such powers and perform such duties as shall be determined from time to time by the Board. In particular, the Board shall appoint a Clerk of the Board.

1.2.1 ~~Chairman~~Chair. The ~~Chairman~~Chair shall preside at and set the agenda for all meetings of the Board, shall authorize meeting notices to be issued by the Executive Director as required by Section 3.2 herein, present to the Arizona legislature an annual report of the activities of the Authority, and represent the interests of the Board when it is not in session.

1.2.2 Vice ~~Chairman~~Chair. The Vice ~~Chairman~~Chair shall perform all duties as may be assigned to him or her by the Board. In the case of the death, disability or absence of the ~~Chairman~~Chair, the Vice ~~Chairman~~Chair shall perform and be vested with all of the duties and powers of the ~~Chairman~~Chair.

1.2.3 Secretary. The Secretary shall review and sign the minutes of meetings of the Board and perform such other duties as may be required by the Board.

1.2.4 Treasurer. The Treasurer shall be familiar with the financial affairs of the Authority. The financial records will be in the custody of the Executive Director and all records will be maintained at the corporate office of the Authority.

1.3 Appointment of Committees and Advisory Councils. The Board may establish such Committees as the Board may from time to time find necessary, which shall consist of less than a quorum of Directors. The Board also may establish Advisory Councils, which may consist of one or more Directors, the Executive Director, Authority staff, or such other persons as the Board may designate, and which shall act in an advisory capacity to the Board.

Section 2 Compensation and Indemnification of Directors.

2.1 Compensation. The Directors shall not receive any salary or compensation for their services, but may be reimbursed for their actual expenses paid or obligated to be paid in connection with service rendered solely for the benefit of the Authority, if such expenses are submitted to the Board for reimbursement.

2.2 Indemnification and Advancement of Costs. The Authority may indemnify and agree to save harmless the Directors and the Executive Director any of whom were or are in the future a party or are threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a Director or Executive Director or is or was serving at the request of the Authority, from any damages, costs, expenses, attorney fees, fines, judgments, claims and amounts paid in settlement, actually and reasonably incurred. The Authority may also advance fees and costs associated with any such threatened or pending suit or proceeding.

Section 3 Meetings of the Board of Directors.

3.1 Monthly meetings. The Board shall meet monthly at the time, date and place established by the Board, provided however that the Board may cancel or reschedule any monthly meeting. All meetings of the Board shall be conducted in accordance with the Open Meeting Law, Arizona Revised Statutes, Section 38-431 et seq.

3.2 Notice and Agendas. Public notice and an agenda of all meetings of the Board shall be posted by the respective Clerk of each member of the Authority at the official posting location of such jurisdiction in compliance with the Open Meeting Law. A meeting agenda may be amended after posting, so long as the amended agenda is posted at least 24 hours prior to the meeting.

3.3 Telephonic Attendance and Meetings. A Director may attend a Board meeting via telephonic conference. The Board may conduct a telephonic Board meeting so long as such telephonic meeting is conducted in accordance with the provisions of the Open Meeting Law.

3.4 Special Meetings. Special meetings of the Board may be called by the ~~Chairman~~Chair or a majority of the total number of Board members on no less than 24 hours' notice to each Director, either personally or by mail or by facsimile or by telephone, so long as such special meeting is conducted in accordance with the provisions of the Open Meeting Law.

3.5 Emergency Meetings. Nothing herein shall prohibit the holding of an emergency session on less than 24 hours' notice in accordance with the provisions of the Open Meeting Law.

3.6 Quorum. A majority of the membership of the Board shall constitute a quorum. A quorum shall be necessary to conduct the business of the Board. If a quorum is not present at any meeting of the Board, the Directors present at the meeting may recess the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.7 Conduct of Meetings. The conduct of all Board meetings shall be governed by Robert's Rules of Order, unless waived by the ~~Chairman~~Chair.

3.8 Voting.

3.8.1 Each member of the Board is entitled to one vote, and, except as provided in Sections 3.4 and 6, a motion will carry if supported by a majority of the quorum unless a member requests that a weighted vote be taken. If a weighted vote is requested, then the following shall apply:

~~3.8.1.1 For Fiscal Years 2007 through 2011, each member of the Board of Directors is entitled to a weighted vote equal to that member's contribution to the local share of the annual budget expressed as a percentage of the total local share of the current annual budget. The initial weighted vote percentages shall become effective upon the adoption of the initial budget;~~

~~3.8.1.2~~3.8.1.1 ~~For Fiscal Years 2012 and beyond, each~~Each member of the Board of Directors 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 beginning in 1993 when the initial Intergovernmental Agreement ~~Group~~group was formed.

~~3.8.1.3~~3.8.1.2 A ~~two-thirds~~simple majority is required for a motion to carry.

3.8.2 Weighted voting may not be invoked for votes being taken regarding modifications to the approved airport layout plan and airport master plan, or for adjustments to the percentage contributions of members.

Section 4 Duties of Board.

4.1 General Duties. The Board shall be the governing body of the Authority.

4.2 Specific Duties. The Board's duties include the following:

4.2.1 Select the Executive Director;

4.2.2 Approve leases and lease cancellations;

4.2.3 Approve procurement policy and periodic updates to the procurement policy;

4.2.4 Approve contracts and purchases in accordance with the procurement policy;

4.2.5 Approve ~~employee hiring and~~ personnel policy and periodic updates to the ~~employee hiring and~~ personnel policy;

4.2.6 Approve marketing plan and periodic updates to marketing plan;

4.2.7 Approve annual budget for recommendation to the Authority members;

4.2.8 Approve airport rules and regulations and airport minimum standards.

Section 5 Duties of the Executive Director.

5.1 General Duties. The Executive Director shall be the Chief Executive Officer of the Authority and shall serve at the pleasure of the Board. During recess of the Board, the Executive Director shall work closely with the ~~Chairman~~Chair to ensure that the business and affairs of the Authority are conducted within the framework of Board-approved objectives and policies.

5.2 Specific Duties. The Executive Director's duties shall include the following:

5.2.1 Approve contracts and purchases in accordance with the procurement policy;

5.2.2 Negotiate leases and recommend approval and cancellation of leases to Board;

5.2.3 Hire, terminate, and supervise Authority staff;

5.2.4 Prepare and periodically update procurement policy;

5.2.5 Prepare and periodically update ~~employee hiring and~~ personnel policy;

5.2.6 Prepare and periodically update marketing plan;

5.2.7 Contract for and oversee annual audit;

5.2.8 Prepare annual budget;

5.2.9 Prepare agendas and meeting notices for Board Meetings; and

5.2.10 ~~Prepare~~If requested, prepare an annual written report for submittal to the Arizona legislature.

5.2.11 Prepare airport rules and regulations and airport minimum standards.

5.2.12 Establish policies and procedures for the safe, secure, efficient, and orderly operation of the airport.

5.2.13 Prepare any required statutory or informational reports.

Section 6 Amendment of Bylaws.

Any of these Bylaws may be altered, amended, or repealed by majority vote of the total number of Board members, rather than a quorum of those present, at any regular or special meeting of the Board.

Summary report: Litera Compare for Word 11.10.1.2 Document comparison done on 4/15/2025 12:47:27 PM	
Style name: Default	
Intelligent Table Comparison: Active	
Original DMS: nd://4929-7377-6415/1/MGAA - Bylaws (2025).docx	
Modified DMS: nd://4929-7377-6415/6/MGAA - Bylaws (2025).docx	
Changes:	
Add	21
~~Delete~~	25
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	46

MESA GATEWAY AIRPORT AUTHORITY

BYLAWS
Adopted September 28, 1995
Revised June 2007; [MONTH] 2025

Section 1 Composition of Board of Directors and Officers.

1.1 Directors and alternates. The Board of Directors ("Board") shall consist of one representative from each member of the Mesa Gateway Airport Authority ("Authority"). The governing body of each Authority member shall select its representative to the Board, which representative shall act with the authority of the appointing Authority member, as well as at least one alternate representative to act with the authority of the Authority member in the absence of the representative. Notice of such appointments and any subsequent replacement appointments shall be delivered in writing to the other members of the Authority. In the absence of an Authority member's representative or alternate representative at a Board meeting, any member of the Authority member's governing body attending a Board meeting is presumed to act with the authority of the Authority member.

1.2 Officers. The Board shall annually choose from its Directors, at the Board meeting immediately following the start of each fiscal year, a Chair, a Vice Chair, a Secretary, and a Treasurer, each of whom shall serve at the pleasure of the Board. The Board at any time may appoint such other officers and agents as it shall deem necessary who shall hold their offices at the pleasure of the Board and who shall exercise such powers and perform such duties as shall be determined from time to time by the Board. In particular, the Board shall appoint a Clerk of the Board.

1.2.1 Chair. The Chair shall preside at and set the agenda for all meetings of the Board, shall authorize meeting notices to be issued by the Executive Director as required by Section 3.2 herein, present to the Arizona legislature an annual report of the activities of the Authority, and represent the interests of the Board when it is not in session.

1.2.2 Vice Chair. The Vice Chair shall perform all duties as may be assigned to him or her by the Board. In the case of the death, disability or absence of the Chair, the Vice Chair shall perform and be vested with all of the duties and powers of the Chair.

1.2.3 Secretary. The Secretary shall review and sign the minutes of meetings of the Board and perform such other duties as may be required by the Board.

1.2.4 Treasurer. The Treasurer shall be familiar with the financial affairs of the Authority. The financial records will be in the custody of the Executive Director and all records will be maintained at the corporate office of the Authority.

1.3 Appointment of Committees and Advisory Councils. The Board may establish such Committees as the Board may from time to time find necessary, which shall consist of less than a quorum of Directors. The Board also may establish Advisory Councils, which may consist of one or more Directors, the Executive Director, Authority staff, or such other persons as the Board may designate, and which shall act in an advisory capacity to the Board.

Section 2 Compensation and Indemnification of Directors.

2.1 Compensation. The Directors shall not receive any salary or compensation for their services, but may be reimbursed for their actual expenses paid or obligated to be paid in connection with service rendered solely for the benefit of the Authority, if such expenses are submitted to the Board for reimbursement.

2.2 Indemnification and Advancement of Costs. The Authority may indemnify and agree to save harmless the Directors and the Executive Director any of whom were or are in the future a party or are threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a Director or Executive Director or is or was serving at the request of the Authority, from any damages, costs, expenses, attorney fees, fines, judgments, claims and amounts paid in settlement, actually and reasonably incurred. The Authority may also advance fees and costs associated with any such threatened or pending suit or proceeding.

Section 3 Meetings of the Board of Directors.

3.1 Monthly meetings. The Board shall meet monthly at the time, date and place established by the Board, provided however that the Board may cancel or reschedule any monthly meeting. All meetings of the Board shall be conducted in accordance with the Open Meeting Law, Arizona Revised Statutes, Section 38-431 et seq.

3.2 Notice and Agendas. Public notice and an agenda of all meetings of the Board shall be posted by the respective Clerk of each member of the Authority at the official posting location of such jurisdiction in compliance with the Open Meeting Law. A meeting agenda may be amended after posting, so long as the amended agenda is posted at least 24 hours prior to the meeting.

3.3 Telephonic Attendance and Meetings. A Director may attend a Board meeting via telephonic conference. The Board may conduct a telephonic Board meeting so long as such telephonic meeting is conducted in accordance with the provisions of the Open Meeting Law.

3.4 Special Meetings. Special meetings of the Board may be called by the Chair or a majority of the total number of Board members on no less than 24 hours' notice to each Director, either personally or by mail or by facsimile or by telephone, so long as such special meeting is conducted in accordance with the provisions of the Open Meeting Law.

3.5 Emergency Meetings. Nothing herein shall prohibit the holding of an emergency session on less than 24 hours' notice in accordance with the provisions of the Open Meeting Law.

3.6 Quorum. A majority of the membership of the Board shall constitute a quorum. A quorum shall be necessary to conduct the business of the Board. If a quorum is not present at any meeting of the Board, the Directors present at the meeting may recess the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.7 Conduct of Meetings. The conduct of all Board meetings shall be governed by Robert's Rules of Order, unless waived by the Chair.

3.8 Voting.

3.8.1 Each member of the Board is entitled to one vote, and, except as provided in Sections 3.4 and 6, a motion will carry if supported by a majority of the quorum unless a member requests that a weighted vote be taken. If a weighted vote is requested, then the following shall apply:

3.8.1.1 Each member of the Board of Directors 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 beginning in 1993 when the initial Intergovernmental Agreement group was formed.

3.8.1.2 A simple majority is required for a motion to carry.

3.8.2 Weighted voting may not be invoked for votes being taken regarding modifications to the approved airport layout plan and airport master plan, or for adjustments to the percentage contributions of members.

Section 4 Duties of Board.

4.1 General Duties. The Board shall be the governing body of the Authority.

4.2 Specific Duties. The Board's duties include the following:

4.2.1 Select the Executive Director;

4.2.2 Approve leases and lease cancellations;

4.2.3 Approve procurement policy and periodic updates to the procurement policy;

4.2.4 Approve contracts and purchases in accordance with the procurement policy;

4.2.5 Approve personnel policy and periodic updates to the personnel policy;

4.2.6 Approve marketing plan and periodic updates to marketing plan;

4.2.7 Approve annual budget for recommendation to the Authority members;

4.2.8 Approve airport rules and regulations and airport minimum standards.

Section 5 Duties of the Executive Director.

5.1 General Duties. The Executive Director shall be the Chief Executive Officer of the Authority and shall serve at the pleasure of the Board. During recess of the Board, the Executive Director shall work closely with the Chair to ensure that the business and affairs of the Authority are conducted within the framework of Board-approved objectives and policies.

5.2 Specific Duties. The Executive Director's duties shall include the following:

5.2.1 Approve contracts and purchases in accordance with the procurement policy;

5.2.2 Negotiate leases and recommend approval and cancellation of leases to Board;

5.2.3 Hire, terminate, and supervise Authority staff;

5.2.4 Prepare and periodically update procurement policy;

5.2.5 Prepare and periodically update personnel policy;

5.2.6 Prepare and periodically update marketing plan;

5.2.7 Contract for and oversee annual audit;

5.2.8 Prepare annual budget;

5.2.9 Prepare agendas and meeting notices for Board Meetings; and

5.2.10 If requested, prepare an annual written report for submittal to the Arizona legislature.

5.2.11 Prepare airport rules and regulations and airport minimum standards.

5.2.12 Establish policies and procedures for the safe, secure, efficient, and orderly operation of the airport.

5.2.13 Prepare any required statutory or informational reports.

Section 6 Amendment of Bylaws.

Any of these Bylaws may be altered, amended, or repealed by majority vote of the total number of Board members, rather than a quorum of those present, at any regular or special meeting of the Board.

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: **March 2025 Financials**
Date: **May 20, 2025**

Attached is the monthly Financials Report for March 2025.

Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
March, 2025

	Month of March 2025				Y-T-D as of March 2025			
	March FY24 Actual	March FY25 Actual	YOY Variance	B/(W)	YTD FY24 Actual	YTD FY25 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	30,584	26,583	(4,001)	-13%	279,726	282,866	3,140	1%
Fuel Flowage Fees	50,925	73,308	22,383	44%	462,834	480,907	18,073	4%
Landing Fees	156,444	229,901	73,457	47%	1,207,886	1,351,348	143,462	12%
Lease Income Aero	327,610	413,371	85,761	26%	3,124,628	3,540,435	415,807	13%
Fuel Sales	658,491	1,048,720	390,229	59%	5,440,636	7,154,161	1,713,525	31%
Services Sold - Aero	497,735	571,810	74,075	15%	4,382,109	4,110,501	(271,608)	-6%
Sub-total Aero Operating Revenues	1,721,789	2,363,693	641,904	37%	14,897,819	16,920,218	2,022,399	14%
Non-Aeronautical Operating Revenues								
Concessions	128,532	180,035	51,503	40%	1,019,199	1,139,902	120,703	12%
Lease Income Non-Aero	109,260	111,179	1,919	2%	986,011	1,025,037	39,026	4%
Parking	346,756	430,180	83,424	24%	3,827,458	4,125,583	298,125	8%
Rental Car Fees	283,199	627,103	343,904	121%	1,996,301	2,568,012	571,711	29%
Svcs Sold - Non Aero	1,103	5,066	3,963	359%	40,290	53,055	12,765	32%
Sub-total Non-Aero Operating Revenues	868,850	1,353,563	484,713	56%	7,869,259	8,911,589	1,042,330	13%
Total Operating Revenues	**2,590,639**	**3,717,256**	**1,126,617**	**43%**	**22,767,078**	**25,831,807**	**3,064,729**	**13%**
Operating Expenses								
Cost of Goods Sold	414,540	693,922	(279,382)	-67%	3,864,330	4,587,456	(723,126)	-19%
Personnel	868,826	972,459	(103,633)	-12%	8,112,049	8,753,217	(641,168)	-8%
Comm & Utilities	64,860	82,617	(17,757)	-27%	791,420	890,028	(98,608)	-12%
Contractual Services	543,158	693,329	(150,171)	-28%	5,056,036	5,610,136	(554,100)	-11%
Insurance	50,338	57,395	(7,057)	-14%	472,036	529,106	(57,070)	-12%
Other	22,283	33,796	(11,513)	-52%	240,988	228,908	12,080	5%
Repair & Maintenance	141,774	52,026	89,748	63%	693,814	497,044	196,770	28%
Supplies & Materials	62,211	76,856	(14,645)	-24%	619,880	623,460	(3,580)	-1%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,167,990**	**2,662,400**	**(494,410)**	-23%	**19,850,553**	**21,719,355**	**(1,868,802)**	-9%
Operating Income (Loss) Before Depreciation	**422,649**	**1,054,856**	**632,207**	150%	**2,916,525**	**4,112,452**	**1,195,927**	41%
	16.3%	28.4%			12.8%	15.9%		
Depreciation		1,356,164				10,832,681		

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 20, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	June 2025
Request for Qualifications	2025-008-RFQ	Business Continuity Plan Development Services	June 2025
Request for Qualifications	2025-004-RFQ	Website Redesign Services	August 2025

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	June 2025	September 2025

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $83,646.00

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

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, June 17, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

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

2. **Pledge of Allegiance**

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

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

5. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **May 20, 2025**.

   b) **Resolution No. 25-22 –** Authorizing an agreement for financial participation between the **City of Mesa** and Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services for FY26, effective July 1, 2025, in an amount not to exceed $112,000.

   c) **Resolution No. 25-23 –** Authorizing an agreement for business continuity plan development services with **Mead and Hunt, Inc.** in an amount not to exceed $135,665.

   d) **Resolution No. 25-24 –** Authorizing the purchase of janitorial supplies from **Waxie Enterprises, LLC** and its affiliates, **BradyPLUS Companies** for FY26, in an amount not to exceed $171,637.00.

   e) **Resolution No. 25-25 –** Authorizing the purchase of services with the **U.S. Customs & Border Protection** for the fiscal year of 2026 with costs estimated to be approximately $302,000.

   f) **Resolution No. 25-26 –** Authorizing an amendment to the Board of Director's **Budget Policy** 15-04.

g) **Resolution No. 25-27 –** Authorizing the increase to FY26 Budget for Cost of Goods Sold for Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of $2,888,150.

h) **Resolution No. 25-28 –** Authorizing the purchase of Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of $8,000,000.

i) **Resolution No. 25-29 –** Authorizing the purchase of Unleaded and Diesel fuel from the lowest priced **State contract vendor** at market prices for Airport Authority use and resale in an amount not to exceed of $615,724. This amount will provide fuel for the 2026 fiscal year.

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

7. **Election of Secretary and Treasurer**

8. **Board Member Comments/Announcements**

9. **Next Meeting: Tuesday, August 19, 2025 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.

Mesa Gateway Airport

- Airport Reports Best Fiscal Year Ever…With Two Months of Reporting Remaining
- Passenger Activity Increases for Fifth Consecutive Month, 10th of Last 12
- Long-Term Land Leases a Critical Component of East Side Terminal Funding Plan
- Proposed Five-Year FAA ACIP Highlights Important Airfield Improvement Projects
- XNRGY Climate Systems Receives Certificate of Occupancy and Begins Production
- New TSA Explosive Detection System Will Increase Screening Capacity by 200%
- MGAA Board of Directors Elects New Leadership for FY26

Executive Director's Report
June 2025



Virgin Galactic Readies for Spaceship Production at Mesa Gateway Airport

Financial Snapshot

OPERATING INCOME	April		Month Variance	FYTD Comparison		FYTD Variance
	2024	2025		FY24	FY25	
Revenues	$3,155,893	$3,339,310	**$183,417**	$25,922,972	$29,171,115	**$3,248,143**
Less Expenses	$2,282,728	$2,571,902	**$289,174**	$22,133,280	$24,291,258	**$2,157,978**
Operating Income *(Before Depreciation)*	**$873,165**	**$767,408**	**($105,757)**	**$3,789,692**	**$4,879,857**	**$1,090,165**

Investment Fund Balances: As of April, the Local Governmental Investment Pool (LGIP) 700 = $3,736,969; Wells Fargo; Collateralized Money Market = $4,873,463 and Commercial/Paper Brokered CD's = $62,301,381; Total $70,911,813. MGAA invests in fixed rate instruments.

Finance and Accounting

Airport Reports Best Fiscal Year Ever…With Two Months of Reporting Remaining

Mesa Gateway Airport Authority (MGAA, Authority) reported a net operating income of $767,408 for April 2025. Fiscal Year-To-Date 2025 (FYTD25) operating results total $4,879,857, making FY25 MGAA's best fiscal year for operating results in the history of Mesa Gateway Airport (Airport, Gateway Airport), and there are still two months of reporting left in this fiscal year! The record financial results can be attributed to new land leases and the increased passenger activity.

April 2025 aeronautical revenues increased by 14% and non-aeronautical revenues decreased by 5% on a year-over-year monthly comparison. The aeronautical revenue increase was generated by retail fuel sales (10%) and lease income (29%). The decrease in non-aeronautical revenues was the result of a timing issue for the accounting accrual of rental car fees. The accrual attempts to match monthly rental car fees to monthly seasonal peaks without receiving the actual results. The accrual's timing resulted in a 24% decrease in rental car fees.

Operating expenditures for April increased by 13% and totaled $2,571,902. The increase was due to the two contracted maintenance services that do not occur on a monthly basis and an increase in legal services due to increased land lease activity and governing document updates.

FYTD25 operating expenditures are 2% under budget.

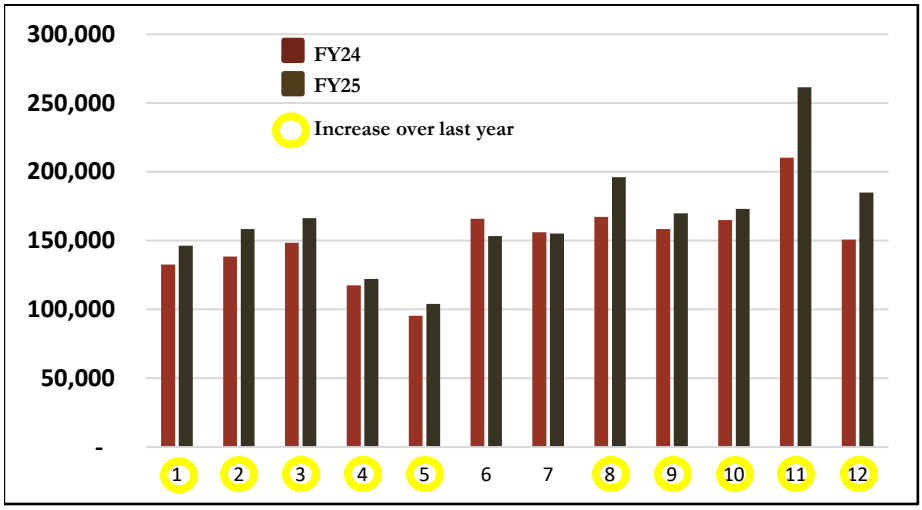
Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2025-008-RFQ	Business Continuity Plan Development Services	June 2025
Request for Proposals	2025-004-RFP	Airport Website Redesign	August 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	September 2025
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	September 2025

Future Solicitations (FY25 solicitations have all been completed)

Airport Operations

Passenger Activity Increases for Fifth Consecutive Month, 10th of Last 12



The airline industry has always been susceptible to outside influences – economic uncertainty, aviation fuel price fluctuations, and national and/or international environments – just to name a few. Thankfully, Gateway Airport has managed to succeed in recent years despite the many "pressures" impacting other regional airports.

During the last year, the Airport has reported commercial passenger activity increases in 10 of the 12 months. This impressive accomplishment includes two instances of five consecutive months of passenger increases in a row. Gateway Airport is on track to surpass two-million passengers for the first time in FY25.

Increasing commercial passengers means increasing visitor spending on ground transportation, hotels, restaurants, shopping, outdoor activities, and entertainment across the entire greater Phoenix region.

Gateway Airport now contributes more than two billion dollars each year to the regional economy.

PASSENGER COUNTS		April		% Change	FYTD		% Change
		2024	2025		FY24	FY25	
Passengers	TOTAL	150,785	184,995	23%	1,535,081	1,686,621	10%
	Deplaned	69,714	85,097	22%	772,271	849,821	10%
	Enplaned	81,071	99,898	23%	762,810	836,800	10%
Allegiant	Scheduled	145,373	179,747	24%	1,498,945	1,647,368	10%
Sun Country	Scheduled	5,412	5,248	-3%	36,136	39,253	9%

OPERATIONS	April		% Change	FYTD		% Change
	2024	2025		FY24	FY25	
Air Carrier	1,101	1,369	24%	10,587	12,552	19%
Military	356	236	-34%	2,549	1,944	-24%
General Aviation	27,957	25,548	-9%	230,952	238,424	3%
TOTAL	**29,414**	**27,153**	**-8%**	**244,088**	**252,920**	**4%**

Engineering, Planning, and Facilities

Proposed Five-Year FAA ACIP Highlights Important Airfield Improvement Projects

- **Runway Reconstruction**
- **Runway Extension**
- **Runway LED Upgrades**
- **Taxiway Construction**
- **Taxiway Realignment**
- **Taxiway LED Upgrades**
- **Airfield Electrical Circuit Upgrades**
- **Lighting Vault Replacement**

Having an expansive airfield with three 10,000-foot runways represents lots of capacity and creates lots of opportunity. However, maintaining and improving the airfield infrastructure takes lots of work and lots of money.

Thanks to our partners at the Federal Aviation Administration (FAA) and Arizona Department of Transportation (ADOT), MGAA creates a rolling five-year Airport Capital Improvement Plan (ACIP) for Gateway Airport. The plan includes various projects that the Airport, FAA, and ADOT have identified as safety and operational efficiency priorities. These priority projects could include airfield infrastructure projects or Airport facility improvement projects.

For the next five-year planning horizon, the list of priority projects (see list above) identified for inclusion are all airfield infrastructure projects totaling approximately $80 - $100MM. It is important to understand, just because a project is included in the Airport's ACIP, it does not guarantee that it will be funded or completed within the next five-year timeframe.

New TSA Explosive Detection System Will Increase Screening Capacity by 200% or More



New Leidos eXaminer 3DX-ES EDS Machine

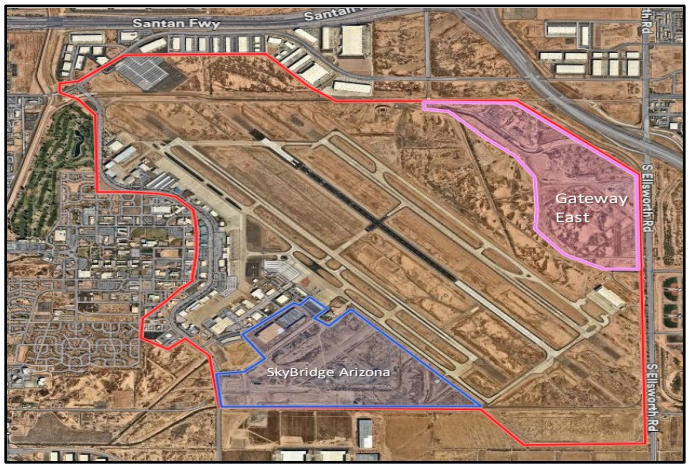
One of many challenges associated with record-setting passenger activity is ensuring you have the equipment and technology that allows the airlines and other companies inside the terminal to efficiently keep pace with the growing popularity of the Airport. Yes, it's a good challenge to have, but it's still a challenge.

Gateway Airport's current explosive detection system (EDS) includes two older machines that are capable of screening 200-300 bags per hour. During busy travel days, the current system has trouble keeping up with the continuous flow of checked baggage. The Transportation Security Administration (TSA) and MGAA have teamed up on a project that will increase checked baggage throughput at Gateway Airport by 200% or more. The $45MM project, expected to begin in October of this year, includes two new state-of-the-art Leidos eXaminer 3DX-ES EDS machines that can each process between 800-1,000 bags per hour. The increased baggage screening capabilities will provide Gateway Airport's airlines with greatly enhanced efficiency and ensure flights depart the Airport on-time and full of bags.

MGAA would like to thank the TSA for expediting this important project and funding the new EDS system at Gateway Airport. Thank you!

Business Development

Long-Term Land Leases a Critical Component of East Side Terminal Funding Plan



Gateway Airport has approximately 600 acres of aeronautical and non-aeronautical land remaining for development. A majority of this available land is located within two successful master development projects called SkyBridge Arizona and Gateway East. This land, and the long-term land leases it will produce, is a critical component of the funding plan for a future commercial passenger terminal complex located on the east side of the Airport.

The long-term land leases combined with the Airport's expanding commercial air service will enable MGAA to establish a favorable bond rating and secure tens of millions of dollars in General Airport Revenue Bonds (GARB) as part of a much broader project funding plan. The land lease revenue will be pledged to pay the debt service on these bonds.

XNRGY Climate Systems Receives Certificate of Occupancy and Begins Production



XNRGY Climate Systems, a Canadian-based high-end climate control system manufacturer and the first tenant in the Gateway East Master Development, has begun actively assembling products for their clients in their new 275,000 SF facility/U.S. Headquarters. XNRGY has already hired more than 100 local employees as they begin ramping up their Gateway Airport operation.

Welcome to the Airport XNRGY!

Gateway Aviation Services

FUEL (Gallons)	April			FYTD		
	2024	2025	% Change	FY24	FY25	% Change
AvGas	48,608	48,896	1%	371,940	500,257	34%
Retail Jet A	94,184	158,839	69%	644,390	1,080,783	68%
Contract	234,589	195,402	-17%	2,873,180	2,404,094	-16%
Commercial	1,058,387	1,360,057	29%	10,461,950	12,424,278	19%
Cargo	35,473	91,071	157%	255,319	284,430	11%
TOTAL	**1,471,241**	**1,854,265**	**26%**	**14,606,779**	**16,693,842**	**14%**

Gateway Aviation Services, the Airport Authority owned and operated FBO, pumped 1,854,265 gallons of aviation fuel during the month of April 2025, a 26% increase compared to last April. YTD25, the FBO has pumped a total of 16,693,842 gallons of aviation fuel.

Community Noise Report

CALLERS	April		FYTD	
	2024	2025	FY24	FY25
Total	22	12	173	107

AIRCRAFT TYPE	April		FYTD	
	2024	2025	FY24	FY25
	Callers	Callers	Callers	Callers
Commercial	2	6	77	57
GA Total	3	4	38	38
Helicopter	0	0	25	6
Military	17	2	33	6
Total	22	12	173	107

MGAA received communications from a total of 12 individuals regarding aircraft noise issues during the month of April 2025, compared to 22 individuals last April.

LOCATION	April		FYTD	
	2024	2025	FY24	FY25
Mesa	18	7	62	47
Gilbert	1	3	53	39
Gold Canyon	0	0	1	1
Queen Creek	2	1	40	8
Queen Valley	1	1	8	5
Apache Junction	0	0	0	2
San Tan Valley	0	0	1	4
Chandler	0	0	1	0
Florence	0	0	0	1
Goodyear	0	0	2	0
Phoenix	0	0	2	0
Tempe	0	0	3	0
TOTAL	22	12	173	107

Community and Government Relations

MGAA Board of Directors Elects New Leadership for FY26



Lt. Governor Regina Antone
Gila River Indian Community
Chairwoman



Mayor Mark Freeman
City of Mesa
Vice Chair



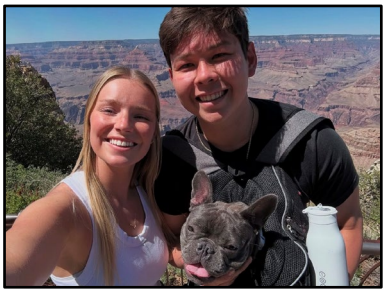
Mayor Scott Anderson
Town of Gilbert
Secretary



Mayor Chip Wilson
City of Apache Junction
Treasurer

At their June 17, 2025 meeting, the Mesa Gateway Airport Authority Board of Directors elected new leadership for FY26. Gila River Indian Community Lt. Governor Regina Antone was elected Chairwoman, Mesa Mayor Mark Freeman was elected Vice Chair., Gilbert Mayor Scott Anderson was elected Secretary, and Apache Junction Mayor Chip Wilson was elected Treasurer. MGAA staff looks forward to working closely with all the newly elected leaders to continue to grow and improve Gateway Airport in a safe, secure, customer focused, and fiscally responsible manner during the next year.

MGAA Team Member Spotlight

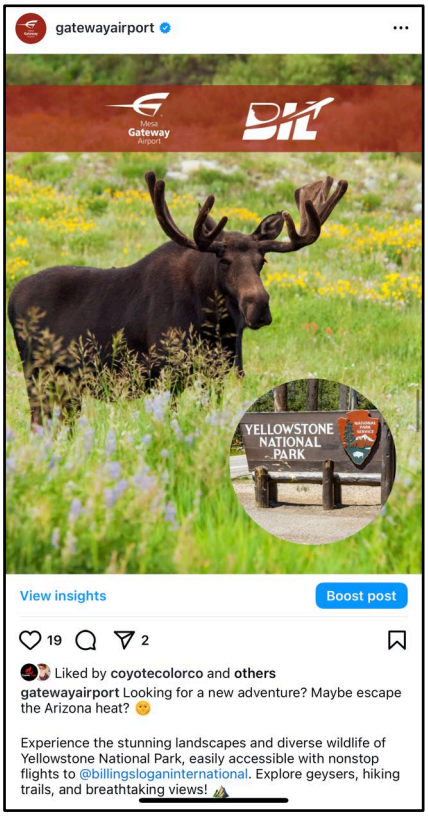


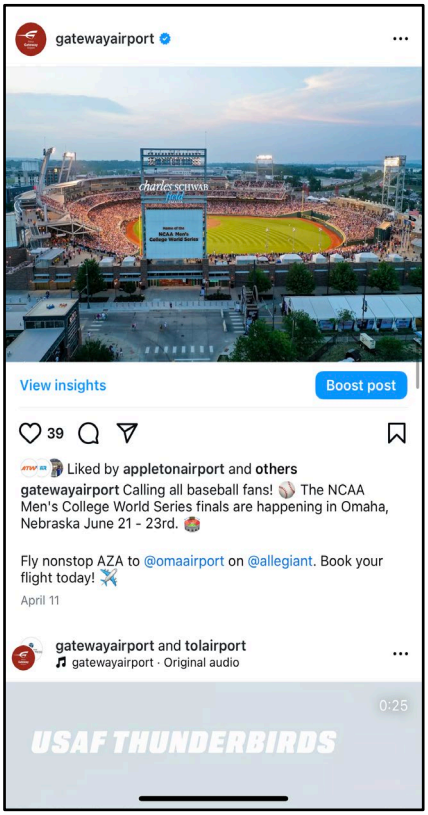
Employee Name: **Trevor Bastien**
Employee Title: **Security and Compliance Administrator**
MGAA Department: **Operations, Security, and Maintenance**
Years with MGAA: **3+**

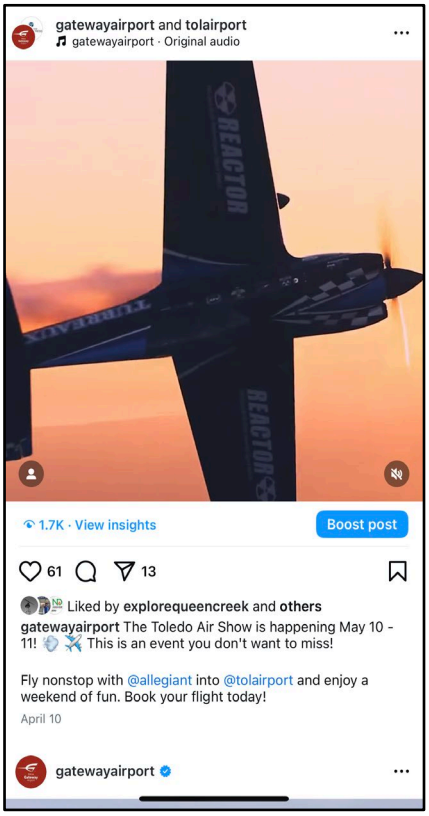
What are your job responsibilities for MGAA? I am responsible for managing airport security and regulatory compliance, including oversight of the badging office, Safety Management System (SMS), and other federally regulated programs. My role involves strategic leadership, interagency coordination, and ensuring alignment with TSA and FAA requirements to support safe and secure airport operations.

What is your most memorable Gateway Airport moment? One of the most memorable moments in my airport career was leading the triennial emergency exercise. Coordinating with multiple response agencies, local municipalities, and community partners to simulate an aircraft emergency—and evaluating our collective response capabilities—was both a complex and rewarding experience. With over 200 participants involved, it was a milestone I will carry with me throughout my career.

What is something people may not know about you? I'm a certified scuba diver living in the middle of the desert—and somehow, my dog has more social media followers than I do.







MINUTES OF THE PUBLIC MEETING OF THE
MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | May 20, 2025

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, May 20, 2025, beginning at 10:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Julia Wheatley, Queen Creek
Lt. Governor Regina Antone, Gila River Indian Community
Mayor Mark Freeman, Mesa*
Mayor Scott Anderson, Gilbert
Mayor Chip Wilson, Apache Junction
** Neither present nor represented*

Airport Staff Present

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

1. **Call to Order** at 10:21 a.m. (Mayor Wheatley, Chairwoman)

2. **Pledge of Allegiance**

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

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

   - Fiscal Year-to-Date 2025 (FYTD) Net Operating Income is $4,112,452.
   - Mesa Gateway Airport (Airport, Gateway Airport) welcomed 261,536 commercial passengers in March 2025. This is up from the 210,368 passengers during March of last year. This marks the best month ever for commercial passenger activity.
   - Mesa Gateway Airport Briefs
     - Global logistics leader DSV Air and Sea, continues to increase their wide body air cargo operations by transporting products from Asia and Europe to the Valley for their growing number of manufacturing customers in and around the Greater Phoenix area.
     - The Authority is working with U.S. Customs and Border Protection to explore increasing staffing to accommodate the rising number of international air cargo operations.
     - May 7, 2025 was the federal deadline for domestic airline travelers to have a federally compliant form of identification. The Arizona Travel ID is the credential that complies with federal Real ID mandates. Educational messaging by TSA nationally and Gateway Airport locally led to a smooth transition for the majority of travelers at Gateway Airport who either had a compliant driver's license, a valid U.S. passport, or participate in the Global Entry Program.
   - Private Development Project Updates
     - Virgin Galactic's hangar and manufacturing facility are complete. Hiring is underway. The hangar will house the mothership and the manufacturing facility will begin production of the six-passenger Delta spaceships later in 2025.

DRAFT

- The demolition of several old Airport buildings has created a new aeronautical development opportunity at the south end of the Airport. Developers for AmpliFLY are considering two options for the ± 8.00 acres of property designated for aeronautical redevelopment. Plan A is to build-to-suit a customized corporate office and hangar for one tenant. Plan B is to build a large 100,000 - 125,000 SF speculative hangar with the option to subdivide. Authority staff will present Amplifly's eventual project before the Board for consideration and approval.
- Gateway Commerce Center III is being developed along the southeast corner of Sossaman Road and Velocity Way. This project includes two industrial buildings totaling approximately 98,000 sq. ft. Vertical construction began at the end of January/early February. The exterior walls are now in place.
- SkyBridge Arizona is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. SkyBridge has completed the construction of two 250,000 sq. ft. flex industrial buildings designed to accommodate single and multi-tenant users, a 53,000 sq. ft. industrial building, an 82,500 sq. ft. hangar, and various roadway and utility infrastructure across the site totaling approximately $30MM. Phase II of the development will open up the aeronautical parcels along Taxiway Alpha by connecting the taxiway to the recently constructed roadways.
- Gateway East is a 273-acre non-aeronautical Airport Business Park located on the east side of the Airport adjacent to Ellsworth Road and Gateway Boulevard. Construction is nearly complete for the 275,000 sq. ft. U.S. headquarters and manufacturing facility for Gateway East's first tenant, XNRGY Climate Systems. Manufacturing of high-end climate control systems is anticipated to begin in XNRGY's new facility. Hiring is underway. Phase I could be up to 700 employees.
- Gateway East developer, The Boyer Company, is working with the City of Mesa for pre-design of a five-acre development at the intersection of Ellsworth Road and Gateway Boulevard that will include a five-story, 125-room SpringHill Suites by Marriott Hotel, two retail buildings, and restaurant pads.

- Mesa Gateway Airport Construction Projects
  - The reconstruction of Runway 12R-30L will be completed over the next two years. Phase I began in October 2024. The southern portion is scheduled for completion at the end of May. The runway will open and remain open until Phase II, the northern half of Runway 12R-30L, begins reconstruction in the fall of 2025, pending a continuation of federal funding. This important infrastructure project totals approximately $45MM, with a majority of the funding coming from FAA grants.
  - The new Airport entrance monument sign, landscaping, irrigation, and lighting is now complete at the intersection of Ray and Sossaman Roads.
  - A new TSA checked baggage system will replace two older Reveal machines that can only clear 200 checked bags an hour. The new upgraded explosive detection equipment will be capable of clearing 800 – 1,000 bags an hour. This additional capacity will be necessary as the Airport continues to grow. A majority of the funding for this estimated $45MM project is coming from TSA. The project is scheduled to get underway in the fall of 2025 pending receipt of a TSA grant.
  - The mill and overlay project for a portion of the Hourly Parking Lot will mitigate the deteriorating asphalt pavement within this area. In addition, the project will consist of new traffic calming measures by installing speed humps along Airport Road in front of the passenger drop-off and pick-up areas at the terminal.

5. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **April 15, 2025**.

   b) **Resolution No. 25-17 –** Authorizing **Alliant Insurance Services, Inc.** under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2025, not to exceed premium cost of $697,993.

   c) **Resolution No. 25-18 –** Authorizing an Intergovernmental Agreement with the **City of Mesa** for Aircraft Rescue and Firefighting Services, for three (3) years in an amount not to exceed $1,830,638 for year one effective July 1, 2025, with two additional years, not to exceed $1,921,395 and $2,016,668 respectively. The Term may be extended for two (2) additional one-year periods at a negotiated rate prior to extension.

   d) **Resolution No. 25-19 –** Authorizing the purchase of Business and Revenue Management Software and related Support and Maintenance from **GCR, Inc., dba TADERA** in an amount not to exceed $307,782.52 which includes the initial software purchase, implementation, training and three (3) years of licensing, and support and maintenance.

   e) **Resolution No. 25-20 –** Approving an Authorization of Services with **Combs Construction Company, Inc.** for Construction of the Hourly Parking Lot Mill & Replacement Improvements, in an amount not to exceed $486,326.03 under CIP 1281.

   Mayor Chip Wilson moved to approve the Consent Agenda.
   Lt. Governor Regina Antone seconded the motion.
   The motion was carried unanimously.

Consideration and Approval of:

6. **Resolution No. 25-21 –** Approving the **Second Amended and Restated Intergovernmental Agreement** and to recommend that the Members execute the Second Amended and Restated Intergovernmental Agreement. To recommend that the Members execute the **Second Amended and Restated Joint Powers Airport Authority Agreement**. To approve adoption of the revised **Bylaws**.

   Mayor Scott Anderson moved to approve Resolution No. 25-21.
   Mayor Chip Wilson seconded the motion.
   The motion was carried unanimously.

7. **Board Member Comments/Announcements.**
   None.

8. **Next Meeting: Tuesday, June 17, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference.

9. **Adjournment.**
   The meeting adjourned at 10:42 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-22

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 17, 2025**

Proposed Motion
To authorize an agreement for financial participation between the City of Mesa and Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services for FY26, effective July 1, 2025, in an amount not to exceed $112,000.

Narrative
In the past, Mesa Gateway Airport Authority (MGAA) and the City of Mesa have shared expenses pertaining to lobbyist services. Mesa and the Airport will utilize the services of Thorn Run Partners 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 MGAA's portion of the total not-to-exceed amount.

Company	Bid Amount
1. Policy 48 (State)	$34,000
2. Thorn Run Partners (Federal)	$78,000

Total Contract Amount:

Total combined contract amount for FY 2026 will not exceed $112,000.

Fiscal Impact
This contract was included in the FY26 operating budget and is funded under Contractual Services Other.

Attachment(s)
Letter of Agreement with City of Mesa.

RESOLUTION NO. 25-22

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

WHEREAS the Authority desires to authorize an agreement for financial participation between the City of Mesa and Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services for FY26, effective July 1, 2025, in an amount not to exceed $112,000;

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

The Board of Directors of the Authority hereby authorize an agreement for financial participation between the City of Mesa and Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services for FY26, effective July 1, 2025, in an amount not to exceed $112,000. 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 June, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

mesa·az
OFFICE OF THE
CITY MANAGER
mesaaz.gov

20 E Main St Suite 750
PO Box 1466
Mesa, Arizona 85211-1466

DATE: June 17, 2025

TO: J. Brian O'Neill, Executive Director, Mesa Gateway Airport Authority

FROM: Miranda DeWitt, Government Relations Director, 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 Mesa Gateway Airport Authority.

State professional services are provided by Policy 48. The agreement for state representation will cover the period from July 1, 2025 until June 30, 2026. Gateway's financial participation for state services will be set at 33% of the total costs. For FY2026, the cost will not exceed $34,000.

Federal professional services are provided by Thorn Run Partners. The agreement for federal representation will cover the period from July 1, 2025, until June 30, 2026. Gateway's financial participation for federal services will continue to be set at 40% of the total costs. For FY2026, the cost will not exceed $78,000.

c: Scott Butler, City Manager

Acknowledgement

_____ _____

J. Brian O'Neill, Executive Director/CEO Date

480.644.3333 (tel)
480.644.2175 (fax)

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

Board Action Item

Re: Resolution 25-23

To:	**Board of Directors**
From:	**Art Montoya, Director of Information Technology Services**
Through:	**Chuck Odom, Chief Financial Officer**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Business Continuity Plan Development Services – CIP 1289**
Date:	**June 17, 2025**

Proposed Motion
To authorize an agreement for business continuity plan development services with Mead and Hunt, Inc. in an amount not to exceed $135,665.

Narrative
The Transportation Security Administration (TSA) issued National Amendment NA-22-01, mandating cybersecurity requirements for airports. The amendment builds on previous cybersecurity requirements and aims to strengthen the security of airports by addressing potential vulnerabilities. Part of the requirements include airports to create and maintain a Business Continuity Plan (BCP).

As required by TSA NA-22-01, Mesa Gateway Airport Authority (MGAA) is developing a comprehensive BCP for all business units within the Airport. By creating a comprehensive BCP, MGAA can proactively identify potential risks, develop effective response strategies, and safeguard critical business functions to allow operations to continue during and after disruption. This proactive approach will minimize downtime and financial losses and supports long-term sustainability. The BCP will encompass policies, recovery strategies, and contingency plans for restoring critical business processes.

The Notice of Request for Qualifications (RFQ), Solicitation 2025-008-RFQ, Business Continuity Plan Development Services, was issued on February 27, 2025, and advertised in the Arizona Business Gazette on 3/6, 3/13, 3/20, and 3/27/25; it was also posted on the AzAA, ACC, ACI-NA, and SWAAAE websites as well as the Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 5 prospective firms. MGAA Staff received five (5) Statements of Qualifications (SOQs) on April 2, 2025:

BDA Global
Bridewell US
Integrated Solutions Consulting
Mead & Hunt, Inc.
Sentinel Technologies, Inc.

After reviewing the submitted SOQs, the Evaluation Panel unanimously ranked Mead & Hunt, Inc. as the firm that best satisfied the requirements, based on the firm's qualifications, project team experience, and a comprehensive understanding and approach to the project.

Fiscal Impact

Fees for these services are included in the FY25 capital budget and is funded with CIP 1289.

Attachment(s)

Professional Services Agreement

RESOLUTION NO. 25-23

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

WHEREAS the Authority desires to authorize an agreement for business continuity plan development services with Mead and Hunt, Inc. in an amount not to exceed $135,665;

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

The Board of Directors of the Authority hereby authorize an agreement for business continuity plan development services with Mead and Hunt, Inc. in an amount not to exceed $135,665. 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 June, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

MESA GATEWAY AIRPORT AUTHORITY

AND

MEAD AND HUNT, INC.

FOR

BUSINESS CONTINUITY PLAN DEVELOPMENT SERVICES

CIP NUMBER 1289

Mesa Gateway Airport

Table of Contents

Section I - Consultant Services	3
Section II - MGAA Responsibilities	3
Section III - Period of Service	3
Section IV – Key Personnel	4
Section V – Payments to the Consultant	4
Section VI – Alteration in Scope of Services	4
Section VII – Work Assignment Completion	4
Section VIII – Ownership of Documents	5
Section IX – Compliance with Laws	5
Section X – General Considerations	5
Section XI – No Kick-back Certification	5
Section XII – Suspension of Services	5
Section XIII – Times of Payments	5
Section XIV – Timely Review	6
Section XV – Dispute Resolution	6
Section XVI – Liability of Consultant	6
Section XVII – Laws and Regulations	6
Section XVIII – Archaeological Resource Protection	6
Section XIX – Insurance Requirements	6
Section XX – Notices	7

EXHIBIT A – Scope of Services & Fee Schedule	9
EXHIBIT B – Compensation	12
EXHIBIT C – Special Provisions	13
EXHIBIT D – MGAA Standard Terms and Conditions	17
EXHIBIT E – Consultant's RFQ Submittal	22
EXHIBIT F – Consultant's Key Personnel	23

Mesa Gateway Airport Authority, formally known as Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("MGAA") desires performance of the services more fully described in this Services Contract ("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. MGAA 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. MGAA 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, MGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. MGAA 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: development of a Business Continuity Plan, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

MGAA's authorized representative shall be the MGAA Information Technology Services 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 – MGAA RESPONSIBILITIES

MGAA 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. MGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In MGAA'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. MGAA will advise Consultant concerning progress of MGAA'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.

This Contract is effective as of the date signed by MGAA and ends upon final completion and acceptance by MGAA 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 MGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

A. 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 request approval from MGAA to use sub-consultants prior to authorizing work by said sub-consultants. MGAA shall notify Consultant, in writing, as to whether or not sub-consultants will be allowed. MGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

B. Offeror has been selected to perform the Work herein, in part, because of the skills and expertise of the key firms, team members and individuals (collectively, "Offeror's Key Personnel") that are listed in Exhibit F and that are consistent with the Statement of Qualification (SOQ) dated April 2, 2025. Offeror shall perform the Work under this Contract using Offeror's Key Personnel. Offeror's Key Personnel shall not be removed or replaced during the term of the Contract without prior written consent of MGAA. MGAA recognizes that Offeror's Key Personnel may leave the employ of Offeror for reasons beyond Offeror's control. Whenever practicable, Offeror shall give MGAA at least 14 calendar days' notice prior to the departure of any of Offeror's Key Personnel from the Project. MGAA shall have the right to approve or reject any replacements for Offeror's Key Personnel when personnel leave that are beyond the control of the Offeror. When within Offeror's control, Offeror's failure to use Offeror's Key Personnel to perform the Work under the Contract without MGAA's prior written consent will be a material breach and grounds for suspension or termination for cause of this Contract by MGAA.

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

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 MGAA in accordance with MGAA'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.

MGAA 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.

MGAA shall pay Consultant in agreed upon installments, per Section XIII, for services authorized and rendered under this Contract at the completion of each work assignment, provided Consultant has satisfactorily completed the requested work.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by MGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by MGAA and Consultant has been notified to proceed by MGAA. No claim for extra work done or materials furnished by Consultant will be allowed by MGAA, 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 MGAA and the change complies with MGAA'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, MGAA 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 MGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to MGAA. 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 MGAA upon completion of the services and payment in full to Consultant. MGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. MGAA 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 MGAA'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.

MGAA shall administer this Contract in accordance with MGAA'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 MGAA 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 MGAA Board of Directors or any employee of MGAA has any interest, financially or otherwise, in Consultant's firm.

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

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from MGAA, 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 MGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit invoices to MGAA upon completion of each milestone identified in **EXHIBIT A**, "Scope of Services and Fee Schedule". MGAA shall review, certify, and approve or reject each invoice in whole or in part. MGAA shall pay each approved invoice within 30 calendar days of the date that MGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

MGAA 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 MGAA's reviews, MGAA 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 MGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "MGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

MGAA 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 MGAA, 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 MGAA of the site's location and take all reasonable precautions to protect and preserve the site until MGAA 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 MGAA, 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. 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
   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, MGAA 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 MGAA.

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 MGAA.

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 MGAA, 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 MGAA. MGAA 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 MGAA.

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 MGAA 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 MGAA 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. MGAA 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 MGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: MGAA 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:

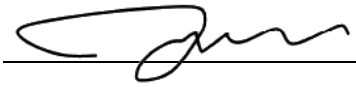
TO MGAA: Mesa Gateway Airport Authority
Attn: Information Technology Services Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT: Mead and Hunt, Inc.
Attn: Stephanie Lane
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 Effective Date.

CONSULTANT
MEAD AND HUNT, INC., a Wisconsin corporation

By: 

Name: Jarrett Morgan

Title: Vice President

Date: June 5, 2025

MGAA
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

Task 1: Stakeholder Meeting: Confirm Scope, Schedule, and Deliverables

- **Activities:**
  - Onsite project kickoff with stakeholders to finalize activities and schedule.
  - Develop agenda and materials.
  - Document meeting minutes and action items.
- **Deliverables:**
  - Meeting Agenda
  - Meeting Minutes
  - Project Plan
  - Project Schedule
  - One (1) On-site Visit

Task 2: Conduct Risk Assessment and Business Impact Analyses (RA & BIA)

- **Activities:**
  - Identify potential risks and document them.
  - Analyze the impact of identified risks on business operations.
  - Conduct RA and BIA stakeholder meetings.
  - Determine if follow-up virtual meetings are necessary.
  - Assess EOC Activation Guidelines and Operations.
- **Deliverables:**
  - Risk Assessment Report
  - Business Impact Analysis Report
  - Stakeholder Contact List
  - EOC Assessment Report
  - Future Meeting Schedule
  - Two (2) On-site Visits

Task 3: Development of Recovery Strategies

- **Activities:**
  - Formulate recovery strategies based on RA & BIA findings.
  - Develop a Business Recovery Plan template.
  - Collaborate with stakeholders to refine recovery strategies.
- **Deliverables:**
  - Recovery Strategies Document
  - Business Recovery Plan Template
  - Stakeholder Feedback Summary
  - One (1) On-site Visit

Task 4: Drafting the Business Continuity Plan

- **Activities:**
  - Initiate the compilation of RA, BIA, and general assessment material.
  - Confirm the format and required summary information.
  - Draft the initial Business Continuity Plan (BCP)
- **Deliverables:**
  - Compiled Assessment Material
  - BCP Format and Summary Information Document
  - Initial Draft of the Business Continuity Plan

Task 5: Review and Feedback

- **Activities:**
  - Conduct a stakeholder meeting to review the initial draft BCP with MGAA.
  - Document feedback from the review.
  - Begin incorporating feedback into the initial draft BCP.
- **Deliverables:**
  - Meeting Minutes
  - Revised Draft of the BCP
  - One (1) On-site Visit

Task 6: Finalize Business Continuity Plan

- **Activities:**
  - Confirm final stakeholder feedback.
  - Incorporate stakeholder feedback.
  - Finalize the Business Continuity Plan.
- **Deliverables:**
  - Final Draft of the Business Continuity Plan
  - One (1) On-site Visit

Task 7: Policy Development

- **Activities:**
  - Review existing policies relevant to BC.
  - Develop a Business Continuity Policy.
- **Deliverables:**
  - Business Continuity Policy Document
  - One (1) On-site Visit

Task 8: Project Finalization

- **Activities:**
  - Conduct a final review with MGAA stakeholders *(on-site visit)*.
  - Final handover of all deliverables.
- **Deliverables:**
  - Final Review Meeting Minutes
  - Handover Document
  - Complete Set of Project Deliverables.
  - One (1) On-site Visit

All project deliverables will be provided in an editable Microsoft Word format and will be non-proprietary in nature, ensuring full accessibility and future usability by the client without dependency on vendor-specific tools or formats.

Responsibilities of Mesa Gateway Airport Authority

Our Scope of Services and Compensation are based on Mesa Gateway Airport Authority (MGAA) performing or providing the following:

- A designated representative with complete authority to transmit instructions and information, receive information, interpret policy, and define decisions.
- Access to the project site and environment details such as drawings, operational models workflows, physical system inventories, polices, and procedures.
- Available data and information related to the project.

- Review of draft-final plans, reports, etc. within two (2) weeks of receipt.
- Protection of Mead & Hunt-supplied digital information or data, if any, from contamination, misuse, or changes.
- Access to technical environment details, such as information about network infrastructure, systems, applications, data flows, inventory of assets, including hardware, software, and cloud services.

Work Not Included in the Scope of Services

The following items are excluded from this agreement and will be provided by MGAA or provided by Mead & Hunt as an Additional Service only as authorized by MGAA:

- Operational Implementation: Mead & Hunt resources focus on advising and strategizing. Operational tasks, implementing controls, or managing day-to-day operations, would typically be handled by internal staff or specialized teams.
- Hands-On Incident Response: While Mead & Hunt resources can facilitate tabletop exercises, their role doesn't involve direct, hands-on incident response during actual incidents. Operational incident response falls to the organization's internal team.
- Routine IT Support: Providing routine IT support (e.g., password resets, troubleshooting network issues) is not within the scope of a consultant advisor's responsibilities.

Project Schedule

- Schedule for scope of work is up to 8 months upon receipt of notice to proceed (NTP).

FEE SCHEDULE

For the services provided herein, MGAA agrees to pay Consultant the not to exceed amount of one hundred thirty-five thousand six hundred and sixty-five dollars ($135,665), payable in six (6) installments as detailed below. Each installment shall become due and payable upon MGAA's written confirmation of completion of the following project milestones:

1. **First Payment: $16,832.50**
   Upon completion and acceptance of Task 1, as defined above.

2. **Second Payment**: **$25,500.00**
   Upon completion and acceptance of Task 2, as defined above.

3. **Third Payment: $25,500.00**
   Upon completion and acceptance of Tasks 3 & 4, as defined above.

4. **Fourth Payment**: **$25,500.00**
   Upon completion and acceptance of Tasks 5 & 6, as defined above.

5. **Fifth Payment: $25,500.00**
   Upon completion and acceptance of Task 7, as defined above.

6. **Final Payment**: **$16,832.50**
   Upon completion and acceptance of Task 8, as defined above, and submission of all final deliverables.

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, MGAA 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 MGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to MGAA 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 MGAA 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 MGAA. 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. MGAA Responsibilities for Compensation

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

5. Billing Address

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

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

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

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

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

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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- 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 § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by 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 (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. 74087 (2005)];

- 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).

Title VI Compliance With Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

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, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. 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. <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.

4. 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA, 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 MGAA Badging Office.

5. Standard Terms & Conditions

MGAA'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. MGAA reserves the right to make that determination if there is a conflict.

6. 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 MGAA, 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 MGAA all information, reports, documents, and/or certifications requested by MGAA 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.

7. Right to Contract With Other Firms

MGAA 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 MGAA 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.

8. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. MGAA 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 MGAA.

EXHIBIT D – MGAA 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. Termination for cause. MGAA 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, MGAA will issue a written notice of default specifying one of the following reasons. MGAA 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. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this Contract.

      (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 MGAA 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 MGAA adequate assurance the Consultant will perform the Contract in full and on time.

      (6) Each payment obligation of MGAA created hereby is conditioned on the availability of MGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by MGAA for continuance of service under this Contract, then MGAA may terminate the Contract. MGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to MGAA if this provision is exercised, and MGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. Termination for convenience. This Contract may be terminated at any time by mutual written consent or by MGAA - with or without cause - provided the terminating party gives fourteen (14) calendar days' advance written notice to the other party. MGAA may terminate this Contract, in whole or in part, for MGAA's convenience and with fourteen (14) days' written notice.
   c. If this Contract is terminated, then MGAA is liable only for services rendered and material received, certified, and approved by MGAA under the Contract before the termination effective date.
   d. Upon termination of the Contract, the Consultant must deliver to MGAA 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.

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 MGAA in the form of salaries, paid vacation, or sick days. MGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. MGAA will not withhold FICA, taxes, or any similar deductions from MGAA'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 MGAA contracts.

7. **Non-Exclusive Contract**. This Contract is for the sole convenience of MGAA. MGAA 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 MGAA for the purpose of assuring that no information contained in its records or obtained from MGAA 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 MGAA. 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 MGAA.

10. **Gratuities.** MGAA 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 MGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by MGAA under this provision, MGAA 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 an RFP, IFB or RFQ. The Contract contains the entire agreement between MGAA 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 MGAA 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 MGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages MGAA's property in any way, Consultant shall immediately report such damage to MGAA and repair or replace the damage at no cost to MGAA, as directed by the MGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then MGAA may terminate the Contract, and MGAA 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 MGAA. MGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. MGAA 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 MGAA, shall not alter or affect the obligations of Consultant or the rights of MGAA 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 MGAA, 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 MGAA.

24. **Right to Inspect.** MGAA may, at reasonable times, and at MGAA'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 MGAA. 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 MGAA and shall not be used or released by Consultant or any other person except with prior written permission by MGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to MGAA until MGAA 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 MGAA under this Contract must be free of all liens and other encumbrances. Upon request of MGAA, 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.** MGAA 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 MGAA 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 MGAA, 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 MGAA. 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 MGAA, 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 MGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to MGAA 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 MGAA. MGAA 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. MGAA 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 MGAA to Consultant under the Contract. During normal working hours, MGAA 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. MGAA 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 MGAA. MGAA 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 Mesa Gateway Airport Authority's Solicitation 2025-008-RFQ dated April 2, 2025, is hereby incorporated herein and made part of this Contract.

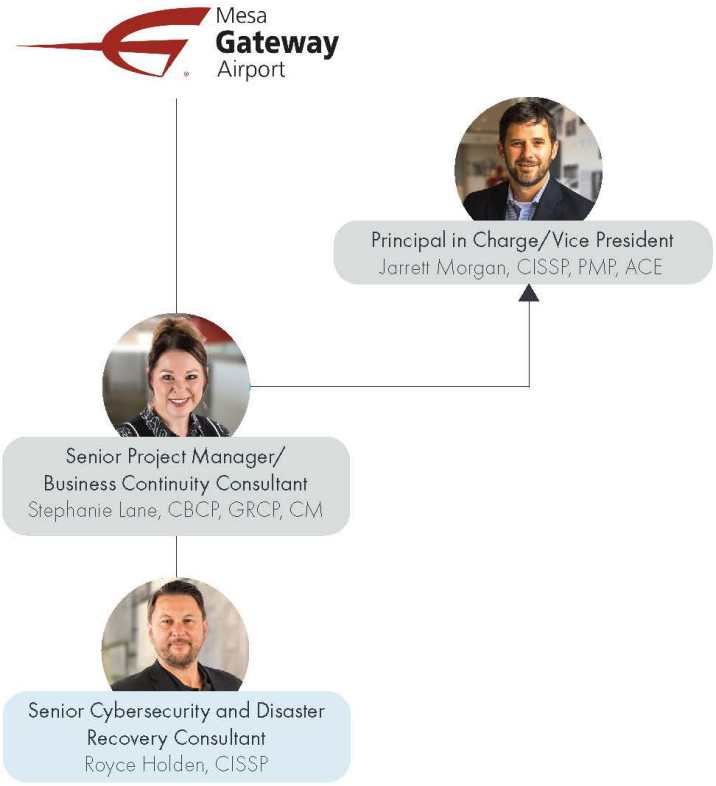
EXHIBIT F – CONSULTANT'S KEY PERSONNEL

TAB C – RELEVANT FIRM EXPERIENCE

3. Offeror's capability and intent to proceed without delay if selected for this work.

Mead & Hunt is fully capable and prepared to proceed without delay if selected for this work. The firm has a robust project management process in place so that your project goals, schedules, costs, and stakeholder participation are tracked and managed. The team assigned to this project, led by Stephanie Lane, has extensive experience in business continuity and disaster recovery, cybersecurity, and emergency management. Their expertise and readiness to engage with the MGAA team will give way to a seamless and efficient project execution.

4. Provide an organizational chart with names and titles of senior management, including the proposed project manager.



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

Board Action Item

Re: Resolution 25-24

To:	**Board of Directors**
From:	**Margi EvanSon, Director of Operations, Security & Maintenance**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Waxie Enterprises, LLC and its affiliates, BradyPLUS Companies**
Date:	**June 17, 2025**

Proposed Motion
To authorize the purchase of janitorial supplies from Waxie Enterprises, LLC and its affiliates, BradyPLUS Companies for FY26, in an amount not to exceed $171,637.00.

Narrative
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. In order to maintain the health and safety of our employees and passengers, janitorial supplies are required. 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 Waxie Enterprises, LLC and its affiliates, BradyPLUS Companies (Waxie) will allow MGAA to utilize the pricing that was competitively bid for janitorial supplies.

MGAA is a participating member of the OMNIA Partners purchasing group (OMNIA), allowing it to utilize existing contracts that have been competitively bid and entered into by other OMNIA members. Janitorial supplies will be procured under OMNIA Contract #152610 with Waxie. This contract is available upon request.

Fiscal Impact
This expenditure was included in the FY26 operating budget and is funded under OPM Supplies & Material: Operating Supplies.

Attachment(s)
None.

RESOLUTION NO. 25-24

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

WHEREAS the Authority desires to authorize the purchase of janitorial supplies from Waxie Enterprises, LLC and its affiliates, BradyPLUS Companies for FY26, in an amount not to exceed $171,637.00;

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

The Board of Directors of the Authority hereby authorize the purchase of janitorial supplies from Waxie Enterprises, LLC and its affiliates, BradyPLUS Companies for FY26, in an amount not to exceed $171,637.00. 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 June, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 25-25

To:	**Board of Directors**
From:	**Margi EvanSon, Director of Operations, Security & Maintenance**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Services from U.S. Customs & Border Protection**
Date:	**June 17, 2025**

Proposed Motion
To authorize the purchase of services with the U.S. Customs & Border Protection for the fiscal year of 2026 with costs estimated to be approximately $302,000.

Narrative
A Memorandum of Agreement was entered into by MGAA and the U.S. Customs & Border Protection (USCBP) in August of 2023 for inspection services at the Airport. USCBP provides (1) full-time officer at the Mesa Gateway Airport Authority to ensure the safety, security, and efficient flow of international travelers and goods. USCBP will also be utilized during off schedule flights, special events or other circumstances, as needed.

Fiscal Impact
The expenditure was included in the FY26 operating budget.

Attachment(s)
None.

RESOLUTION NO. 25-25

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

WHEREAS the Authority desires to authorize the purchase of services with the U.S. Customs & Border Protection for the fiscal year of 2026 with costs estimated to be approximately $302,000;

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

The Board of Directors of the Authority hereby authorize the purchase of services with the U.S. Customs & Border Protection for the fiscal year of 2026 with costs estimated to be approximately $302,000. 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 17th day of June, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 25-26

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Update Board of Directors Budget Policy**
Date: **June 17, 2025**

Proposed Motion
To authorize an amendment to the Board of Director's Budget Policy 15-04.

Narrative
On May 20, 2025 the Board of Directors amended and restated the Joint Powers Authority Agreement (JPAA). Section 9 amends the date from April to June of each fiscal year, by which the Board of Directors shall recommend to the Members of the Airport Authority an annual operating budget for the Airport Authority for the next fiscal year and shall state the amounts of each Member contribution of proportion of the Airport Authority's annual operating budget to be provided by each Member.

On December 17, 2024 the Board of Directors authorized Resolution 24-58 changing the Airport Authority name to Mesa Gateway Airport Authority. The Airport's name in the budget policy is updated to reflect this change**.**

Fiscal Impact
There is no financial impact to the date change and name change.

Attachment(s)
Red lined version of the budget policy.

RESOLUTION NO. 25-26

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

WHEREAS the Authority desires to authorize an amendment to the Board of Director's Budget Policy 15-04;

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

The Board of Directors of the Authority hereby authorize an amendment to the Board of Director's Budget Policy 15-04. 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 June, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Resolution No.: 15-04 | Budget	
Responsible Department: Finance and Accounting	
Effective Date: ~~January 20, 2015~~June 17, 2025	**Supersedes:** ~~February 21, 2012~~January 20, 2015 (Res. ~~12-14~~15-04)
Personnel Covered: All Employees	

Policy Statement

In compliance with the Second Amended and Restated Joint Powers Airport Authority Agreement ~~and the Arizona Revised Statutes designating Phoenix-Mesa Gateway Airport Authority (PMGAA) as a local government~~, it is the policy of ~~P~~MGAA to adopt an operating and capital budget in ~~March~~May ~~-~~of each year so that the budget may be presented to each member organization by the required ~~April~~ June 1 deadline. ~~P~~MGAA follows Generally Accepted Accounting Principles (GAAP) in all financial records.

The budget presented to the Board shall include the following components:

A. Member Contributions--States the amounts and proportion of contributions to be provided by each member.

B. Operating Budget--Sets the total amount authorized to be spent in the operating budget for the upcoming fiscal year. The operating budget is a statement of operating revenues and expenses before depreciation and including a contingency

C. Capital Budget--Establishes the total amount authorized for new capital spending. Also, the capital budget will include an estimate of the aggregate carryover of capital project funds for a total capital funding limit.

As the year progresses, circumstances may change making it advantageous to spend more from one account and less in another, or to spend more in one department and less in another or one project than another. The Executive Director/CEO has the authority to adjust the budget of specific accounts as necessary within the overall spending limit. The Executive Director/CEO shall establish additional standard operating procedures to implement and document compliance with this policy.

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

Board Action Item

Re: Resolution 25-27

To:	**Board of Directors**
From:	**Matt Nebgen, Director of Gateway Aviation**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Increase FY26 budget for Cost of Goods Sold for Jet-A and 100LL Avgas**
Date:	**June 17, 2025**

Proposed Motion
To authorize the increase to FY26 Budget for Cost of Goods Sold for Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $2,888,150.

Narrative

A based customer recently changed the way they purchase fuel from the FBO, going from contract fuel to retail fuel. This has significantly increased the volume of fuel that the FBO will need to purchase for FY26. The increase is estimated to be $2,888,150 above what has been budgeted for FY26. We request that the new total budget for the purchase of Jet A and 100LL be increased to $8,000,000.

Fiscal Impact
The $2,888,150 increase to Cost of Goods Sold will be more than offset with an increase in revenue from Fuel Sales.

Attachment(s)
N/A

RESOLUTION NO. 25-27

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

WHEREAS the Authority desires to authorize the increase to FY26 Budget for Cost of Goods Sold for Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $2,888,150;

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

The Board of Directors of the Authority hereby authorize the increase to FY26 Budget for Cost of Goods Sold for Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $2,888,150. 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 June, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 25-28

To:	**Board of Directors**
From:	**Matt Nebgen, Director of Gateway Aviation**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**FY26 purchase of Jet-A and 100LL Avgas**
Date:	**June 17, 2025**

Proposed Motion
To authorize the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $8,000,000.

Narrative
The 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 needs for FY26 will be $8,000,000.

Request for Proposals No. 2019-005-RFP was issued, and Ascent Aviation was selected as the Airport's fuel provider. Board Resolutions No. 19-10 approved a multi-year contract between Mesa Gateway Airport Authority and Ascent Aviation. An amendment to extend for four more years was signed on February 21, 2023.

Fiscal Impact
The original FY26 budget of $5,111,850 for Cost of Goods Sold (COGS) for Jet-A and 100LL Avgas plus the requested increase of $2,888,150 to the COGS budget will total $8,000,000 for FY26. Revenue from fuel sales will more than offset the COGS.

Attachment(s)
N/A

RESOLUTION NO. 25-28

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

WHEREAS the Authority desires to authorize the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $8,000,000;

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

The Board of Directors of the Authority hereby authorize the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $8,000,000. 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 17th day of June, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 25-29

To:	**Board of Directors**
From:	**Matt Nebgen, Director of Gateway Aviation**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**FY26 Purchase of Unleaded and Diesel Fuel – State Contract Vendors**
Date:	**June 17, 2025**

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 of $615,724. This amount will provide fuel for the 2026 fiscal year.

Narrative
The 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 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), MGAA 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 FY26 budget under Cost of Goods Sold and Fuel Usage for internal usage.

Attachment(s)
N/A

RESOLUTION NO. 25-29

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

WHEREAS the Authority desires to authorize the purchase of Unleaded and Diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in an amount not to exceed of $615,724. This amount will provide fuel for the 2026 fiscal year;

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

The Board of Directors of the Authority hereby authorize the purchase of Unleaded and Diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in an amount not to exceed of $615,724. This amount will provide fuel for the 2026 fiscal year. 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 June, 2025.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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: **April 2025 Financials**
Date: **June 17, 2025**

Attached is the monthly Financials Report for April 2025.

Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
April, 2025

	Month of April 2025				Y-T-D as of April 2025			
	April FY24 Actual	April FY25 Actual	YOY Variance	B/(W)	YTD FY24 Actual	YTD FY25 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	42,729	26,690	(16,039)	-38%	322,455	309,556	(12,899)	-4%
Fuel Flowage Fees	51,734	55,799	4,065	8%	514,568	536,706	22,138	4%
Landing Fees	142,785	173,445	30,660	21%	1,350,671	1,524,793	174,122	13%
Lease Income Aero	315,205	406,754	91,549	29%	3,439,834	3,947,189	507,355	15%
Fuel Sales	838,466	921,322	82,856	10%	6,279,102	8,075,483	1,796,381	29%
Services Sold - Aero	463,758	523,896	60,138	13%	4,845,867	4,634,397	(211,470)	-4%
Sub-total Aero Operating Revenues	1,854,677	2,107,906	253,230	14%	16,752,497	19,028,123	2,275,626	14%
Non-Aeronautical Operating Revenues								
Concessions	143,477	147,936	4,459	3%	1,162,676	1,287,837	125,161	11%
Lease Income Non-Aero	115,844	137,996	22,152	19%	1,101,855	1,163,033	61,178	6%
Parking	321,811	387,287	65,476	20%	4,149,269	4,512,870	363,601	9%
Rental Car Fees	566,855	431,226	(135,629)	-24%	2,563,156	2,999,238	436,082	17%
Svcs Sold - Non Aero	153,229	126,959	(26,270)	-17%	193,519	180,013	(13,506)	-7%
Sub-total Non-Aero Operating Revenues	1,301,216	1,231,404	(69,812)	-5%	9,170,475	10,142,992	972,516	11%
Total Operating Revenues	**3,155,893**	**3,339,310**	**183,417**	**6%**	**25,922,972**	**29,171,115**	**3,248,142**	**13%**
Operating Expenses								
Cost of Goods Sold	573,379	665,159	(91,780)	-16%	4,437,709	5,252,615	(814,906)	-18%
Personnel	903,808	895,474	8,335	1%	9,015,857	9,648,691	(632,834)	-7%
Comm & Utilities	88,415	88,044	371	0%	879,836	978,072	(98,236)	-11%
Contractual Services	534,488	661,295	(126,807)	-24%	5,590,524	6,271,431	(680,907)	-12%
Insurance	61,783	57,395	4,388	7%	533,818	586,501	(52,683)	-10%
Other	20,865	31,885	(11,020)	-53%	261,852	260,792	1,060	0%
Repair & Maintenance	32,938	81,235	(48,297)	-147%	726,751	578,280	148,471	20%
Supplies & Materials	67,052	91,416	(24,364)	-36%	686,933	714,876	(27,943)	-4%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,282,728**	**2,571,902**	**(289,174)**	-13%	**22,133,280**	**24,291,258**	**(2,157,977)**	-10%
Operating Income (Loss) Before Depreciation	**873,165**	**767,407**	**(105,758)**	-12%	**3,789,692**	**4,879,857**	**1,090,165**	29%
	27.7%	23.0%			14.6%	16.7%		
Depreciation		1,354,163				13,542,226		

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 17, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2025-008-RFQ	Business Continuity Plan Development Services	June 2025
Request for Qualifications	2025-004-RFQ	Website Redesign Services	August 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	September 2025
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	September 2025

Future Solicitations

No immediate solicitations needed.

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $86,037.03.

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

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, August 19, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Lt. Governor Regina Antone, Chair)
   Members of the Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Pledge of Allegiance**

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

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

5. **Presentation** –Project Runway

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **June 17, 2025**.

   b) **Resolution No. 25-30 –** Authorizing a Construction Manager at Risk Construction Services Contract, with **Pulice Construction, Inc.,** for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed $27,103,229.20, pending receipt of FAA Grant Funding.

   c) **Resolution No. 25-31 –** Approving an Authorization of Services to provide Construction Administration Services with **Kimley-Horn & Associates** for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed $1,180,178.79, pending receipt of FAA Grant Funding.

   d) **Resolution No. 25-32 –** Authorizing the purchase of airfield asphalt repair services with **Hi-Lite Airfield Services, LLC** for an amount not to exceed $325,000.

   e) **Resolution No. 25-33 –** Authorizing the purchase of two vehicles from **San Tan Auto Partners, LLC, dba San Tan Ford**, in an amount not to exceed $72,979.60.

Consideration and Approval of:

7. **Resolution No. 25-34 –** Authorizing an Amendment of the FY26 Capital Budget to provide $4,152,446.25 in funding, for the Construction of Aviation Way. The Mesa Gateway Airport Authority and the **City of Mesa** entered into an Intergovernmental Agreement on August 10, 2022, for the construction of Aviation Way, which aided the Airport with the eastside development.

8. **Resolution No. 25-35 –** Authorizing a Land Lease Agreement with **FlightSafety International Inc**. for approximately 7.944 acres (346,046 SF) located at the intersection of Aviation Way and Gateway Boulevard. The lease term is fifty (50) years with the option to extend the term for three (3) additional periods of five (5) years each. The initial Base Rent is $197,246.22 annually, payable in equal monthly installments of $16,437.19 plus applicable taxes.

9. **Board Member Comments/Announcements**

10. **Next Meeting: Tuesday, September 16, 2025 at 9:00 a.m.**

11. **Adjournment**

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

Mesa Gateway Airport

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

Executive Director's Report
August 2025

OPERATIONAL PERFORMANCE METRICS

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

*(preliminary)

FY25 was a Very Good Year for Mesa Gateway Airport!

Financial Snapshot

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

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

Finance and Accounting

Gateway Airport Reports Record Financial Performance in FY25

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

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

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

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

Active/Pending Solicitations

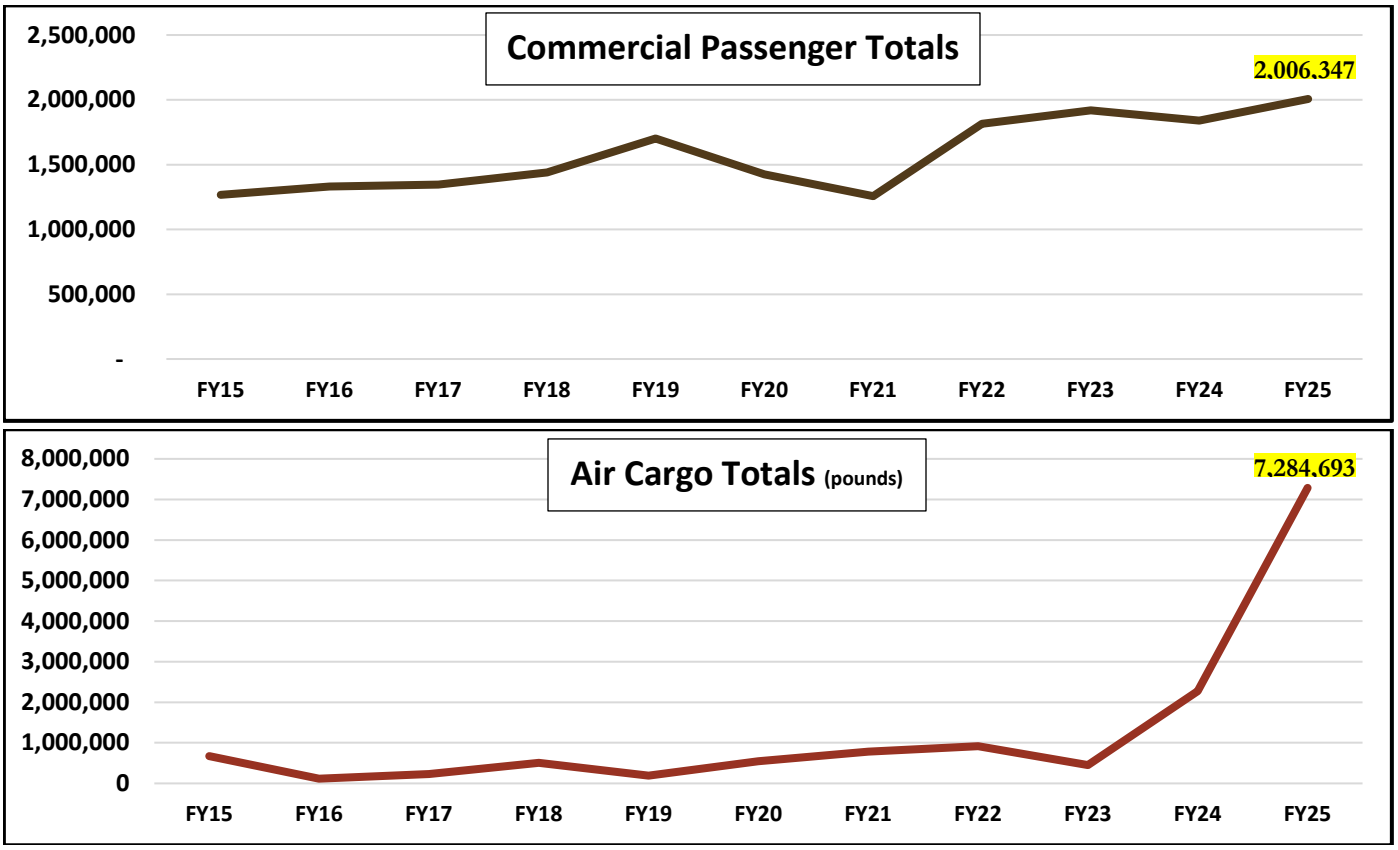
TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	September 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	October 2025

Future Solicitations

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

Airport Operations

Commercial Passenger and Air Cargo Activity Soar to New Heights



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

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

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

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

Engineering, Planning, and Facilities

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



Recently Installed Speed Bump at Gateway Airport

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

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

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

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

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

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



New Shade Structure in Hourly Parking Lot

Business Development

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



New Springhill Suites Hotel by Marriott Rendering

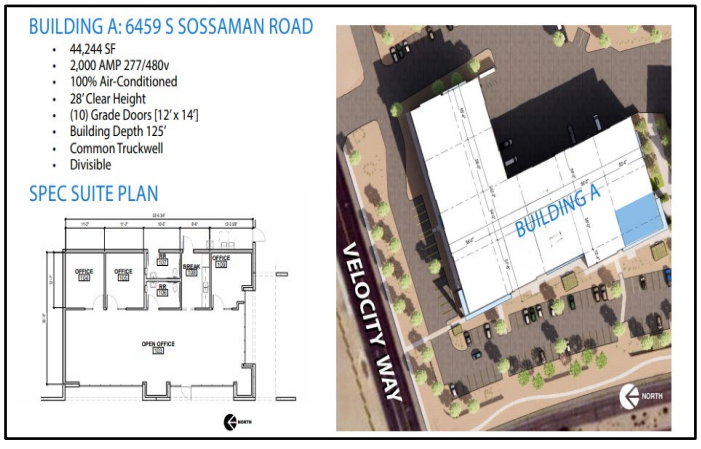


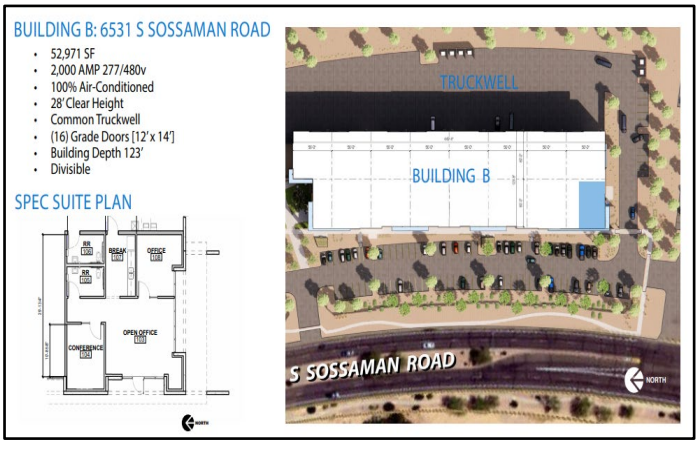
Gateway East Retail Shops Rendering

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

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

Gateway Commerce Center III Buildings Getting Ready for Tenants





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

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

Gateway Aviation Services

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

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

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

Community Noise Report

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

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

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

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

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

Community and Government Relations

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



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

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

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

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

MGAA Team Member Spotlight



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

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

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

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

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

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, June 17, 2025, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Julia Wheatley, Queen Creek
Lt. Governor Regina Antone, Gila River Indian Community
Mayor Mark Freeman, Mesa
Mayor Scott Anderson, Gilbert
Mayor Chip Wilson, Apache Junction
** Neither present nor represented*

Airport Staff Present

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

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

2. **Pledge of Allegiance**

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

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

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

DRAFT

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

5. Consent Agenda

a) **Minutes** of the Board Meeting held on **May 20, 2025**.

b) **Resolution No. 25-22 –** Authorizing an agreement for financial participation between the **City of Mesa** and Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services for FY26, effective July 1, 2025, in an amount not to exceed $112,000.

c) **Resolution No. 25-23 –** Authorizing an agreement for business continuity plan development services with **Mead and Hunt, Inc.** in an amount not to exceed $135,665.

d) **Resolution No. 25-24 –** Authorizing the purchase of janitorial supplies from **Waxie Enterprises, LLC** and its affiliates, **BradyPLUS Companies** for FY26, in an amount not to exceed $171,637.

e) **Resolution No. 25-25 –** Authorizing the purchase of services with the **U.S. Customs & Border Protection** for the fiscal year of 2026 with costs estimated to be approximately $302,000.

f) **Resolution No. 25-26 –** Authorizing an amendment to the Board of Director's **Budget Policy** 15-04.

g) **Resolution No. 25-27 –** Authorizing the increase to FY26 Budget for Cost of Goods Sold for Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of $2,888,150.

h) **Resolution No. 25-28 –** Authorizing the purchase of Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of $8,000,000.

i) **Resolution No. 25-29 –** Authorizing the purchase of Unleaded and Diesel fuel from the lowest priced **State contract vendor** at market prices for Airport Authority use and resale in an amount not to exceed of $615,724. This amount will provide fuel for the 2026 fiscal year.

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

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

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

7. **Election of Secretary and Treasurer**

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

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

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

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

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

10. **Adjournment.**
The meeting adjourned at 9:22 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-30

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Runway 12R-30L Reconstruction Phase 2, Construction Manager at Risk Construction Services – Pulice Construction, Inc. – CIP 1072**
Date:	**August 19, 2025**

Proposed Motion

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

Narrative

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

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

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

Fiscal Impact

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

Attachment(s): CMAR Construction Services Contract

RESOLUTION NO. 25-30

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

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

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

The Board of Directors of the Authority hereby authorize a Construction Manager at Risk (CMAR) Construction Services Contract, with Pulice Construction, Inc., for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed $27,103,229.20, pending receipt of FAA Grant Funding. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of August, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

DIVISION I

Runway 12R – 30L Reconstruction Phase 2

CONSTRUCTION MANAGER AT RISK (CMAR) CONSTRUCTION SERVICES CONTRACT

Authority Project No. 1072
Authority Solicitation No. 2024-016-RFQ
FAA AIP No. 3-04-0078-063-2025
FAA AIP No. 3-04-0078-064-2025
ADOT Project No. TBD
ADOT Project No. TBD
ADOT Project No. E0S2X 01C

TABLE OF CONTENTS

ARTICLE	PAGE
ARTICLE 1 – PARTICIPANTS AND PROJECT	2
ARTICLE 2 – CONTRACT DOCUMENTS	3
ARTICLE 3 – PRE-CONSTRUCTION SERVICES	3
ARTICLE 4 – CONSTRUCTION SERVICES	4
ARTICLE 5 – OWNER RESPONSIBILTIES	6
ARTICLE 6 – CONTRACT TIME	6
ARTICLE 7 – CONTRACT PRICE	7
ARTICLE 8 – PAYMENT	8
ARTICLE 9 – CHANGES TO THE CONTRACT	8
ARTICLE 10 – SUSPENSION AND TERMINATION	8
ARTICLE 11 – INSURANCE AND BONDS	8
ARTICLE 12 – INDEMNIFICATION	9
ARTICLE 13 – DISPUTE RESOLUTION	9
ARTICLE 14 – MISCELLANEOUS PROVISIONS	9

EXHIBIT	PAGE
A – ACCEPTED GMP/PRICE PROPOSAL AND PROJECT SCHEDULE	10
B – PROJECT SPECIFIC CONDITIONS & PROJECT PLANS & SPECIFICATIONS	11
C – REQURIED FORMS	12
D – DEFINITIONS	25
E – OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS	27
F – CMAR's KEY PERSONNEL	28

Mesa Gateway Airport Authority

Construction Manager at Risk
Construction Services
Project No.: 1072

THIS CONTRACT is made and entered into by and between the Mesa Gateway Airport Authority, formerly known as Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below, Individually, each is a "Party" and collectively, the "Parties", and shall be effective as of the date signed by Owner.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

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

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

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

PROJECT LOCATION: Mesa Gateway Airport
Mesa, AZ 85212

PROJECT DESCRIPTION:

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

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

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

1. Any amendments or modifications to the Contract Documents in reverse chronological order, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract");
2. Exhibit A to the CMAR Construction Contract, Accepted GMP/Price Proposal and Project Schedule – the "Basis of GMP" and "Basis of Schedule";
3. The Guaranteed Maximum Price Proposal sections outside of item (2) above;
4. The General Conditions to the CMAR Contract;
5. The CMAR Construction Services Contract and all of its Exhibits;
6. The General Provisions to the CMAR Contract;
7. The Special Provisions to the CMAR Contract;
8. Federal Contract Provisions
9. Construction Plans & Drawings;
10. Specifications;
11. Engineer's Design Report
12. The Request for Qualifications requirements, documents, and exhibits (#2024-016-RFQ), and CMAR's submittal to such solicitation dated February 6, 2024;
13. Any other Contract Documents as listed in the Contract Documents Table of Contents.

2.3 PROJECT SPECIFIC CONDITIONS

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

2.4 PROJECT PLANS AND SPECIFICATIONS

A detailed list of the Plans and Specifications for this Project are set forth in the attached Exhibit B.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.

4.1.2 CMAR shall provide all of the labor and materials and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the Construction Services and the corresponding subsections of Section 3 & 4 of the General Conditions are set forth below.

4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract.

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

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

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

4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq*.) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).

4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.

4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES

The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.

CMAR will obtain and pay for all permits necessary for the work.

4.3 PRE-CONSTRUCTION CONFERENCE

CMAR shall attend the Pre-Construction Conference.

4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)

CMAR shall perform the Work in accordance with the General Conditions.

4.5 CONTROL OF THE PROJECT SITE

CMAR shall control and maintain the Project Site in accordance with the General Conditions.

4.6 PROJECT SAFETY

CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.

4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS

CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.

4.8 PROJECT RECORD DOCUMENTS

CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.

4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK

CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

Contract Duration is 365 calendar days

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed ("NTP") and end with Substantial Completion as set forth in Article 6.3 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion within the Contract Time.

6.1.3 Time is of the essence of this 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:

$2000 per calendar day.

6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

ARTICLE 7 – CONTRACT PRICE

7.1 CONTRACT PRICE

7.1.1 In exchange for CMAR's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, Owner will pay CMAR the "Contract Price" which:

The sum of the CMAR's Fee and reimbursable Cost of the Work, which the CMAR guarantees will not exceed the GMP set forth in Exhibit A, in the amount of $27,103,229.20 (Twenty-seven million, one hundred three thousand, two hundred twenty-nine dollars and twenty cents). Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

7.1.3 The contract price may only be changed as set forth in the Contract Documents.

7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Not Used.

7.3 CONTINGENCY

Not Used.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.13 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

11.1 CMAR shall provide insurance at the times and in the amounts in accordance with Article 11 of the General Conditions to the CMAR Contract. CMAR shall provide proof of such insurance and all required endorsements in forms acceptable to Owner prior to commencing any Work under this Contract.

11.2 CMAR shall provide performance and payment bonds to Owner at the times and in the amounts in accordance with Article 11 of the General Conditions and A.R.S. § 34-610(A).

11.3 Failure to provide proof of insurance and the required endorsements, or the required bonds, in forms acceptable to Owner will be material breach and grounds for termination for cause of this Contract by Owner.

ARTICLE 12 – INDEMNIFICATION

CMAR shall have and assume the indemnity obligations set forth in Article 3 of the General Conditions.

ARTICLE 13 – DISPUTE RESOLUTION

Any claims or disputes relating to this Contract shall be resolved according to the dispute resolution process set forth in Article 4 of the General Conditions.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

The miscellaneous provisions set forth in Article 13 of the General Conditions shall apply to this Contract.

IN WITNESS WHEREOF, the parties hereto executed this Contract through their duly authorized representatives and bind their respective entities as of the effective date.

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

By: _____
J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

"CMAR"
Pulice Construction, Inc., an Arizona Corporation

By: _____
Victor M. Jimenez

Title: President

Date: 07/31/2025

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL AND PROJECT SCHEDULE (Under Separate Cover)

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

EXHIBIT B – PROJECT TECHNICAL SPECIFICATIONS &

PHASE 2 PROJECT PLANS (Under Separate Cover)

1. **All Technical Specifications**

2. **Construction Plans**

EXHIBIT C – REQUIRED FORMS

STATUTORY PERFORMANCE BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal, and the _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 202_ to construct the following projects under the **Authority Solicitation No. 2024-016-RFQ; CMAR Services for Runway 12R-30L Reconstruction Phase 2 (Authority Project No. 1072),** which is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised 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 Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ ____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ____day of _____ ____, 202__ to construct the following projects under the **Authority Solicitation No. 2024-016-RFQ ; CMAR Services for a Runway 12R-30L Reconstruction Phase 2 (Authority Project No. 1072),** which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised 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**

NOTICE OF INTENT TO AWARD CMAR CONTRACT

Date
Pulice Construction, Inc.

Attn:

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

Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated January 18, 2024. You are hereby notified that you are to be awarded this CMAR Contract by Mesa Gateway Airport Authority on August 20, 2024, in the amount of $18,595,906. You are required by the Terms and Conditions of this solicitation to execute the CMAR Contract and to furnish Contractor's Performance and Payment Bonds
and submit the appropriate Certificate(s) of Insurance within fifteen (15) calendar days from this Notice.

If you fail to execute the CMAR Contract, furnish the required bonds, and submit Insurance Certificate(s) within Fifteen (15) calendar days from the date of this Notice, the Owner will consider this as a forfeiture of your consideration to be selected as CMAR. The Owner will be entitled to such other rights as may be granted by law.

A pre-construction meeting will be scheduled by your Project Manager at a later date and will be held in the Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Mesa Gateway Airport Authority.

Dated this _____ day of _____, 202__.

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

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____day of _____, 202__.

NOTARY PUBLIC My Commission Expires

NOTICE TO PROCEED

Date

Pulice Construction, Inc.

Attn: Jeff Gergal

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

Dear Mr. Gergal

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is 250 calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is Rich Adams, phone no. 480-988-7655 and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

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

Sincerely,

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

Authorized Representative

APPLICATION AND CERTIFICATE FOR PAYMENT

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

CONSULTANT: _____

CMAR: _____

Application No. _____ Period From: _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: $_____

Approved Change Orders and Dates:

Change Order No.1	Date_____	$_____
Change Order No.2	Date_____	$_____
Change Order No.3	Date_____	$_____

Total Change Orders Approved to Date: $_____

Adjusted GMP $_____

Total Amount Due to Date
(from attached Construction Progress Estimate) $_____

Less Previous Certificates for Payment $_____

Current Payment Due $_____

Retainage _____% $_____

Total Earned Less Retainage $_____

Notice to Proceed Date_____ Date of Substantial Completion _____

Time Used _____% Complete _____%

CHANGE ORDER

PROJECT: CMAR Services for Runway 12R-30L Reconstruction Phase 2 CHANGE ORDER NO: _ _

Authority Project No. 1072
Authority Solicitation No. 2024-016-RFQ

TO CMAR: Pulice Construction, Inc.
8660 E. Hartford Drive, #305
Scottsdale, AZ 85255

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, Engineer, and CMAR.

The original ***Contract Sum*** was..... $_____
Net change by previously authorized Change Orders ..... $_____
The ***Contract Sum*** prior to this Change Order was..... $_____
The ***Contract Sum*** will be **increased** [or **decreased**] by this Change Order..... $_____
The new ***Contract Sum*** including this Change Order is ..... $_____

The Contract Time will be ***unchanged*** [or ***increased/decreased by _____ calendar days***.]

The Substantial Completion date for base contract work is ***unchanged*** [or ***changed to _____, 202__***.]

[CMAR],

By_____ Date_____

It's_____

Engineer Name

By_____ Date_____

It's_____

Owner

By _____ Date___

It's_____

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Engineer)

I hereby certify that _____ has substantially completed
(Name of CMAR)
the work under the following project:

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

in accordance with the contract documents and bid specifications, and all activities required by the Contractor under the Contract have been substantially completed as of _____ (date).

Firm Name: _____

By: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

CERTIFICATE OF FINAL COMPLETION

(To be Completed by CMAR and Owner)

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

I hereby certify that all goods and/or services required by **MESA GATEWAY AIRPORT AUTHORITY,** have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Firm Name: _____

Principal: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

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

The date of final completion for this project is _____, 20___

Mesa Gateway Airport Authority

By: _____

Date: _____

FINAL
CMAR'S AFFIDAVIT REGARDING SETTLEMENT OF CLAIMS

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

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of $_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **MESA GATEWAY AIRPORT AUTHORITY, ENGINEER,** the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR**, their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Engineer may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____day of_____, 202__.

_____
CMAR

_____
By:

STATE OF ARIZONA)
) ss
COUNTY OF)

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

_____
(Notary Public)

_____
(My Commission Expires)

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

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

NOW, THEREFORE, the undersigned, upon receipt of a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 202____.

_____
Company Name

By _____

_____
(Title)

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

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

NOW, THEREFORE, the undersigned, upon receipt of a check from the CMAR payable to the Sub-contractor in the sum of $ _____, said sum representing payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United State of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 202 __.

_____
Company Name

By _____

_____
(Title)

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

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

NOW, THEREFORE, the undersigned, has been paid and has received a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 202____.

_____
Company Name

By _____

_____
(Title)

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

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

NOW, THEREFORE, the undersigned, has been paid and has received a check from the CMAR payable to the Sub-contractor in the sum of $ _____, said sum representing payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United State of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 202 __.

_____
Company Name

By _____

_____
(Title)

EXHIBIT D – DEFINITIONS

Allowance – A specific amount for a specific item of Work, if any, that Owner agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of the Owner) at the time the Contract Price is agreed to for Contractor to provide a definitive price. Allowances shall be treated in accordance with Article 7.2 above.

Baseline Cost Model – A breakdown and estimate of the scope of the Project developed by CMAR.

CMAR or Construction Manager at Risk – The person or firm selected by Owner to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with Owner. The term "Contractor" includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor's Fee – An agreed to percentage in an accepted GMP that represents the Contractor's fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term "Contract Documents" also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term "Contract Price" refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as "Cost of the Work plus a Fee with a GMP," "Time and Materials," or "Cost Plus a Fee."

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner's plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a CMAR Contract is entered into between Owner and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting CMAR Contract.

Pre-Construction Services – The services to be provided under a Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Owner.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum price Proposal is based.

GMP Proposal – The proposal of Contractor submitted for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract.

EXHIBIT E – OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS

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

1. Rules & Regulations (link)

https://www.gatewayairport.com/policiesdocumentsandforms

2. Minimum Standards (link)

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT F – CMAR'S KEY PERSONNEL

See following pages

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

Board Action Item

Re: Resolution 25-31

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Runway 12R-30L Reconstruction Phase 2, Construction Administration Services – Kimley-Horn & Associates – CIP 1072**
Date:	**August 19, 2025**

Proposed Motion

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

Narrative

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

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

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

Fiscal Impact

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

Attachment(s): Authorization of Services

RESOLUTION NO. 25-31

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

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

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

The Board of Directors of the Authority hereby approve an Authorization of Services to provide Construction Administration Services with Kimley-Horn & Associates for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed $1,180,178.79, pending receipt of FAA Grant Funding. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of August, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport

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

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

1. **PROJECT**: Runway 12R-30L Reconstruction Phase 2 Project (CIP1072)

2. **SCOPE OF SERVICE**: Perform and provide Construction Administration Services for the Runway 12R-30L Reconstruction Phase 2 Project. The Construction Administration Services will consist of construction support and observation of the reconstruction of a portion of the Runway 12R-30L Portland Cement Concrete (PCC) pavement section, including Asphalt Concrete (AC) pavement shoulder improvements, electrical/signage upgrades, grading and drainage improvements, and pavement marking of the entire runway and portions of the affected adjacent taxiway network.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of services, not to exceed the-time and materials calculated-fee of $1,180,178.79 (One million, one hundred eighty thousand, one hundred seventy-eight dollars, and seventy-nine cents.), without express written approval of MGAA.

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

5. **INCORPORATED:** The following documents, including its terms, conditions, exhibits, attachments, and amendments are hereby incorporated with this AOS and made part thereof:

   ☑ MGAA Agreement Number: 20240076 effective 12/19/23.

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

   ☑ Consultant's Scope and Fee Proposal dated May, 2025.

7. **EFFECTIVE:** This AOS is effective as of the date signed by MGAA.

Mesa Gateway Airport

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

Executed as of the Effective Date.

CONSULTANT
Kimley-Horn & Associates

By: Nathan Walmm

Name: Nathan Walmm

Title: Sr. Vice President

Date: 7/29/2025

MGAA
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: _____

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

Board Action Item

Re: Resolution 25-32

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Asphalt/Pavement Repair, Rehabilitation, Paint Removal, Airfield - Hi-Lite Airfield Services, LLC – CIP 1306**
Date:	**August 19, 2025**

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

Narrative

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

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

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

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

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

Attachment(s)
Proposal

RESOLUTION NO. 25-32

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

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

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

The Board of Directors of the Authority hereby authorize the purchase of airfield asphalt repair services with Hi-Lite Airfield Services, LLC for an amount not to exceed $325,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of August, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Shoulder Maintenance Sourcewell Proposal

Hi-Lite Airfield Services
4816 Lena Road
Bradenton, FL 34211

Attn: Jeff Burwell

Project County: Maricopa
City/State: Phoenix, AZ

Bid Date: 07/30/25
Proposal #: 25-20829-P
Project Reference: Sourcewell 110122-HLA
Completion Date: 10/30/25
Phone: (941) 404-9110

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

Total: $ 309,066.50

Project Description:
Shoulder Project on Runway 12-30C

Remarks:
*** Pricing per Sourcewell Contract # 110122-HLA***
(1) Mobilizations for Marking Removal via Grinding
(1) Mobilizations for Marking Removal via Waterblasting
(2) Mobilizations for Pavement Markings
(1) Mobilizations for Seal Coat
(1) Mobilizations for Crack Sealing
***Any additional mobilizations will be charged at $3,720 per occurrence
***Any additional mobilizations for seal coat will be charged at $15,000 per occurrence

Paint:
TT-P-1952F Type II Waterborne Paint
Beads:
TT-B)1325D Type I Reflective Media
Seal coat:
GSB-88, 1:1 Dilution
Crack Seal:
Longitudinal Cracks - Standard Crack Seal Material
Transverse Cracks - Mastic Crack Seal Material

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

HI-LITE AIRFIELD SERVICES, LLC
4816 Lena Road
Bradenton, FL 34211
315.583.6111
www.hi-lite.com

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

---

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

Date:_____ Signature:_____

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

Date:_____ Signature:_____

HI-LITE AIRFIELD SERVICES, LLC
4816 Lena Road
Bradenton, FL 34211
315.583.6111
www.hi-lite.com

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

Board Action Item

Re: Resolution 25-33

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**CIP 1044and CIP 1291 Vehicle Replacements**
Date:	**August 19, 2025**

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

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

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

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

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

Attachment(s)
Quotes

RESOLUTION NO. 25-33

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

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

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

The Board of Directors of the Authority hereby authorize the purchase of two vehicles from San Tan Auto Partners, LLC, dba San Tan Ford, in an amount not to exceed $72,979.60. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of August, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Government Fleet Account Manager
Joe Sanchez (480) 621-3741 joesanchez@santanford.com
Department Fax (480) 621-3796

Date: July 24, 2025

Customer: **Phoenix-Mesa Gateway Airport Authority**

Line Item/State Contract #: F1K / CTR059323

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

with 5.0L V8 Engine

	Base Bid Price	**$36,495.00**
	Upgrade Options	
1	Window Tint	300.00
2	4 Keys with 2 FOBS	Included in Price
3	Sprayed-in Bedliner	625.00
4		
5		
6		
7		
8		
9		
10		
11	**Unit #1**	
12		
13		
14		
15		
16		
17		
18		
19		
20		
		$925.00
	Bid Price (with options)	**$37,420.00**
	Tire Tax	11.65
	Sales Tax (8.30%)	3,105.86
	Ford Extended Service Plan	
	Transportation Fee	
	Total Delivered Price	**$40,537.51**

Notes:

Thank You,
Joe

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

Ship to:
Jeff Burwell, Phoenix-Mesa Gateway Airport

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

Price Level: 565



Client Proposal

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

WE ARE SAN TAN Ford

Government Fleet Account Manager
Joe Sanchez (480) 621-3741 joesanchez@santanford.com
Department Fax (480) 621-3796

Date: July 11, 2025

Customer: **Phoenix-Mesa Gateway Airport Authority**

Line Item/State Contract #: W8B / CTR059323

Vehicle Description: 2025 Ford Maverick XL AWD

with 2.0L EcoBoost Engine

	Base Bid Price	**$28,225.00**
	Upgrade Options	
1	Ford Co-Pilot360	795.00
2	4 Keys with 2 FOBS	Included in Price
3	Window Tint	300.00
4	Sprayed-in Bedliner	625.00
5		
6		
7		
8		
9		
10		
11	**Unit #2**	
12		
13		
14		
15		
16		
17		
18		
19		
20		
		$1,720.00
	Bid Price (with options)	**$29,945.00**
	Tire Tax	11.65
	Sales Tax (8.30%)	2,485.44
	Ford Extended Service Plan	
	Transportation Fee	
	Total Delivered Price	**$32,442.09**

Notes:

Thank You,
Joe

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

Ship to:
Jeff Burwell, Phoenix-Mesa Gateway Airport

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

Price Level: 560



Client Proposal

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

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

Board Action Item

Re: Resolution 25-34

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

Proposed Motion

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

Narrative

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

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

Fiscal Impact

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

RESOLUTION NO. 25-34

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

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

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

The Board of Directors of the Authority hereby authorize an Amendment of the FY26 Capital Budget to provide $4,152,446.25 in funding, for the Construction of Aviation Way. The Mesa Gateway Airport Authority and the City of Mesa entered into an Intergovernmental Agreement on August 10, 2022, for the construction of Aviation Way, which aided the Airport with the eastside development. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of August, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 25-35

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

Proposed Motion

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

Narrative

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

Agreement Term and Rate

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

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

Attachment(s)

Land Lease Agreement with FlightSafety International Inc.

RESOLUTION NO. 25-35

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

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

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

The Board of Directors of the Authority hereby authorize a Land Lease Agreement with FlightSafety International Inc. for approximately 7.944 acres (346,046 SF) located at the intersection of Aviation Way and Gateway Boulevard. The lease term is fifty (50) years with the option to extend the term for three (3) additional periods of five (5) years each. The initial Base Rent is $197,246.22 annually, payable in equal monthly installments of $16,437.19 plus applicable taxes. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of August, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney



Mesa Gateway Airport Authority

LAND LEASE

with

FlightSafety International Inc.

Effective Date: September 1, 2025

1. LEASE 1
2. TERM 3
3. NONEXCLUSIVE RIGHTS 3
4. RENT 3
5. PERFORMANCE GUARANTEE 6
6. INTENTIONALLY DELETED 8
7. IMPROVEMENTS 8
8. MAINTENANCE 12
9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS 13
10. IDENTIFICATION SIGNS 15
11. DEFAULT; TERMINATION BY LESSOR 15
12. RESERVED 17
13. INDEMNIFICATION 17
14. ENVIRONMENTAL PROTECTION 18
15. PROTECTION OF WETLANDS 22
16. INSURANCE 23
17. SURRENDER OF POSSESSION 24
18. INSPECTION BY LESSOR 25
19. NOTICES 25
20. SEVERABILITY 26
21. APPROVALS, CONSENTS AND NOTICES 26
22. LIENS AND MORTGAGES 26
23. GOVERNING LAW; ATTORNEY'S FEES 29
24. COMPLIANCE WITH LAWS, RULES AND REGULATIONS 29
25. CORPORATE AUTHORIZATION 29
26. UTILITY LINES AND SERVICE CHARGES 29
27. RESERVATIONS TO LESSOR 29
28. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES 30
29. TITLE VI 31
30. FEDERAL FAIR LABOR STANDARDS ACT 34
31. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 34
32. INCORPORATION OF QUITCLAIM DEED 34
33. REQUIRED PROVISIONS OF QUITCLAIM DEED 35
34. AIRPORT SECURITY 35
35. DEFAULT BY LESSOR 36
36. BROKERS 36

37. SALE BY LESSOR **36**
38. ESTOPPEL CERTIFICATE **37**
39. UNAVOIDABLE DELAY **37**
40. MISCELLANEOUS **38**
41. INCORPORATION OF RECITALS **38**

EXHIBIT A Legal Description of the Premises A-1
EXHIBIT B Airport Rules and Regulations, Airport Rates & Charges Schedule, and Airport Fees, Services and Rental Rates Schedule B-1
EXHIBIT C Permitted Exceptions C-1
EXHIBIT D Depiction of Proposed Improvements D-1
EXHIBIT E Memorandum of Lease E-1
EXHIBIT F Incentives F-1

Mesa Gateway Airport Authority

LAND LEASE

This Land Lease ("**Lease**") is executed to be effective the FIRST (1st) day of SEPTEMBER, 2025 ("**Effective Date**") between the **MESA GATEWAY AIRPORT AUTHORITY**, formerly Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **FLIGHTSAFETY INTERNATIONAL INC.**, a New York corporation authorized to do business in the State of Arizona ("**Lessee**"). Lessor and Lessee may be referred to jointly as "**Parties**," and each separately may be referred to as a "**Party**."

RECITALS:

A. Lessor is the owner and operator of the Mesa Gateway Airport ("**Airport**") generally located at the intersection of Ray Road and Sossaman Road, City of Mesa ("**City**"), Maricopa County, Arizona; and

B. Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

C. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at the intersection of Gateway Boulevard and Aviation Way consisting of THREE HUNDRED FORTY-SIX THOUSAND FORTY-SIX (346,046) square feet, as set forth in **EXHIBIT A** attached hereto ("**Premises**"); and

D. Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, as follows:

1. LEASE

Lessor hereby leases the Premises to Lessee, subject to the matters set forth on EXHIBIT C (the "**Permitted Exceptions**") and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use and development of the Premises without hindrance from Lessor and those claiming through Lessor. Lessee specifically acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an "as is, where is" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed, except for representations and warranties contained in this Lease. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee's sole expense. Lessor agrees to cooperate with Lessee, at no or nominal cost to Lessor, in connection with such activities and undertakings.

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

1.3 Access. Lessee and Lessee's agents, contractors, employees, licensees, invitees and customers are granted the right of reasonable access to and from the Premises via such portions of the Airport as are or may be necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport. Lessor reserves the right to designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises.

1.4 Permitted Uses. Subject to the provisions of SECTION 1.5, Lessee may use the Premises for training aviation professionals, including, but not limited to: (a) flight simulation and pilot training, (b) aviation maintenance training, (c) aircrew training, (d) ancillary aviation training services to customers, (e) learning center operations, (f) general office use related to the foregoing uses, and (g) ancillary storage and assembly of products in connection with the foregoing uses ("**Permitted Use**") and for no other use without the prior written consent of Lessor. Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* and *Airport Minimum Standards*. Lessor shall not consent to or enter into any agreement, including modification of a Permitted Exception, that materially affects Lessee's rights, obligations, or remedies under this Lease without Lessee's prior review and approval.

1.5 Prohibited Activities. Lessee shall not use the Premises for a flight school operated to issue pilot's licenses or certificates through in-Aircraft training (e.g., under Part 61 or Part 141 of the FAA regulations). Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Premises or the Airport for any use that is in violation of the *Airport Rules and Regulations* and *Airport Minimum Standards*, the Permitted Exceptions, or applicable laws, rules, regulations and operating policies of any governmental authority, including Lessor, or for any other activity or operation not specified in SECTION 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director. For purposes of this SECTION 1.5, "**Aircraft**" means any device or contrivance now known or hereafter invented that is used or intended to be used for flight in the air.

1.6 On-Site Manager. Upon commencement of business operations at and on the Premises and the Airport, Lessee shall designate an on-site manager for the Term of this Lease who shall be available to Lessor and Lessee's customers, if any, during normal business hours, and otherwise as required by the *Airport Minimum Standards*, as applicable. Lessee may change such manager from time-to-time during the Term by providing prior written notice thereof of Lessor.

1.7 Lessee Acknowledgement. Lessee acknowledges and agrees that, except as otherwise specifically set forth in SECTION 14.14, its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) the Permitted Exceptions; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM

2.1 Initial Term. The initial term of this Lease shall be for a period of FIFTY (50) years, commencing on the Effective Date and terminating on AUGUST 31, 2075 ("**Term**").

2.2 Renewal Terms. Provided Lessee is not then in default of this Lease and subject to written approval of Lessor, the Parties shall have the option of extending the Term for THREE (3) additional periods of FIVE (5) years each (each, individually, "**Extension**"). Lessee may initiate an Extension by giving written notice to Lessor of its desire to do so no later than ONE HUNDRED EIGHTY (180) calendar days prior to the expiration of the Term, as set forth in SECTION 2.1 herein. If Lessee has properly notified Lessor of its desire to exercise an Extension and Lessor approves such in writing, then Lessee's Extension of the Term of this Lease shall become effective and all references herein to "Term" shall mean the initial term as extended.

3. NONEXCLUSIVE RIGHTS

Lessee shall have the exclusive right to occupy, use and develop the Premises in compliance with the terms and conditions of this Lease, subject to SECTION 27 below. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport (but not the Premises) except as set forth in SECTIONS 26.3 and 27 below that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not materially interfere with Lessee's use or occupancy of the Premises or the development thereof.

4. RENT

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

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

The Base Rent shall be payable in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer.

4.2 Reserved.

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

4.4 Market Adjustments to Base Rent.

4.4.1 Notwithstanding the Base Rent increases referenced in SECTION 4.3, the annual Base Rent shall be increased (but never decreased) on each FIFTEEN (15) year anniversary of the Effective Date of this Lease (each an "**Adjustment Date**") as hereinafter set forth in this SECTION 4.4. On each such Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, utility and location) airport-related leasehold interest in vacant land (specifically excluding any improvements constructed or caused to be constructed by Lessee or its Affiliates (as defined in Section 9.3) to the Premises, and any lease or sublease for such improvements), with the length of the remaining Lease term, the credit standing of Lessee and the amount and frequency of increases in Base Rent to be taking into account ("**Fair Market Base Rent**"). No single adjustment to the annual Base Rent pursuant to this paragraph shall increase the annual Base Rent by more than TEN PERCENT (10%) from the annual Base Rent in effect immediately prior to the increase pursuant to this paragraph.

4.4.2 Lessor's determination of such Fair Market Base Rent for the Premises shall be delivered to Lessee no later than SIX (6) months prior to the Adjustment Date along with any and all substantiated information used by Lessor in connection with such determination. If Lessee disputes Lessor's determination of such Fair Market Base Rent, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such Fair Market Base Rent, to Lessor within THIRTY (30) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such Fair Market Base Rent. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within SEVEN (7) calendar days thereafter, mutually appoint an appraiser to determine the Fair Market Base Rent. Said appraiser shall have at least FIVE (5) years of full-time commercial appraisal experience and be a member of the Appraisal Institute or comparable professional organization. Within SEVEN (7) calendar days of the appointment of the appraiser, the Parties shall submit to the appraiser, with a copy to the other Party, their respective determinations of the Fair Market Base Rent and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal and shall select ONE (1) Party's submittal as representing the most reasonable approximation of such Fair Market Base Rent. The appraiser shall promptly notify the Parties of their decision, which shall be final and binding upon Lessor and Lessee. The appraiser's fees and expenses shall be paid by the Party whose submittal was not selected.

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

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

4.5 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current *Airport Rates and Charges Schedule* and *Airport Fees, Services and Rental Rates Schedule* are included as **EXHIBIT B** and are subject to change without prior notice to or approval of Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* at any time at Lessor's sole discretion. No fee shall apply to the use of the Premises or access to the Premises.

4.6 Payment.

4.6.1 Unless otherwise specified herein, the FIRST (1st) 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 (1st) day of each calendar month. On each such date, Lessee shall pay the full Base Rent payment.

4.6.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.6.3 All payments (and reports, if any) required by this SECTION 4.6 shall be remitted to the following address by the due date(s) specified hereinabove:

Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 South Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee.

4.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum (but not to exceed the maximum interest rate permissible by law), from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than TEN (10) calendar days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.8 Taxes. Lessee shall pay, prior to delinquency, any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax or assessment imposed during the Term against the Premises or as the result of Lessee's occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor. Lessee shall pay such taxes and assessments directly to the taxing authority charged with collecting such taxes and assessments, provided that in the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor and to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business, Lessee shall pay such amounts to Lessor in the manner set forth in SECTION 4.6. Such taxes to be paid directly to Lessor include, without limitation, payment of all rent taxes, i.e., taxes imposed specifically on the gross receipts in the form of rent received by Lessor, excluding, however, penalties and interest thereon if Lessor fails to timely remit the same to the applicable taxing authority, and in all instances federal and state taxes on income, corporate franchise taxes, estate and inheritance taxes, and transfer taxes. Lessee shall be entitled to any and all tax incentives, credits, reductions, refunds or abatements obtained as a result of Lessee leasing the Premises and/or Lessee's use, occupancy or development of the same.

4.9 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease as to all amounts, interest and penalties that have accrued prior to the effective date of termination of the Lease.

5. PERFORMANCE GUARANTEE

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equivalent to THIRTY-TWO THOUSAND EIGHT HUNDRED SEVENTY-FOUR AND 38/100 DOLLARS ($32,874.38), as a security deposit ("**Security Deposit**") to insure the faithful performance of all of Lessee's obligations hereunder.

5.1.2 The Security Deposit, at the election of Lessor, may be applied in reduction of any loss and/or damage sustained by Lessor by reason of the occurrence of any breach, nonperformance or default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Lessee shall, within FIVE (5) business days after written notice from Lessor, deposit with Lessor immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such Security Deposit and shall have no obligation to pay interest thereon.

5.2 Construction Payment and Performance Guarantees.

5.2.1 Payment Guarantee. Notwithstanding and in addition to the Security Deposit, Lessee shall protect claimants supplying labor and materials in connection with the construction of the Improvements on the Premises, or any subsequent new construction on the Premises or complete reconstruction of the Improvements by providing, at Lessee's sole cost and expense and prior to commencement of construction of the Improvements on the Premises, ONE (1) of the following instruments, chosen at Lessee's discretion:

(a) Payment Bond. Lessee shall require the contractor to provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of A.R.S. § 33-1003 as it may be amended or renumbered from time to time. The Parties agree that Lessee is not a public body, and the Improvements to be constructed under this Lease by Lessee at Lessee's sole cost are not public buildings, public works or public improvements. The bond shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety. The bond and a copy of the contract shall be recorded in the office of the Maricopa County Recorder as required under A.R.S. § 33-1003, and a copy of the bond shall be provided to Lessor; or

(b) Letter of Credit. A letter of credit ("**Letter of Credit**") shall be irrevocable, in an amount equal to the total amount of the construction contract(s) for the construction of the Improvements (as defined in SECTION 7 below) plus TEN PERCENT (10%) of such amount and be issued to Lessee by a financial institution ("**Bank**") reasonably acceptable to Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date which is TWENTY-FOUR (24) months thereafter, after which date it shall be renewed on a year-to-year basis until construction of the Improvements are completed, and final and unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Should Lessee utilize the Letter of Credit option hereunder, and should Lessee fail to pay any sum owing to contractors supplying labor and materials in connection with the construction then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled to apply to the Bank, following a period of THIRTY (30) calendar days prior written notice to Lessee (which notice shall include a reasonably-detailed description of Lessee's failure to pay any sum owing), for release to Lessor (in accordance with the terms of the Letter of Credit) from the Letter of Credit of a dollar amount sufficient to pay amounts owing to contractors supplying labor and materials in connection with the construction and obtain final, unconditional lien waivers in connection therewith. Lessor's application shall contain evidence of the failure of payment and the estimated dollar amount needed to satisfy payment obligations. The terms of the Letter of Credit shall require prompt payment to Lessor for the amount set forth in Lessor's application upon satisfaction of the conditions set forth in the Letter of Credit. Upon and following any partial payment to Lessor, the Letter of Credit shall remain in full force for the remaining undisbursed amount of the Letter of Credit to accommodate further applications, if any, and shall not be subject to cancellation or revocation until fully drawn or otherwise released or satisfied upon completion of construction of the Improvements and final, unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Lessor must approve the form and content of any Letter of Credit in writing, which approval shall not be unreasonably withheld, conditioned, or delayed.

5.2.2 Performance Guarantee. In addition to the Security Deposit, Lessee's obligation to timely complete the Improvements shall be secured, at Lessee's sole cost and expense and prior to commencement of construction of said Improvements, by any ONE (1) of the following instruments, chosen at Lessee's discretion:

(a) Performance Bond. Lessee shall require the contractor to provide a performance bond in the full contract amount conditioned upon the faithful performance of the contract in accordance with plans, specifications and conditions thereof. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall

be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.; or

(b) Completion Bond. Lessee shall deliver to Lessor a completion bond in form and substance reasonably acceptable to Lessor pursuant to which Lessor shall have the unconditional, direct and unilateral right to draw upon or use such bond for completion of construction of the Improvements under SECTION 7.1 of this Lease if an Event of Default occurs and is continuing under SECTION 7.2 of this Lease. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.

6. INTENTIONALLY DELETED

7. IMPROVEMENTS

7.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that generally shall consist of a flight simulation training and learning center building containing approximately 80,000 to 120,000 square feet, including simulator bays, classrooms, administrative spaces, and support facilities as generally depicted in **EXHIBIT D** ("**Improvements**") and in accordance with a site plan prepared by Lessee and approved by Lessor's Design Review Committee, such approval not to be unreasonably withheld, conditioned or delayed, and in compliance with all applicable governmental regulations, restrictions and building codes. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any required connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises, as reasonably required by Lessor; (ii) constructing all Improvements necessary to bring all utilities onto the Premises, including, without limitation, electrical, gas, water, sewer, cable and telephone utilities; and (iii) installing all utility meters and water and sewer lines to service all Improvements constructed on the Premises.

7.2 Construction Milestones. Lessee shall construct its Improvements pursuant to the following schedule (each of which events are herein called a "**Construction Milestone**"):

7.2.1 Lessee shall submit its Improvement design plans to Lessor for review and approval no later than TWENTY-FOUR (24) months from the Effective Date. Lessor shall promptly, and in all events within TWENTY-ONE (21) calendar days, notify Lessee in writing if Lessor objects to any such plans. Any such notice shall specify in reasonable detail the items to which Lessor objects and the changes, which if made, would cause Lessor to withdraw such objections. Thereafter the Parties will negotiate in good faith to resolve any concerns raised by Lessor. If Lessor fails to timely provide any objections to such plans, such plans shall be deemed to be approved by Lessor.

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

7.2.3 Reserved.

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

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

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

7.2.6 Unless due to an Unavoidable Delay and/or Lessor Delay, if Lessee fails to commence construction within SIXTY (60) calendar days after the issuance of all necessary construction permits and receipt of all approvals required for such, including any approvals required from the FAA, but subject to any applicable notice and cure periods provided for in SECTION 11, Lessor shall have the right to terminate this Lease by written notice to Lessee delivered at any time prior to commencement of construction. For purposes of this Section, "commencement of construction" shall be the date on which Lessee has obtained it permits, has executed a contract for construction of the Improvements and has engaged in material work, such as grading and pouring of footings and slabs. For purposes of this Lease, Lessee shall not be deemed to have obtained, and all permits shall not be deemed issued, unless and until Lessee has physical possession of (i.e. "picked-up") the same from the issuing authority so long as Lessee picks up the permits within NINETY (90) days.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld, conditioned, or delayed and, if and to the extent applicable, without the approval by Lessor's Design Review Committee. Notwithstanding the foregoing, Lessee may make (i) any modification or alterations and improvements to the Premises that do not affect the exterior of the Premises or the mechanical systems or structural components thereof (e.g., changes that require plans from a civil or structural engineer) without the prior consent of Lessor, so long as such modifications or alterations are consistent with the permitted use. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required. Lessor will have THIRTY (30) days following receipt of a written request by Lessee for approval of material improvements or alterations to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval and suggestions for revisions that would reasonably satisfy Lessor's disapproval. If Lessor fails to respond within such THIRTY (30)-day period, Lessee may send a second request to Lessor that includes the language in bold, 12-point font "**FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS WILL RESULT IN DEEMED APPROVAL.**" If Lessor fails to respond within the TEN (10)-business day period, Lessor shall be deemed to have approved the same. If Lessor disapproves

a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised description of the improvements or alterations for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same.

7.4 Title to Alterations and Improvements. Title to all improvements and alterations (including the Improvements) on the Premises (but not personal property or trade fixtures) shall remain the property Lessee during the Term, but automatically vest in Lessor upon the expiration or termination of this Lease, and Lessee agrees to execute and deliver to Lessor, within TEN (10) business days after Lessor's request therefor, a quitclaim deed quitclaiming such improvements and alterations to Lessor. This SECTION 7.4 shall survive the expiration or earlier termination of this Lease.

7.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens arising by, through or under Lessee. In the event that any such lien is filed, Lessee shall, at its sole cost, either (a) pay the amount of the lien and cause such lien to be removed from the Premises, or (b) diligently contest such lien and deliver to Lessor a bond or other security reasonably satisfactory to Lessor in either case within THIRTY (30) calendar days after Lessee receives written notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to applicable City building/construction codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City, if any. To the extent required by applicable City building/construction codes, all such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications. At no cost to Lessor, Lessor shall reasonably cooperate with Lessee to obtain all such required approvals or consents hereunder, and, at no cost to Lessor, take all commercially reasonable steps to obtain the required response from the applicable authorities.

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

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

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

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

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

7.8 Condemnation.

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

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

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

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

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

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

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

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

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

8. MAINTENANCE

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

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

8.2 Damage to Premises. Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the satisfaction of Lessor. In lieu of such repair or replacement, where required by Lessor, Lessee shall pay to

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

8.3 Trash Removal. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall be responsible for all trash removal from the Premises and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) calendar days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as they occur.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS

9.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. Except as set forth in SECTION 22 to a Leasehold Mortgagee or a purchaser at a foreclosure sale, in the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (individually and collectively, "**Transfer**"), Lessee must obtain the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. In connection with Lessee's request for Lessor's approval of a Transfer, Lessee and or the proposed transferee shall provide to Lessor written financial assurances, including, but not limited to financial statements, business plans and other information related to the financial condition and plans of any proposed transferee. Unless otherwise agreed upon in connection with Lessor's approval of a Transfer, Lessee shall remain liable under the Lease, for all of Lessee's obligations under this Lease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this SECTION 9, may irreparably harm Lessor as the requirements set forth herein are directly related to Lessor's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration ("**FAA**"). This SECTION 9 shall remain valid and enforceable even in the event of amendment to or repeal of FAA regulations, so long as this SECTION 9 does not directly conflict therewith.

9.2 Lessee's Required Advance Notice to Lessor of Proposed Transfer. In order for Lessor to consider approval of a Transfer, Lessee must: (i) notify Lessor in writing at least FORTY-FIVE (45) days prior to such proposed Transfer; (ii) deliver to Lessor, at the time of Lessee's notice, current financial statements of the proposed transferee (along with transferee's business plans) that are reasonably acceptable to Lessor; and (iii) the transferee assumes and agrees in writing to perform Lessee's obligations under this Lease. However, nothing herein shall be construed as Lessor providing its consent to any Transfer or relieving Lessee of any legal, financial or other obligation under the Lease, regardless of Lessor's acceptance or refusal to accept such proposed Transfer of Lease. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may send a second notice to Lessor that includes the language in bold, 12-point font "**FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS WILL RESULT IN DEEMED APPROVAL OF A TRANSFER.**" If Lessor fails to respond within the TEN (10)-business day period, requesting approval of a Transfer. If Lessor fails to respond in writing to any matter in such second notice within TEN (10) business days following delivery of such notice, Lessee's proposed Transfer shall be deemed to have been approved by

Lessor. If Lessor disapproves a request for approval, Lessor shall set forth in writing the reason for its disapproval.

9.3 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) if Lessee is a corporation, partnership, limited liability company or other legal entity, the transfer of any ownership interest in such entity resulting in a change in the present Control (as defined in SECTION 9.4.1) of such entity by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; or (ii) the sale of FIFTY PERCENT (50%) or more in value of the assets of Lessee.

9.4 Permitted Transfers.

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

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

9.5 Subletting.

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

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

(b) Rent for subleased premises shall not be less than fair market value unless otherwise approved in writing by Lessor.

(c) The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

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

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

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

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

9.5.2 Upon request from Lessee and any sublessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement (in form and substance reasonably acceptable to Lessor, Lessee, sublessee and any applicable Leasehold Mortgagee (as defined in SECTION **ERROR! REFERENCE SOURCE NOT FOUND.**)) so long as (i) the conditions of SECTION 9.5.1 have been met; (ii) the sublessee is not then in default beyond an applicable notice and cure period under the sublease and there is no existing Event of Default under this Lease; and (iii) the sublessee does not have a history of FIVE (5) or more documented events of noncompliance with the *Airport Rules and Regulations*. All legal fees incurred by Lessor in connection with any reasonably necessary legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be reimbursed in advance by Lessee.

9.5.3 Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than FIVE (5) business days after execution.

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

10. IDENTIFICATION SIGNS

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

11. DEFAULT; TERMINATION BY LESSOR

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee ("**Event of Default**"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 A breach of any covenant or failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such breach or failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; and further provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is commenced within such THIRTY (30)-day period and thereafter diligently pursued to completion.

11.1.3 The filing of any mechanic's, materialmen's or other lien of any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee which is not in accordance with SECTION 9 or SECTION 22 of this Lease.

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

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, but subject to the provisions of SECTION 22, exercise ONE (1) or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. To the fullest extent permitted by applicable law, Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and shall hold Lessor harmless from all losses, costs or damages occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor. If Lessor elects to terminate Lessee's right to possession without terminating this Lease, and to retake possession of the Premises, Lessor shall use reasonable efforts to relet the Premises.

11.4 Lessor's Current Damages. Upon the occurrence and during the continuance of an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the reasonable costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within TEN (10) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the amount of the Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence ("**Deficiency**"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential or speculative damages under this Lease.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover (without duplication) from Lessee, and Lessee shall pay to Lessor, promptly on demand, as Lessor's final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the

unexpired portion of the Term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of Base Rent and any losses that could have been reasonably avoided, plus (b) reasonable repossession costs, reasonable Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), reasonable attorneys' fees, reasonable legal expenses, and all other actual damages incurred by Lessor as a result of such Event of Default.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it is reasonably calculated to put Lessee on inquiry as to the nature and extent of such default and is made in accordance with SECTION 19 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in SECTION 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Other remedies that are available to Lessor include self-help and recovery of damages, and nothing in this SECTION 11 shall limit the exercise of any such other remedy.

11.9 Subordination of Landlord's Lien. Lessor hereby agrees from time to time to subordinate to ONE (1) or more Leasehold Mortgagees or Lessee's primary line of credit provider so long as such credit provider is an institutional lender unaffiliated with Lessee, all statutory or common law landlord's lien rights with respect to property or assets of Lessee located on the Premises, including, without limitation, Lessor's rights under A.R.S. §§ 33-361 and 362 and other similar laws. Upon written request from Lessee, Lessor agrees to promptly execute and deliver such commercially reasonable landlord subordination agreement and access agreement that any Leasehold Mortgagee or primary line of credit provider may request of Lessor. Lessee shall reimburse Lessor for reasonable third-party costs, including reasonable attorneys' fees, incurred by Lessor in connection with the review and negotiation of any such agreement within THIRTY (30) calendar days after receipt of an invoice from Lessor.

12. RESERVED

13. INDEMNIFICATION

13.1 Lessee's Indemnity. To the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this SECTION 13.1) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term; (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this SECTION 13.1) on the Premises or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessor; and/or (iii) the failure of Lessee to comply with any provisions of this Lease. This

indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor's Indemnity. To the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this SECTION 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessor or its agents, employees, contractors or subcontractors; (ii) any grossly negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this SECTION 13.2) on the Premises, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (iii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

14. ENVIRONMENTAL PROTECTION

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this SECTION 14.1 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws.* The term "**Environmental Laws**" shall mean any ONE (1) or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Solid Waste Disposal Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; A.R.S. Title 49; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal Government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient (including indoor and outdoor) air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

14.1.2 *Hazardous Material.* The term "**Hazardous Material**" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any environmental laws, per- and polyfluoroalkyl substances, and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils). For purposes of this definition, per- and polyfluoroalkyl substances shall include aqueous film-forming foams.

14.2 Environmental Compliance.

14.2.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Laws, including any amendments thereto, affecting Lessee's activities on and property interest in the Premises during the period of Lessee's occupancy of thereof under this Lease. To the extent that Lessor, or any Lessor's employees, agents or contractors, conducts any activities on the Premises during the period of Lessee's occupancy, Lessor shall, at Lessor's own expense, comply

with all present and hereafter enacted Environmental Laws, including any amendments thereto, affecting any of Lessor's activities on the Premises.

14.2.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee's agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Laws. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Material that is ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws. Lessor shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Premises or by Lessor's agents, employees, contractors for any activity Lessor conducts on the Premises during Lessee's occupancy, without prior notification to and approval by Lessee (which shall not be unreasonably withheld), and any such use or presence shall be in compliance with Environmental Laws.

14.3 Indemnification.

14.3.1 To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment, the presence of Hazardous Material on the Premises, Airport or neighboring properties, or violation of any Environmental Laws or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity ("**Environmental Damages**") which are incurred or assessed as a result of any of Lessee's activities or operations on the Premises or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee's obligations and liabilities under this SECTION 14.3 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This SECTION 14.3 explicitly excludes Lessee's duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises or the mere discovery of any Hazardous Materials on the Premises as a result of Lessee's construction and completion of the Improvements and/or any other Lessee improvements (except and only to the extent a known contamination is exacerbated by Lessee's negligence), and/or any claims or Environmental Damages arising as a result of an act of omission of Lessor or its agents, employees, or contractors at the Premises.

14.3.2 To the fullest extent permitted by applicable law, Lessor shall indemnify, defend (with counsel reasonably acceptable to Lessee), protect and hold harmless Lessee and its employees and agents for, from and against any and all Environmental Damages which are incurred or assessed as a result of any of Lessor's activities or operations on the Premises. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessor's obligations and liabilities under this SECTION 14.3 shall survive the termination of this Lease. The indemnification of Lessee by Lessor as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessee reserves the right to seek injunctive relief as may be permitted under law and equity. This SECTION 14.3 explicitly excludes Lessor's duty, liability or indemnity to Lessee for any claims or Environmental Damages of any kind whatsoever arising from or in connection

with any contamination of any kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is caused by or exacerbated by Lessor or unknown contamination is caused by or exacerbated by Lessor's negligence.

14.4 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any Environmental Laws, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this SECTION 14.4, Lessor is not responsible for directing or managing any remediation action. The term "**Release**" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

14.5 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("**Government**") under the Environmental Laws in connection with Lessee's activities or operations on the Premises. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any Release of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.6 Information Sharing. Lessee shall promptly notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a violation of Environmental Laws, and (ii) any significant change in Lessee's activities on the Premises that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to assist in the response to any governmental investigation or claim of liability by third-parties which is related to environmental contamination of the Premises, to the extent that such investigations or claims are related to Lessee's activities thereon.

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

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

14.9 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit ("**MSGP**"). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual

Storm Water Pollution Prevention Plan ("**SWPPP**") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent ("**NOI**") that has been received by the Arizona Department of Environmental Quality ("**ADEQ**") and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

14.10 Reserved.

14.11 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* ("**Questionnaire**") to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Material into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.12 Right to Enter Premises. In addition to the rights afforded to Lessor in SECTION 18, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency ("**EPA**"), ADEQ, Lessor, and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessee shall have no claim against Lessor for any such entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof. Provided no Event of Default exists under this Lease and Lessee is then occupying the Premises, Lessee shall be permitted the opportunity to provide an employee of Lessee to accompany Lessor and/or third parties when entering the Premises for the purposes set forth above or in SECTION 18, except in the case of real or apparent emergency.

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

14.13.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force's use of Hazardous Material on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Material or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises, even if such claims or contamination are first discovered or made after the Effective Date. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to any contamination caused by or related to such use or release. For purposes of this SECTION 14.13, "defense" or "environmental response, remediation, or cleanup" shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release.

14.13.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment

with respect to hazardous substances remaining on the Airport, including the Premises, has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

14.14 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Material cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense cause delays or interferes with Lessee's use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above-described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action conducted by governmental authorities or Lessor shall, to the extent practicable, be coordinated with representatives designated by Lessee. Notwithstanding anything contained herein to the contrary, in the event the cleanup requirements as described in this SECTION 14.14 interfere with Lessee's use of and/or access to the Premises for more than NINETY (90) consecutive days, then Lessee shall have the right to either (i) equitably abate Base Rent to the degree of interference with Lessee's use or occupancy of and access to the Premises, or (ii) terminate this Lease without any further obligations in connection herewith except for those accruing prior to termination or which expressly survive termination of this Lease.

14.15 Reserved.

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

14.17 Surface Disturbances. After construction of Lessee's Improvements on the Premises as provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

14.18 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Premises after the Effective Date that: (a) (i) were not placed on or introduced to the Premises by Lessee, and (ii) were present on the Premises prior to the Effective Date (collectively, "**Later-Discovered, Pre-Existing Hazmat**"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Improvements; Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall either (a) conduct such investigations and remedial actions as necessary under applicable Environmental Laws and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this SECTION 14.18, to promptly investigate and remediate the detected contamination in accordance with Environmental Laws, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (b) obtain approval of any Leasehold Mortgagee, if any, and terminate this Lease upon written notice to Lessor.

15. PROTECTION OF WETLANDS

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the United States Army

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

16. INSURANCE

16.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

16.1.1 *Builder's Risk* covering the insured's premises and all replacements and/or additions thereto for their full insurable value plus TEN PERCENT (cost + 10%) on a "replacement cost" basis, and requires an ISO Special Causes of Loss form or equivalent until completion of construction of the improvements upon the premises as established by receipt of a final CofO.

16.1.2 *Commercial Automobile Liability* in the amount of ONE MILLION DOLLARS ($1,000,000) per occurrence or combined single limit, covering all owned, non-owned and hire vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or that are operated within the AOA. If any hazardous materials are transported within Airport boundaries in conjunction with the operator's business activities, an MSC-90 Endorsement is required.

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

16.1.4 *Property* insurance covering all essential personal property (property essential to continued business operations) and all operator improvements made to buildings or facilities on the Airport, including all replacements and/or additions thereto, for their full insurable value (All Risks) on a replacement cost basis, and requires an ISO Special Causes of Loss form.

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

16.2 Form. Each insurance policy obtained pursuant to this SECTION 16, except for *Worker's Compensation* and *Employer's Liability* policies, shall: (i) name Lessor as a certificate holder and additional named insured via endorsement; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to Lessor not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) calendar days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

16.3 Certificates of Insurance. Lessee shall deliver a certificate of insurance for each policy required along with an endorsement naming Mesa Gateway Airport Authority as additional insured, herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the Term of this Lease annually or upon sooner renewal or replacement.

16.4 Additional Insurance. At any time during the Term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this SECTION 16 is no longer adequate, require

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

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

16.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this SECTION 16. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

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

17. SURRENDER OF POSSESSION

17.1 Condition of Premises.

17.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear, casualty (subject to Lessee's obligations under SECTION 7.7) and condemnation (subject to Lessee's obligations under SECTION 7.8). All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed to the building shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Premises and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall be deemed abandoned, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the reasonable cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

17.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required by Lessor, be permanently removed from the Premises by Lessee, at Lessee's expense, within FIVE (5) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

17.1.3 Lessee shall not be responsible for the removal or remediation of any Hazardous Material that was present on, under or near the Premises prior to occupancy, regardless of the date of discovery of such Hazardous Material, except and only to the extent contamination that is known to Lessee is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence, it being agreed that the mere discovery of any contamination by Lessee shall not be deemed exacerbated by Lessee.

17.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee.

18. INSPECTION BY LESSOR

The Premises has been designated by Lessee as a sensitive information facility due to the highly confidential nature of the use thereof; and Lessee shall have the right from time to time to reasonably and in good faith designate all of the Improvements and other portions of the Premises as "Designated Secured Areas." Upon FIVE (5) business days' prior written notice to Lessee (herein, an "**Entry Request**"), and provided Lessor complies with the entry requirements established by Lessee from time to time and does not unreasonably interfere with Lessee's use of the Premises, Lessee shall permit Lessor and its agents to enter upon the Premises (other than the Designated Secure Areas), for the purpose of inspecting the same (other than the Designated Secure Areas). In the case of an emergency in which Lessor is required under applicable law to immediately enter, no prior notice to Lessee is required Without limiting the generality of the foregoing, Lessee may implement (and from time to time modify) and Lessor and its agents, employees, contractors, guests and invitees shall comply with, commercially reasonable rules, systems and procedures for the security and safety of the Premises and its contents and Lessee's employees, agents, guests and invitees, which systems and procedures may include, among other things, video surveillance, security guards/patrols, lobby attendants, security lighting, key-card systems, access gates, the right to escort Lessor and any third parties while the same are on the Premises, the right to prohibit photographs of any portion of the Premises designated by Lessee without Lessee's prior written consent (which consent may be withheld in Lessee's sole and absolute discretion); reasonable and good faith designation by Lessee of sensitive areas of the Premises that are wholly restricted from entry by Lessor, any of the Lessor's employees, contractor's, agents, guests and invitees or any of their designees except as otherwise expressly provided herein (the "**Designated Secure Areas**"); and the right to restrict access by any visitor whom Lessor intends to bring on the Premises who is a competitor, as determined by Lessee in its sole and absolute discretion. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

19. NOTICES

19.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses or at such address as either Party may advise the other from time to time:

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

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

19.2 Any notice shall be deemed to have been received Two (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service.

20. SEVERABILITY

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

21. APPROVALS, CONSENTS AND NOTICES

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

22. LIENS AND MORTGAGES

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

22.2 Mortgaging of the Leasehold.

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

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

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

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

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

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

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

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

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

22.7.2 Leasehold Mortgagee shall pay to Lessor at the time of the execution and delivery of the 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 in connection with entering into such new Lease;

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

22.7.4 Leasehold Mortgagee, as replacement Lessee under the 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.

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

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

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

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

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

23. GOVERNING LAW; ATTORNEY'S FEES

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

24. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Premises, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon request.

25. CORPORATE AUTHORIZATION

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

26. UTILITY LINES AND SERVICE CHARGES

26.1 Connections and Services. Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested in advance to do so by Lessee, Lessor will grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

26.2 Payment. Lessee shall pay for all utilities, including trash collection, used in its operations at the Airport and the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

26.3 Continued Use and Repair. Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises and the right to repair the same when necessary, in Lessor's reasonable discretion, including but not limited to, any utility easements on the Premises. Lessor agrees to coordinate any entry onto the Premises with Lessee and shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities or the activities of Lessee's employees, agents, contractors, subtenants or invitees (collectively, "**Lessee's Occupants**") thereon.

27. RESERVATIONS TO LESSOR

The Premises are accepted "as is, where is" by Lessee, subject to the Permitted Exceptions. Lessor reserves the right to grant reasonable easements and rights-of-way, over, on, or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to unreasonably interfere with or disrupt Lessee's or Lessee's Occupants' activities on

the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. The location of any such easements and rights-of-way shall be subject to Lessee's prior written consent which shall not be unreasonably withheld, conditioned or delayed. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this SECTION 27 and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or Lessee's Occupants' activities on the Premises. All work shall be in compliance with all applicable laws, including Environmental Laws, and the surface of the Premises shall be restored to its original condition, including any necessary remediation in accordance with Environmental Laws of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to, at a minimum, the same conditions applicable to Lessor under this SECTION 27, including but not limited to that the surface of the Premises and any Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

28. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES

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

28.1 Lessee agrees that in the event Lessee's improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

28.2 Lessee agrees that: (a) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Premises; (b) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (c) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

28.3 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

28.4 Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance therefrom; provided that the foregoing does not give Lessor the right to develop new landing areas on the Premises.

28.5 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

28.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport.

28.7 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

28.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

28.9 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

28.10 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

28.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §§ 40103(e) and 47107(a)(4).

28.12 This Lease and all of the provisions hereof shall be subject to whatever right the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

29. TITLE VI

29.1 General Civil Rights. To the extent required by applicable law, Lessee agrees to comply with pertinent statues, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("**Title VI**") in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

29.2 Title VI List of Pertinent Nondiscrimination Acts and Authorities. To the extent required by applicable law, during the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 (2005)); and

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

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

29.3.1 Compliance with Regulations. Lessee will comply with the Title VI List of Pertinent Non-Discrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

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

selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

29.3.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee's obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

29.3.4 Information and Reports. Lessee will provide all information and reports required by the acts, the regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Lessor or the FAA be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish the information, Lessee will so certify to Lessor or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.

29.3.5 Sanctions for Noncompliance. In the event of Lessee's noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such default remedies as it or the FAA may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(b) cancelling, terminating, or suspending the Lease, in whole or in part.

29.3.6 Incorporation of Provisions. Lessee will include the provisions SUBSECTIONS 29.3.1 through 29.3.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by acts, the regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as Lessor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

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

29.4.1 In the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

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

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

29.5.1 Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (a) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (b) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (c) that Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts and Authorities.

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

30. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. To the extent required by applicable law, Lessee has full responsibility to monitor compliance to the referenced 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. To the extent required by applicable law, Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

32. INCORPORATION OF QUITCLAIM DEED

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government ("**Deed**"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

32.1 That this Lease is subject to all terms and conditions of the Deed; and

32.2 That in case of any conflict between the Deed and this Lease, the Deed shall control

33. REQUIRED PROVISIONS OF QUITCLAIM DEED

33.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

33.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

33.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

33.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

33.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

34. AIRPORT SECURITY

34.1 Airport Security Plan.

34.1.1 Lessor's Operations Department maintains an approved Airport Security Plan ("**Security Plan**") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with Lessor's Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

34.1.2 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by Lessor's Operations Department.

34.1.3 Lessee shall promptly upon written request from Lessor correct physical or procedural deficiencies caused by Lessee that are located on the Premises which are contrary to Lessor's Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future. Within TWENTY-FOUR (24) hours of Lessor notifying Lessee of any deficiency, Lessor shall provide Lessee with a reasonably-detailed explanation of the deficiencies. Lessee shall be given a reasonable period of time (under the circumstances) to correct such deficiencies.

34.1.4 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold Lessor harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

34.1.5 Lessee shall conduct and document all self-audits and self-inspections as required by Transportation Security Administration ("**TSA**") or Lessor's Operations Department and make such audits available for inspection.

34.1.6 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

34.1.7 Lessor reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. Lessor's Operations Department shall notify the Lessee security coordinator regarding modifications that effect Lessee.

34.2 Airport Security Badge.

34.2.1 Lessee's employees and contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by Lessor's Operations Department, TSA or other entity having security jurisdiction at the Airport. Lessee, Lessee's employees, and contractors will surrender security badges upon request by Lessor's Operations Department; physical security media (badges and keys) remain the property of Lessor. Within SEVENTY-TWO (72) hours of Lessor's confiscation of any security badges, Lessor shall provide Lessee with a reasonably-detailed explanation of the violations that caused Lessor to confiscate the security badges.

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

34.2.3 Lessee will promptly return badges to Lessor's badging office when badge holders' employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

34.2.4 Misuse of a badge or security procedures will bring about action, including, but not limited to, retraining of badge holders, and/or suspension or revocation of ONE (1) or all misused badges.

35. DEFAULT BY LESSOR

In the event of any alleged breach by Lessor of its covenants or obligations contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30)calendar day period, Lessor has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly permitted in SECTIONS 14.14 and 14.18 of this Lease. In no event shall Lessor be liable for punitive, consequential or speculative damages under this Lease.

36. BROKERS

Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessor and Lessee each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party's representation and warranty in this SECTION 36.

37. SALE BY LESSOR

Lessee agrees to look solely to Lessor's interest in the Premises and any insurance proceeds, including rents, profits, proceeds and awards for the recovery of any judgment against Lessor, it being agreed that neither

Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

38. ESTOPPEL CERTIFICATE

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (a) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the existence of any default hereunder to the best of such Party's knowledge; (c) as to the date on which such Party was obligated to commence paying any charges hereunder and the expiration date of the Term; (d) as to whether such Party has assigned or transferred its interests or any portion thereof in this Lease; and (e) as to any other matters relating to this Lease and the Premises as may be reasonably requested. The requesting Party and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

39. UNAVOIDABLE DELAY

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "**Unavoidable Delay**" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, entitlement approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic/pandemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (s) delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under SECTION 14 (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), or (t) unavailability or shortage of materials or labor that could not be reasonably anticipated, or (u) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) calendar days after the commencement of such Unavoidable Delay.

40. MISCELLANEOUS

40.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

40.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

40.3 Non-Waiver of Rights. No waiver or default by Lessor of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Lessee shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Lessee, and Lessor shall not be restricted from later enforcing any of the terms and conditions of this Lease.

40.4 Amendment. This Lease contains all agreements of the Parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence, or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the Party.

40.5 Litigation Expenses. In the event of litigation between Lessor and Lessee in connection with this Lease, the prevailing Party shall be entitled to recover its attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

40.6 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

40.7 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

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

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

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

41. INCORPORATION OF RECITALS

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

(Signatures appear on the following pages.)

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

LESSOR:

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

By: _____

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

Title: Executive Director/CEO

Date: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

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

_____
Notary Public

My Commission Expires:

_____

LESSEE:

FLIGHTSAFETY INTERNATIONAL INC., a New York corporation

By: Barbara Telek

Name: Barbara G. Telek

Title: President

Date: August 4, 2025

STATE OF Ohio)
) ss.
County of Franklin)

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

Allison McMillin
Notary Public

My Commission Expires:
10-30-2026

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

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES



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

July 31, 2025
Job No. P7431

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

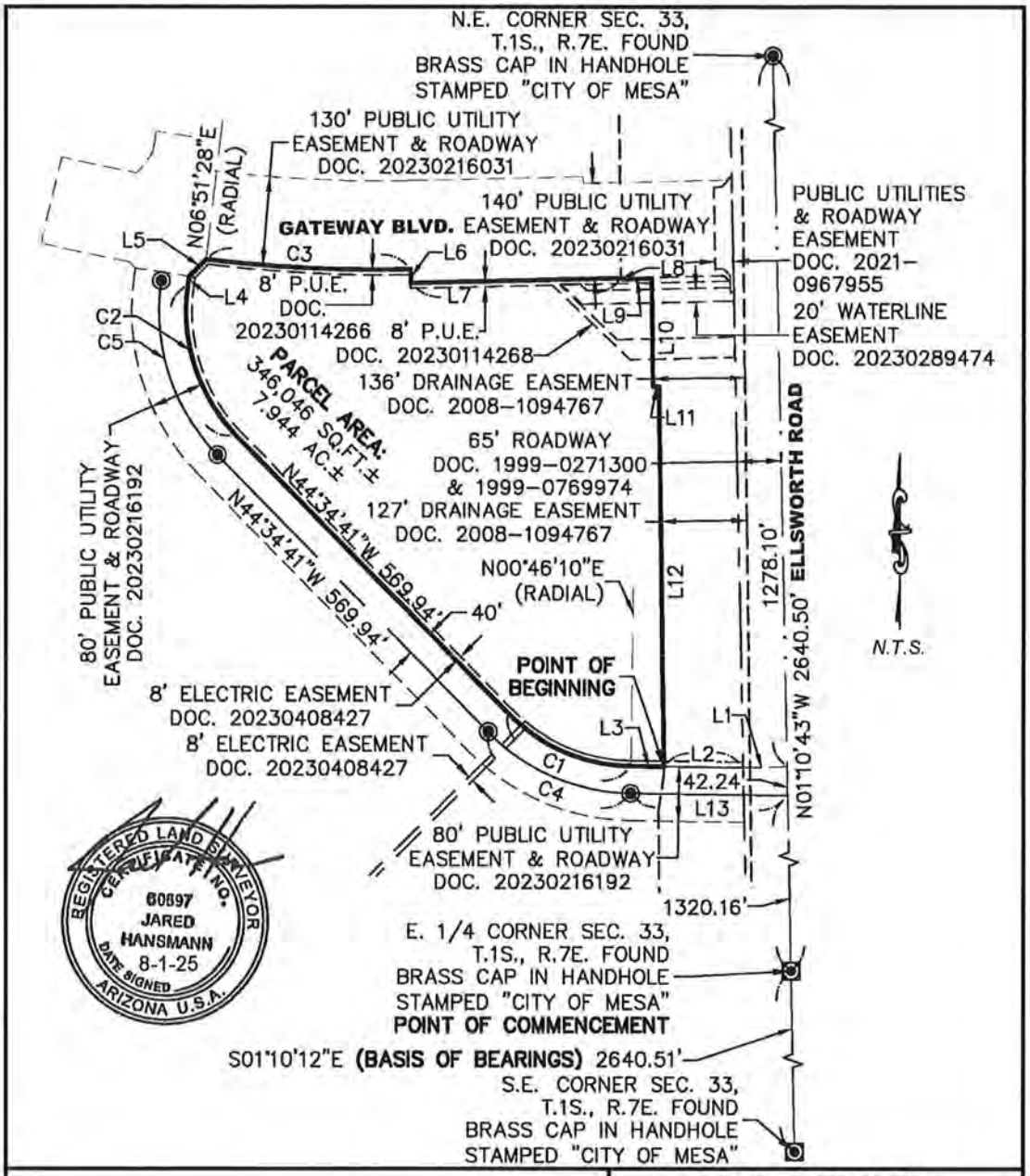
THENCE SOUTH 00°46'04" EAST, A DISTANCE OF 158.27 FEET;

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

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

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





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

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

DRAWING:	PARCEL-EXHIBIT.DWG				
JOB#	P7431	SCALE:	NTS	SHT:	1 OF 2
DRAFTER:	PJE	CHK:	JH	DATE:	7/31/25

LEGEND

◉ FOUND BRASS CAP FLUSH

◙ FOUND BRASS CAP IN HANDHOLE

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



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

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

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

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

EXHIBIT B

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

www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT C

PERMITTED EXCEPTIONS

CHICAGO TITLE INSURANCE COMPANY

OWNER'S POLICY NO. PROFORMA CT347250100

SCHEDULE B
EXCEPTIONS FROM COVERAGE

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

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

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2025.
   (No real property taxes are assessed, due or payable)

2. Water rights, claims or title to water, whether or not disclosed by the Public Records.

3. Reservations contained in the Patent

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

   Which among other things recites as follows:

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

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

5. Intentionally Deleted

6. Intentionally Deleted

7. Intentionally Deleted

8. Intentionally Deleted

9. Intentionally Deleted

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

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

Intentionally Deleted

10. Matters shown on record of survey:

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

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

Recording No: 98-0354787
Re-Recording No: 98-0364178
(Matters affecting the property as shown in Attachments A, I, J, K, L, M, O, T, U and V and excluding all other Attachments not expressly listed herein.)

12. Intentionally Deleted

13. Intentionally Deleted

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

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

15. Intentionally Deleted

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

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

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

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

17. Intentionally Deleted

18. Intentionally Deleted

19. Intentionally Deleted

20. Intentionally Deleted

21. Intentionally Deleted

22. Intentionally Deleted

23. Intentionally Deleted

24. Intentionally Deleted

25. Intentionally Deleted

26. Intentionally Deleted

27. Intentionally Deleted

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

Purpose:	Public utilities and appurtenant facilities
Recording Date:	March 7, 2023
Recording No:	20230114266

29. Intentionally Deleted

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

Purpose:	Public utilities and appurtenant facilities
Recording Date:	March 7, 2023
Recording No:	20230114268

31. Intentionally Deleted

32. Intentionally Deleted

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

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

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

Purpose:	Public utilities and appurtenant facilities
Recording Date:	April 27, 2023
Recording No:	20230215527

34. Intentionally Deleted

35. Intentionally Deleted

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

Purpose:	Public utilities and Roadway
Recording Date:	April 27, 2023
Recording No:	20230216192

37. Intentionally Deleted

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

Purpose:	Water line and appurtenant facilities
Recording Date:	June 5, 2023
Recording No:	20230289474

39. Intentionally Deleted

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

Purpose:	Temporary construction
Recording Date:	June 7, 2023
Recording No:	20230295696

41. Intentionally Deleted

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

Purpose:	Power distribution
Recording Date:	August 4, 2023
Recording No:	20230408427

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

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

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

Purpose:	Power distribution
Recording Date:	September 11, 2023
Recording No:	20230474705

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

Purpose:	Temporary Construction
Recording Date:	December 20, 2023
Recording No:	20230646762

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

Purpose:	Power distribution
Recording Date:	February 20, 2024
Recording No:	20240084926

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

Purpose:	Power distribution
Recording Date:	April 23, 2024
Recording No:	20240212109

47. Intentionally Deleted

48. Intentionally Deleted

49. Intentionally Deleted

50. Intentionally Deleted

51. Intentionally Deleted

52. The effect of any failure to comply with the terms, covenants, conditions and provisions of the lease described or referred to in Schedule A item 2.

53. Intentionally Deleted

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

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

54. Intentionally Deleted

END OF SCHEDULE B

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

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

EXHIBIT D

DEPICTION OF PROPOSED IMPROVEMENTS

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

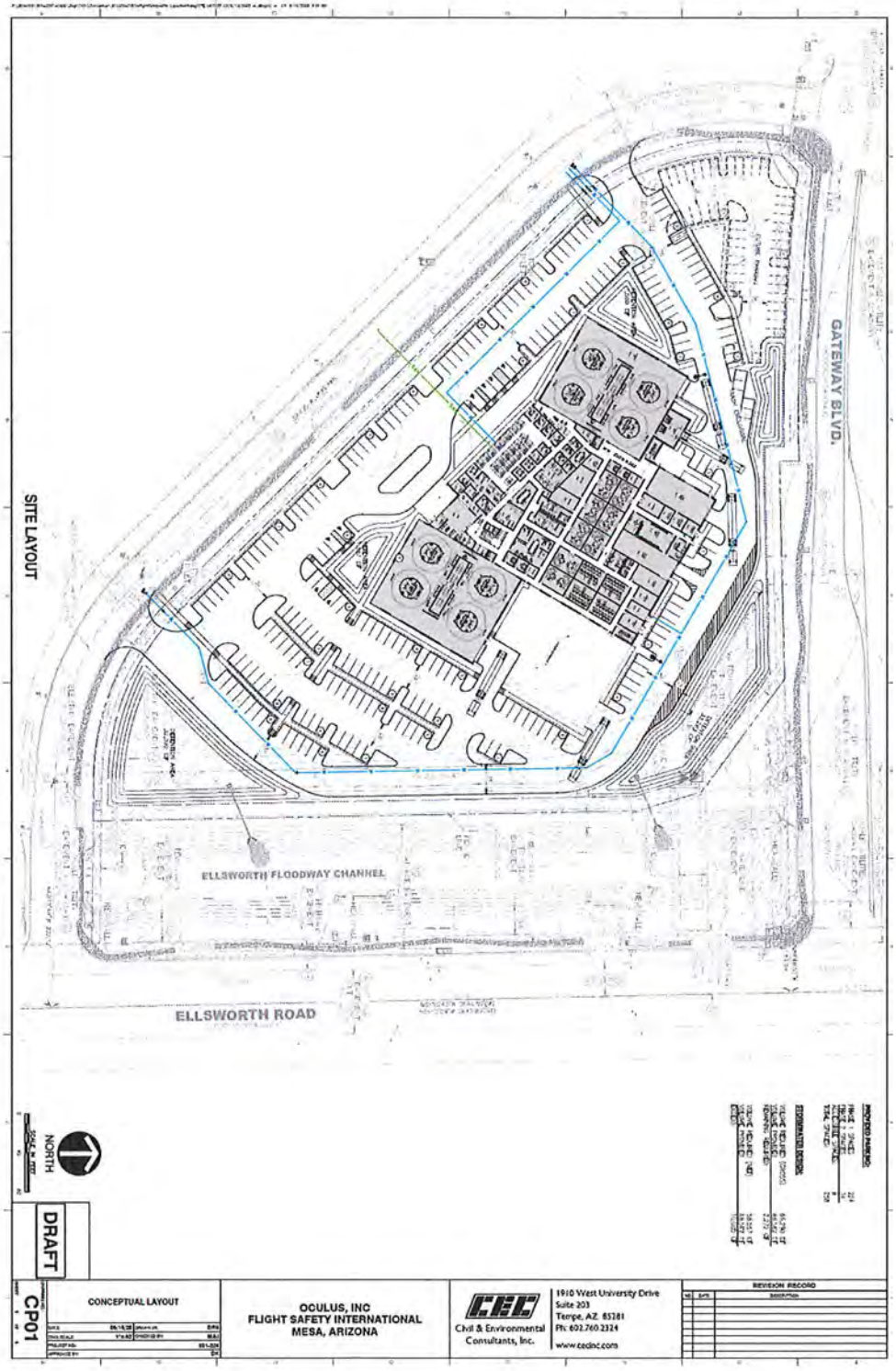


EXHIBIT E

MEMORANDUM OF LEASE

WHEN RECORDED,
RETURN TO:

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

MEMORANDUM OF LEASE

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

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

1. Lease and Premises. Lessor and Lessee entered into that certain Land Lease dated September 1, 2025 ("**Lease**"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "**Premises**"). Subject to the covenants and conditions contained in the Lease, Lessor has leased to Lessee, and Lessee has leased from Lessor, the Premises.

2. Term. The term of the Lease commenced on September 1, 2025, and expires on August 31, 2075 unless earlier terminated pursuant to the terms of the Lease. Subject to the terms of the Lease, Lessee has the right and option extend the term of the Lease for THREE (3) additional periods of FIVE (5) years each, in accordance with the terms of the Lease.

3. Use. Lessee may use and occupy the Premises for training aviation professionals, including, but not limited to, flight simulation and pilot training, aviation maintenance training, aircrew training, and other ancillary aviation training services to customers, learning center operations, general office use, and ancillary storage and assembly and for no other use.

4. No Modification. This Memorandum shall not, under any circumstances, be deemed to modify or change any provisions of the Lease, the provisions of which shall in all instances prevail.

5. Counterparts. This Memorandum may be executed in ONE (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(Signatures appear on the following page.)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LESSOR:

MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

LESSEE:

FLIGHTSAFETY INTERNATIONAL INC., a New York corporation

By: _____

Name: Barbara G. Telek

Title: President

Date: _____

STATE OF _____)
) ss.
County of _____)

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

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

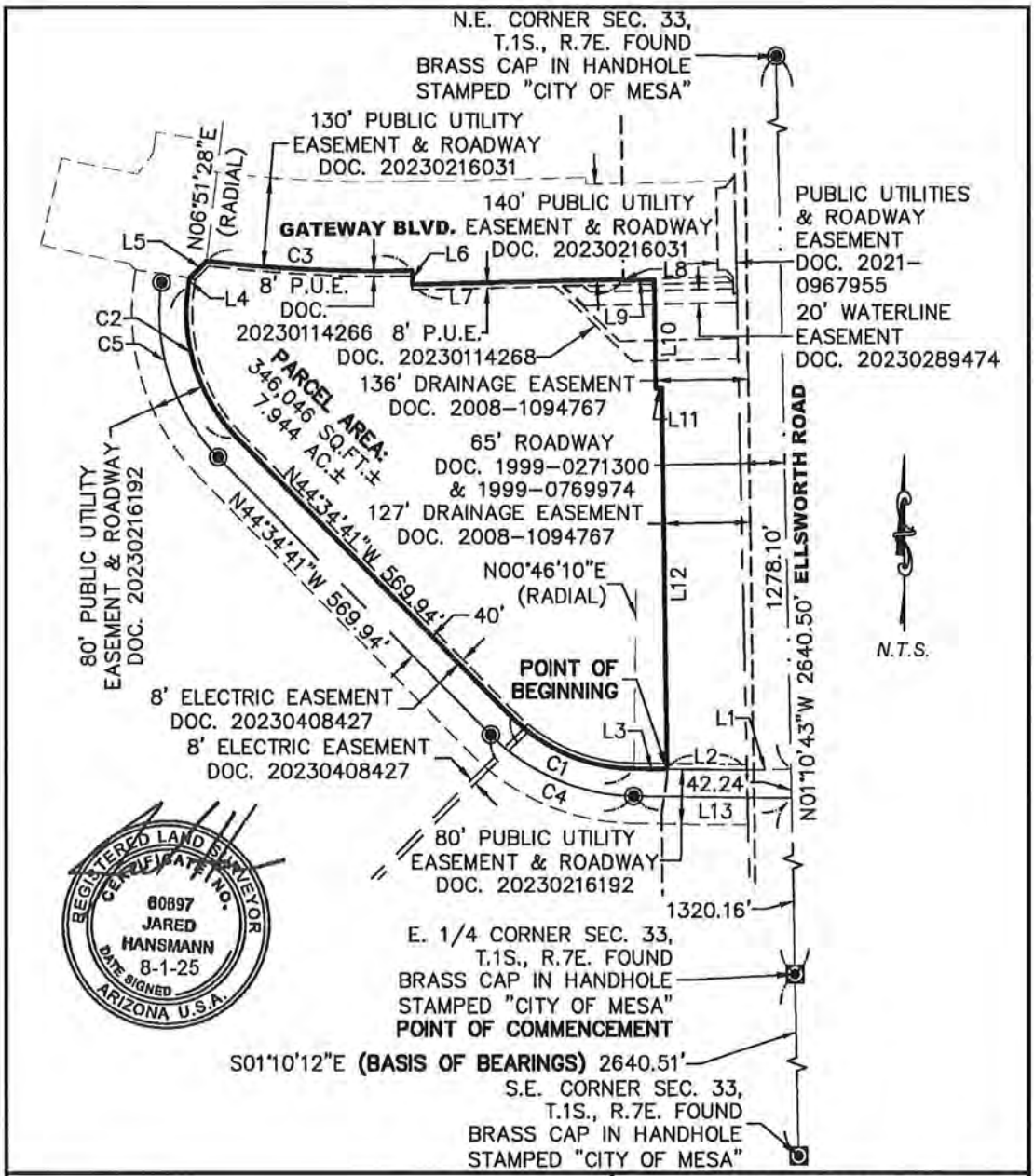
THENCE SOUTH 00°46'04" EAST, A DISTANCE OF 158.27 FEET;

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

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

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





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

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

DRAWING:	PARCEL-EXHIBIT.DWG				
JOB#	P7431	SCALE:	NTS	SHT:	1 OF 2
DRAFTER:	PJE	CHK:	JH	DATE:	7/31/25

LEGEND

◉ FOUND BRASS CAP FLUSH

◙ FOUND BRASS CAP IN HANDHOLE

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



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

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

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

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

EXHIBIT F

INCENTIVES

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

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

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

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

Attached is the monthly Financials Report for June 2025.

Mesa Gateway Airport Authority

AIRPORT - All Operations P&L

June, 2025

PRELIMINARY

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

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:	**Airfield Electrical Upgrades – CIP 1318, Increased Costs, Anixter, Inc.**
Date:	**August 19, 2025**

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

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

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

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:	**Airfield Electrical Upgrades – CIP 1318, Increased Costs, Blueglobes, LLC**
Date:	**August 19, 2025**

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

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

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

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

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

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **August 19, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	September 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	October 2025

Future Solicitations

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

Equipment Disposals

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

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

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, September 16, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Mark Freeman, Vice Chair)
   Members of the Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Pledge of Allegiance**

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

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

5. **Presentation** –The Boyer Company, L.C.

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **August 19, 2025**.

   b) **Resolution No. 25-36 –** Authorizing an Amendment of the **FY26 Capital Budget** to provide an additional $14,587,121 in funding, to the initial $30,000,000 Capital Budget that was approved in March 2025, for the TSA In-Line Checked Baggage System Design/Construct Project under CIP 1265, subject to receipt of a TSA OTA Grant. The new project total will be $44,587,121, which includes the Design costs of $1,125,991.50.

   c) **Resolution No. 25-37 –** Authorizing a Construction Manager at Risk Construction Services Contract with **The Weitz Company, LLC** for the TSA In-Line Checked Baggage System Improvements Project, in an amount not to exceed $41,643,882 pending receipt of a Transportation Security Administration grant.

   d) **Resolution No. 25-38 –** Approve a Professional Services Agreement to provide Construction Administration Services with **Studdiford Technical Solutions, LLC** for the In-Line Checked Baggage System Improvements Project, in an amount not to exceed $925,997 pending the receipt of a Transportation Security Administration grant.

e) **Resolution No. 25-39 –** Authorizing a contract with **Cross Fire Protection, LLC**, to provide Airport Wide Fire System Test, Inspect, Monitoring, and Repair services for all fire protection/alarm systems installed throughout the Airport's property, in an amount not-to-exceed $55,848.50, (excluding repair services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5%, subject to written approval by the Airport. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of the Airport.

f) **Resolution No. 25-40 –** Authorizing a contract with **Kleen-Tech Services, LLC** for Power Washing Services, in an amount not to exceed $23564.00 (excluding as needed services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5% provided the adjustments are submitted in writing with thirty (30) days' advance notice. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of MGAA.

g) **Resolution No. 25-41 –** Authorizing an Amendment to the Development Lease on Lot 210 with **Boyer Gateway East Mesa Building 1, L.C**., a Utah limited liability company, to adjust the base rent schedule and update the name of the Airport and Airport Authority.

h) **Resolution No. 25-42 –** Authorizing the First Amendment to the Master Development Agreement with **Boyer Gateway East L.C**., to update the boundaries for the Development Phases of the Project.

Consideration and Approval of:

7. **Resolution No. 25-43 –** Authorizing a Development Lease with **Boyer Gateway East Mesa Hotel 1, L.C**., a Utah limited liability company, for 1.725 acres (75,138 square feet) located within the Gateway East project and identified as Lot 201. The lease term is SIXTY-FIVE (65) years commencing on October 1st, 2025. To authorize a Second Amendment to the Master Lease with **Boyer Gateway East L.C.,** to concurrently remove Lot 201 from the Master Lease Agreement and update the Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East.

8. **Board Member Comments/Announcements**

9. **Next Meeting: Tuesday, October 21, 2025 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.

- Gateway Airport Reports Record July for Passenger Activity
- Gateway Airport Reports Record July for Financial Performance
- Construction of TSA Checked Baggage Inspection Facility to Begin this Fall
- Gateway Commerce Center III Buildings Nearing Completion
- Additional Covered Parking Planned for Ray Road Economy Parking Lot
- Phase II of Runway 12R-30L Reconstruction Gets Underway on October 1st

Executive Director's Report
September 2025

FlightSafety International is Building a 100,000 Sq. Ft. Learning Center at Mesa Gateway Airport



Financial Snapshot

OPERATING INCOME	July		Month Variance	FYTD Comparison		FYTD Variance
	2024	2025		FY25	FY26	
Revenues	$3,050,247	$3,656,828	**$606,581**	$3,050,247	$3,656,828	**$606,581**
Less Expenses	$2,239,383	$2,767,301	**$527,918**	$2,239,383	$2,767,301	**$527,918**
Operating Income *(Before Depreciation)*	**$810,864**	**$889,527**	**$78,663**	**$810,864**	**$889,527**	**$78,663**

Investment Fund Balances: As of July, the Local Governmental Investment Pool (LGIP) 700 = $3,774,546; Wells Fargo; Collateralized Money Market = $8,223,791 and Commercial/Paper Brokered CD's = $59,745,178; Total $71,743,515. MGAA invests in fixed rate instruments.

Finance and Accounting

Gateway Airport Reports Record July for Financial Performance

Mesa Gateway Airport Authority (MGAA, Authority) reported a net operating income of $889,527 for July 2025. **This is the best July monthly financial results in the history of MGAA.**

July 2025 aeronautical revenues increased by 29% and non-aeronautical revenues increased by 4% on a year-over-year monthly comparison. The aeronautical revenue increase was generated by fuel flowage fees (11%), landing fees (9%), lease income (17%) and fuel sales (75%). The increase in non-aeronautical revenues was a generated by additional land lease income (24%).

Operating expenditures for July increased by 24% and totaled $2,767,301. The increase was due to an increase in fuel related cost-of-goods-sold due to increased aviation fuel sales volume.

Fiscal-year-to-date 2026 (FYTD26) operating expenditures are $446,905 over budgeted amounts, due to the increased fuel cost-of-goods sold.

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	September 2025
Invitation for Bid	2026-001-IFB	Power Washing Services	September 2025
Invitation for Bid	2026-002-IFB	Passenger Boarding Ramps	October 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	October 2025

Future Solicitations

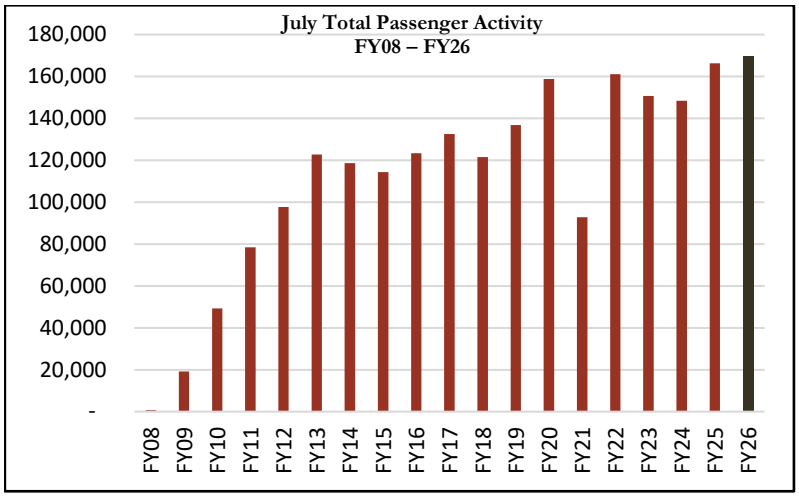
TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2026-003-IFB	Baggage Tractor	November 2025
Request for Qualifications	2026-004-RFQ	Website Redesign Services	January 2026

Airport Operations

Gateway Airport Reports Record July for Passenger Activity

More air travelers used Mesa Gateway Airport (Airport, Gateway Airport) during the month of July 2025 than any other previous July in the history of the Airport. In total, 169,729 passengers chose Gateway Airport for its unparalleled convenience, ease of access, and value.

In FY25, Gateway Airport set a new annual passenger activity record, with more than two million total passengers traveling through the Airport during the year. Both Allegiant and Sun Country set new records for passenger activity.



Gateway Airport Set a New Passenger Activity Record in July 2025

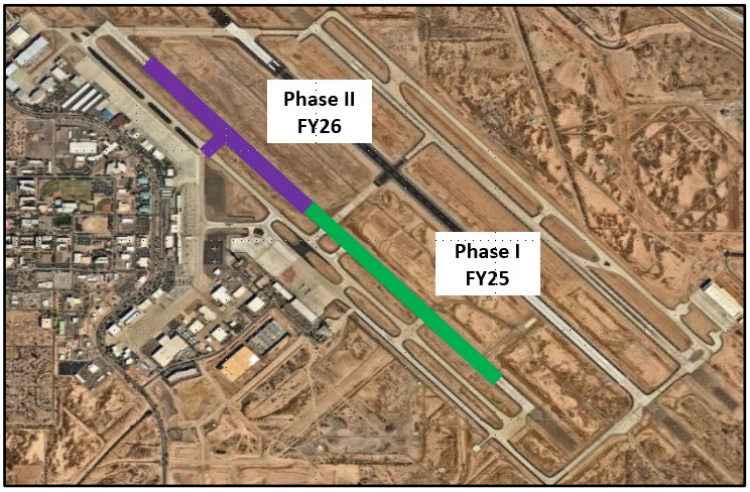
PASSENGERS AND AIR CARGO		July		% Change	FYTD		% Change
		2024	2025		FY25	FY26	
Passengers	TOTAL	166,269	169,729	2%	166,269	169,729	2%
	Deplaned	85,436	87,186	2%	85,436	87,186	2%
	Enplaned	80,833	82,543	2%	80,833	82,543	2%
Allegiant		166,269	169,341	2%	166,269	169,341	2%
Sun Country		0	388	100%	0	388	100%
Air Cargo (lbs.)		118,718	1,770,945	1,392%	118,718	1,770,945	1,392%

OPERATIONS	July		% Change	FYTD		% Change
	2024	2025		FY25	FY26	
Air Carrier	1,446	1,204	-17%	1,446	1,204	-17%
Military	101	166	64%	101	166	64%
General Aviation	21,873	24,517	12%	21,873	24,517	12%
TOTAL	**23,420**	**25,887**	**11%**	**23,420**	**25,887**	**11%**

Engineering, Planning, and Facilities

Phase II of Runway 12R-30L Reconstruction Gets Underway on October 1st

MGAA is very fortunate to have three 10,000 ft. runways as part of its expansive airfield. An ongoing challenge for Authority staff is maintaining the miles and miles of concrete, electrical wiring, and runway/taxiway lighting to ensure the continued safe and efficient operation of Gateway Airport for the growing number of commercial, corporate, general aviation, and military aircraft using the Airport.



Northern Portion of Runway 12R-30L to be Reconstructed

In FY25, Gateway Airport began a two-year project to reconstruct its inside runway, Runway 12R-30L. This $45MM project is the single largest infrastructure project in the history of the Airport.

Thanks to the first installment of a two-year grant commitment from our partners at the Federal Aviation Administration (FAA) and Arizona Department of Transportation (ADOT), the aging concrete of the southern portion of the 10,400 ft. was removed and replaced with new, 16-inch thick concrete in FY25.

Starting on October 1st, the northern portion of the runway will undergo the same rehabilitation process. The project is expected to take one year, with a scheduled reopening date for the runway on October 1, 2026.

Additional Covered Parking Planned for Ray Road Economy Parking Lot

Q. *What should an airport do when covered parking starts to regularly fill up?*

A. *Build more covered parking!*

Due to the growing popularity of covered parking in the Ray Road Economy Parking Lot – priced at only $11.00/day – MGAA has begun planning for an additional 200 covered parking spaces within the lot. MGAA's initial financial investment in fencing, covered parking structures, and revenue control equipment has been repaid, and MGAA staff believes the time is now to build some more.

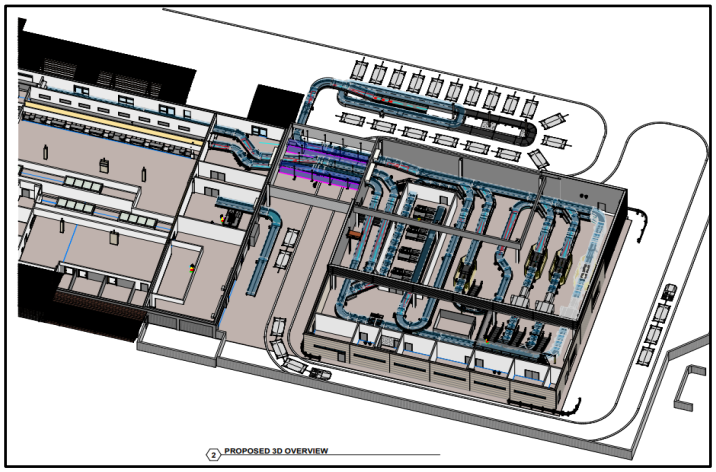


Covered Parking in Ray Road Economy Parking Lot

As passenger activity at the Airport continues to increase, additional covered parking spaces will be a real customer service enhancement. During the hot summer months in Arizona, parking a vehicle under a shade structure can reduce the inside temperature by up to forty degrees Fahrenheit. Wow, 40º

Construction of TSA Checked Baggage Inspection Facility to Begin this Fall

At commercial service airport nationwide, checked baggage received at the airline ticket counter is processed through explosive detection systems (EDS) prior to being placed in the belly of an aircraft. Many of these fully automated systems include explosive detection equipment, transport conveyors, baggage sorters, and secondary inspection areas.



New EDS Facility Design for Gateway Airport

At Gateway Airport, MGAA has partnering with the TSA on a $45MM project to modernize and upgrade the EDS currently in the terminal.

The current EDS has older explosive detection equipment capable of processing 200-300 bags per hour. The new EDS, scheduled to begin construction this fall, can process 800-1,000 bags per hour and provides for a much more efficient flow of checked baggage. MGAA would like to thank the TSA for their continued investment in, and support of, Gateway Airport.

Business Development

Gateway Commerce Center III Buildings Nearing Completion

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

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



Gateway Commerce Center III Buildings

Gateway Aviation Services

FUEL (Gallons)	July			FYTD		
	2024	2025	% Change	FY25	FY26	% Change
AvGas	42,526	47,805	12%	42,526	47,805	12%
Retail Jet A	80,355	240,591	199%	80,355	240,591	199%
Contract	360,225	196,460	-45%	360,225	196,460	-45%
Commercial	1,262,966	1,167,007	-8%	1,262,966	1,167,007	-8%
Cargo	0	64,316	100%	0	64,316	100%
TOTAL	**1,746,072**	**1,716,179**	**-2%**	**1,746,072**	**1,716,179**	**-2%**

Gateway Aviation Services, the Airport Authority owned and operated FBO, pumped 1,716,179 gallons of aviation fuel during the month of July 2025, a 2% decrease compared to last July. A big "Thank You" to the

hard-working and dedicated men and women on the Gateway Aviation Services Team for working out in the Arizona heat this summer.

Community Noise Report

CALLERS	July		FYTD	
	2024	2025	FY25	FY26
Total	7	14	7	14

AIRCRAFT TYPE	July		FYTD	
	2024	2025	FY25	FY26
	Callers	Callers	Callers	Callers
Commercial	3	11	3	11
GA Total	4	3	4	3
Helicopter	0	0	0	0
Military	0	0	0	0
Total	7	14	7	14

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

LOCATION	July		FYTD	
	2024	2025	FY25	FY26
Mesa	2	9	2	9
Gilbert	1	3	1	3
Gold Canyon	0	0	0	0
Queen Creek	1	2	1	2
Queen Valley	1	0	1	0
Apache Junction	0	0	0	0
San Tan Valley	1	0	1	0
Chandler	0	0	0	0
Florence	1	0	1	0
Goodyear	0	0	0	0
Phoenix	0	0	0	0
Tempe	0	0	0	0
TOTAL	7	14	7	14

Community and Government Relations

Gateway Airport Celebrates National Aviation Week 2025 with Treats and Giveaways



Gateway Airport Cookies and Swag

Gateway Airport, along with many other airports across the country celebrated National Aviation Week 2025 from August 19 – 25; coinciding with National Aviation Day on August 19, 2025 in honor of Orville Wright's birthday. This annual celebration honors the history and future of flight, with various organizations nationwide hosting events during the week.

Trivia Question: How old would Orville Wright be if he were alive today?

Answer: 154 Years Old



MGAA Team Member Spotlight



Employee Name: **Ksenia Kerentseva**
Employee Title: **Airport Planner**
MGAA Department: **Engineering and Facilities**
Years with MGAA: **1+**

What are your job responsibilities for MGAA? I collaborate with local governmental agencies, developers, and internal departments on proposed land use and development near the Mesa Gateway Airport to ensure alignment with the Airport Land Use Compatibility Plan (ALUCP). I conduct height and airspace evaluations using GIS and iALP software for proposals within designated airspace overlay areas (AOA I, II, III), and manage on-airport FAA 7460 filings for developers, crane operators, and tenants. I also make sure planning documents are up to date including the Airport Master Plan, Airport Layout Plan (ALP), and Airport Capital Improvement Plan (ACIP).

What is your most memorable Gateway Airport moment? One of my most memorable moments was back in 2020, when I was an intern with the ENF department and helped organize Aviation Career Education Day. It was incredible to see so many students excited about aviation and eager to learn more about the industry. I was part of the security team, ensuring all the VIP members were accounted for and escorted to the proper areas for the event. Later, I had the opportunity to explore the inside of a KC-135.

What is something people may not know about you? During my time at ASU, I was part of a couple start-ups, including one that partnered with the 355th Maintenance Group at the Davis Monthan Airforce Base to develop a virtual reality training for their A-10 aircraft. As part of that project, I had the opportunity to sit in both their A-10 simulator and an actual A-10 aircraft.

MINUTES OF THE PUBLIC MEETING OF THE
MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | August 19, 2025

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, August 19, 2025, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Lt. Governor Regina Antone, Gila River Indian Community
Councilmember Scott Somers, Mesa
Mayor Scott Anderson, Gilbert
Mayor Chip Wilson, Apache Junction
Councilmember Jeff Brown, Queen Creek

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

** Neither present nor represented*

1. **Call to Order** at 9:02 a.m. (Lt. Governor Antone, Chair)

2. **Pledge of Allegiance**

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

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

   - Fiscal Year-to-Date 2025 (FYTD) Net Operating Income is $5,411,348 compared to $4,111,268 FYTD24. This is a new all-time financial performance record for the Authority. The record financial results can be attributed to new land leases and increased passenger activity.
   - Mesa Gateway Airport (Airport, Gateway Airport) welcomed 164,741 commercial passengers in June 2025. This is up from the 158,512 passengers during June of last year. Fiscal Year 2025 was the best year ever for total passenger activity with 2,006,347 commercial passengers.
   - MGAA Briefs
     - FY25 was a very good year with new records set in all operational performance metrics categories.
     - Air cargo activity continues to soar to new heights with totals surpassing seven million pounds during this past fiscal year.
     - The Authority is working with the member communities, the congressional delegation from Arizona and U.S. Customs and Border Protection (USCBP) to request a second USCBP agent in order to have the infrastructure and staffing to accommodate the developing international air cargo market.
     - Another opportunity associated with the continued growth and success of the Airport is to evaluate the Airport's long-term aviation fuel storage needs and to strategically plan for increased fuel storage demand in the future.
     - The initial investment of 200 spaces in the Ray Road Economy Parking Lot Covered Parking Area has been paid back within six years. The anticipated pay back of this investment was 10 to 12 years. The Authority is exploring adding another 200 spaces to covered parking to meet the increasing customer demand.

DRAFT

- MGAA Private Development
  - The two building Gateway Commerce Center III project totals approximately 100,000 sq. ft. and is scheduled to be fully complete by late August. The developer is constructing speculative office suites in each building to make the spaces "move-in ready" for potential users. Tenant activity is anticipated for the end of September and beginning of October.
  - The demolition of several old Airport buildings has created a new aeronautical development opportunity at the south end of the Airport. In September 2024 a Request for Qualifications (RFQ) for the ± 8.00 acres of property designated for aeronautical redevelopment was released. The evaluation panel met to review all qualified submittals and selected a developer. The developer will present their design plans before the MGAA Board for consideration and approval at the October 2025 Board meeting.
  - SkyBridge Arizona is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. SkyBridge has built and leased more than 600,000 sq. ft. of building space. To date, $30MM has been invested in infrastructure, utilities and roadways by SkyBridge Arizona. Phase II of the development will open up the aeronautical parcels along Taxiway Alpha.
  - The Gateway East developer, The Boyer Company is working with the City of Mesa to finalize design plans and securing the necessary permits for a five-acre development at the intersection of Ellsworth Road and Gateway Boulevard. The project includes a five-story, 125-room SpringHill Suites by Marriott Hotel, two retail buildings, and two restaurant pads.
- MGAA Project Updates
  - The reconstruction of Runway 12R-30L is halfway complete. Phase I, the southern half, began in October 2024 and was completed at the end of May. The full runway has been open since May. Phase II, the northern half, will begin reconstruction in the fall of 2025. This important infrastructure project totals approximately $45MM, with a majority of the funding coming from FAA grants.
  - A new TSA checked baggage system will replace two older explosive detection machines that can only clear 200 – 300 checked bags an hour. The new upgraded explosive detection equipment will be capable of clearing 800 – 1,000 bags an hour. This additional capacity will be necessary as the Airport continues to grow. A portion the project's funding, estimated to be $45MM, is coming from a TSA grant. The project is scheduled to get underway in the fall of 2025 pending receipt of a TSA grant.
  - The Hourly Parking Lot, located directly in front of the terminal, has recently been milled and overlaid with asphalt. A new shade structure, designed to protect customers and the revenue control equipment from the intense Arizona sun, has also been installed as part of the project.
  - Strategically-placed speed bumps were installed in July along the curb in front of the Airport terminal. These four-lane speed bumps, with enhanced pavement markings, have dramatically reduced the speed of traffic along the terminal curb.
  - The Authority has received a federal grant to update the aging airfield electrical system. Over the next two years, the electrical system will be updated in conjunction with ongoing runway projects. This will include new LED lighting, upgrading the vaults, and the wiring connecting all aspects of the airfield.

5. **FlightSafety International Presentation** – Barbara Telek, President

FlightSafety International, a Berkshire Hathaway company, is a professional aviation training company operating the world's largest fleet of advanced full-flight simulators at learning centers and

training locations internationally. The expansion of its operations will include an investment in a new 100,000 sq. ft. Learning Center at Mesa Gateway Airport.

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **June 17, 2025**.

   b) **Resolution No. 25-30 –** Authorizing a Construction Manager at Risk Construction Services Contract, with **Pulice Construction, Inc.,** for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed $27,103,229.20, pending receipt of FAA Grant Funding.

   c) **Resolution No. 25-31 –** Approving an Authorization of Services to provide Construction Administration Services with **Kimley-Horn & Associates** for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed $1,180,178.79, pending receipt of FAA Grant Funding.

   d) **Resolution No. 25-32 –** Authorizing the purchase of airfield asphalt repair services with **Hi-Lite Airfield Services, LLC** for an amount not to exceed $325,000.

   e) **Resolution No. 25-33 –** Authorizing the purchase of two vehicles from **San Tan Auto Partners**, **LLC, dba San Tan Ford**, in an amount not to exceed $72,979.60.

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

Consideration and Approval of:

7. **Resolution No. 25-34 –** Authorizing an Amendment of the FY26 Capital Budget to provide $4,152,446.25 in funding, for the Construction of Aviation Way. The Mesa Gateway Airport Authority and the **City of Mesa** entered into an Intergovernmental Agreement on August 10, 2022, for the construction of Aviation Way, which aided the Airport with the eastside development.

   Councilmember Jeff Brown moved to approve Resolution No. 25-34.
   Mayor Scott Anderson seconded the motion.
   The motion was carried unanimously.

8. **Resolution No. 25-35 –** Authorizing a Land Lease Agreement with **FlightSafety International Inc**. for approximately 7.944 acres (346,046 SF) located at the intersection of Aviation Way and Gateway Boulevard. The lease term is fifty (50) years with the option to extend the term for three (3) additional periods of five (5) years each. The initial Base Rent is $197,246.22 annually, payable in equal monthly installments of $16,437.19 plus applicable taxes.

   Councilmember Scott Somers moved to approve Resolution No. 25-35.
   Mayor Chip Wilson seconded the motion.
   The motion was carried unanimously.

9. **Board Member Comments/Announcements.**

Lt. Governor Antone announced a sign unveiling for FlightSafety International immediately following today's meeting. Shuttle transportation is being provided for members of the Board who would like to participate.

10. **Next Meeting: Tuesday, September 16, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference.

11. **Adjournment.**
    The meeting adjourned at 9:53 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-36

To:	**Board of Directors**
From:	**Scott Brownlee, Deputy Director/COO**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**FY26 Capital Budget Amendment – TSA In-Line Checked Baggage System Design/Construct Project – CIP 1265**
Date:	**September 16, 2025**

Proposed Motion

To Authorize an Amendment of the FY26 Capital Budget to provide an additional $14,587,121 in funding, to the initial $30,000,000 Capital Budget that was approved in March 2025, for the TSA In-Line Checked Baggage System Design/Construct Project under CIP 1265, subject to receipt of a TSA OTA Grant. The new project total will be $44,587,121, which includes the Design costs of $1,125,991.50.

Narrative

Due to the increase in passenger traffic at the Mesa Gateway Airport (MGAA), it was determined that the existing Baggage Handling System (BHS) will not be able to adequately keep up with the number of bags being checked. MGAA staff are working with Studdiford Technical Solutions, LLC (STS), an Engineering and Design Architectural Firm, to provide planning and design services for a new in-line Checked Baggage Inspection System (CBIS). This project is being done in collaboration and coordination with the Transportation Security Administration (TSA), airlines and other airport stakeholders to deliver a system which meets the screening requirements set forth by the TSA.

The project will require the current Baggage Handling System to be removed and replaced with a new network of conveyor belts that will transport checked baggage to a new Checked Baggage Inspection System, comprising in-line Explosives Detection System (EDS) units, followed by transport of cleared bags to a common existing make-up unit for loading onto carts and transport to the aircraft.

Fiscal Impact

Requesting that these funds, for the TSA In-Line Checked Baggage System Design/Construct Project, be added and included in the FY26 Capital Budget utilizing TSA and MGAA non-grant funds under CIP 1265, subject to the receipt of a TSA OTA Grant. TSA is funding approximately $22 million of the project and MGAA is funding approximately $22 million which will be recouped via PFC funding.

RESOLUTION NO. 25-36

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

WHEREAS the Authority desires to authorize an Amendment of the FY26 Capital Budget to provide an additional $14,587,121 in funding, to the initial $30,000,000 Capital Budget that was approved in March 2025, for the TSA In-Line Checked Baggage System Design/Construct Project under CIP 1265, subject to receipt of a TSA OTA Grant. The new project total will be $44,587,121, which includes the Design costs of $1,125,991.50;

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 FY26 Capital Budget to provide an additional $14,587,121 in funding, to the initial $30,000,000 Capital Budget that was approved in March 2025, for the TSA In-Line Checked Baggage System Design/Construct Project under CIP 1265, subject to receipt of a TSA OTA Grant. The new project total will be $44,587,121, which includes the Design costs of $1,125,991.50. 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 September, 2025.

Mark Freeman, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 25-37

To:	**Board of Directors**
From:	**Scott Brownlee, Deputy Director/COO**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**TSA In-Line Checked Baggage System Improvements Project – Construction Manager at Risk Construction Services Contract – The Weitz Company - CIP 1265**
Date:	**September 16, 2025**

Proposed Motion
To authorize a Construction Manager at Risk Construction Services Contract with The Weitz Company, LLC for the TSA In-Line Checked Baggage System Improvements Project, in an amount not to exceed $41,643,882 pending receipt of a Transportation Security Administration grant.

Narrative
Due to the increase in passenger traffic at MGAA, it has been determined that the existing Baggage Handling System (BHS) will not be able to adequately keep up with the number of bags being checked. The current BHS will be removed and replaced with a new network of conveyor belts that will transport checked baggage to a new Checked Baggage Inspection System (CBIS) comprising in-line Explosives Detection System (EDS) units, followed by transport of cleared bags to a common existing make-up unit for loading onto carts and transport to the aircraft.

Through a pre-construction services contract with the Airport, The Weitz Company, LLC (Weitz) has actively participated in the design process for the In-Line Checked Baggage Inspection and Delivery System and has provided information regarding safety, constructability, material lead times. The construction portion of this project will encompass site preparation, concrete placement, steel frame construction, interior and exteriors finishes, along with mechanical, electrical and plumbing components, and an entirely new, fully automated, baggage handling system.

The Notice of Request for Qualifications (RFQ), Solicitation 2025-001-RFQ for In-Line Checked Baggage Improvements was issued July 15, 2024, and advertised in the Arizona Business Gazette on 7/18, 7/25, 8/1, 8/8/24; it was also posted on the AzAA, ACC, ACI-NA, and SWAAAE Websites as well as the Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 109 prospective firms. MGAA received six (6) Statement of Qualifications. Upon conclusion of interviews with three of the firms, the Evaluation Panel selected The Weitz Company, 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.

Fiscal Impact
Funding for this project will be comprised of TSA grant funding and MGAA non-grant funding under CIP 1265.

Attachment(s): CMAR Construction Services Contract

RESOLUTION NO. 25-37

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

WHEREAS the Authority desires to authorize a Construction Manager at Risk Construction Services Contract with The Weitz Company, LLC for the TSA In-Line Checked Baggage System Improvements Project, in an amount not to exceed $41,643,882 pending receipt of a Transportation Security Administration grant;

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 Manager at Risk Construction Services Contract with The Weitz Company, LLC for the TSA In-Line Checked Baggage System Improvements Project, in an amount not to exceed $41,643,882 pending receipt of a Transportation Security Administration grant. 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 September, 2025.

Mark Freeman, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

CONSTRUCTION MANAGER AT RISK (CMAR) CONSTRUCTION SERVICES CONTRACT

IN-LINE CHECKED BAGGAGE IMPROVEMENTS

PROJECT NO. 1265

TABLE OF CONTENTS

ARTICLE	PAGE
ARTICLE 1 – PARTICIPANTS AND PROJECT	2
ARTICLE 2 – CONTRACT DOCUMENTS	3
ARTICLE 3 – PRE-CONSTRUCTION SERVICES	3
ARTICLE 4 – CONSTRUCTION SERVICES	4
ARTICLE 5 – OWNER RESPONSIBILTIES	5
ARTICLE 6 – CONTRACT TIME	6
ARTICLE 7 – CONTRACT PRICE	7
ARTICLE 8 – PAYMENT	8
ARTICLE 9 – CHANGES TO THE CONTRACT	8
ARTICLE 10 – SUSPENSION AND TERMINATION	8
ARTICLE 11 – INSURANCE AND BONDS	8
ARTICLE 12 – INDEMNIFICATION	8
ARTICLE 13 – DISPUTE RESOLUTION	9
ARTICLE 14 – MISCELLANEOUS PROVISIONS	9
ARTICLE 15 – TITLE VI	9

EXHIBIT	PAGE
A – ACCEPTED GMP/PRICE PROPOSAL AND PROJECT SCHEDULE	12
B – PROJECT SPECIFIC CONDITIONS & PROJECT PLANS & SPECIFICATIONS	13
C – REQURIED FORMS	14
D – DEFINITIONS	27
E – OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS	29
F – CMAR'S KEY PERSONNEL	30

Mesa Gateway Airport Authority

Construction Manager at Risk
Construction Services
Project No.: 1265

THIS CONTRACT is made and entered into by and between the Mesa Gateway Airport Authority, formerly Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below, individually, each is a "Party" and collectively, the "Parties", and shall be effective as of the date signed by Owner.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

Owner:
Mesa Gateway Airport Authority
Project Manager: Michael Hanas
Telephone: 480-988-7636
E-mail: mhanas@gatewayairport.com

CMAR:
The Weitz Company, LLC
2111 E. Highland Avenue, Suite 400
Phoenix, AZ 85016
CMAR Representative: Chris Harrison
Telephone: 515-240-1370
E-mail: chris.harrison@weitz.com

DESIGN PROFESSIONAL:
Studdiford Technical Solutions, LLC
1608 Old Stage Road
Alexandria, VA 22308
Design Professional Representative: Larry Studdiford
Telephone: 203-206-0533
E-mail: larry@studdifordtech.com

PROJECT DESCRIPTION:

The project will encompass site preparation, concrete placement, steel frame construction, block construction, and interior and exterior finishes, along with mechanical, electrical, and plumbing components, and a new automated baggage handling system.

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

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

1. Any amendments or modifications to the Contract Documents in reverse chronological order, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract");
2. Exhibit A to the CMAR Construction Contract, Accepted GMP/Price Proposal and Project Schedule – the "Basis of GMP" and "Basis of Schedule";
3. The Guaranteed Maximum Price Proposal sections outside of item (2) above;
4. The General Conditions to the CMAR Contract;
5. The CMAR Construction Services Contract and all of its Exhibits;
6. The General Provisions to the CMAR Contract;
7. The Special Provisions to the CMAR Contract;
8. Drawings;
9. Specifications;
10. The Request for Qualifications requirements, document and exhibits (#2025-001-RFQ), documents and CMAR's submittal to such solicitation dated August 12, 2024;
11. 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 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 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.

4.1.4 CMAR has been selected to perform the Work herein, in part, because of the skills and expertise of the key firms, team members and individuals (collectively, "CMAR's Key Personnel") that are listed in Exhibit F and that are consistent with the Statement of Qualification (SOQ) dated August 12, 2024. CMAR shall perform the Work under this Contract using CMAR's Key Personnel. CMAR's Key Personnel shall not be removed or replaced during the term of the Contract without prior written consent of MGAA. MGAA recognizes that CMAR's Key Personnel may leave the employ of CMAR for reasons beyond CMAR's control. Whenever practicable, CMAR shall give MGAA at least 14 calendar days' notice prior to the departure of any of CMAR's Key Personnel from the Project. MGAA shall have the right to approve or reject any replacements for CMAR's Key Personnel when personnel leave that are beyond the control of the CMAR. When within CMAR's control, CMAR's failure to use CMAR's Key Personnel to perform the Work under the Contract without MGAA's prior written consent will be a material breach and grounds for suspension or termination for cause of this Contract by MGAA.

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

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

4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq*.) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).

4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.

4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES

The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.

Owner will obtain and pay for all permits necessary for the work, with the exception of construction water, dust control and SWWP.

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 855 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 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:

$1,780.00 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 **$39,686,172.00**. 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.

ARTICLE 15 – TITLE VI

15.1 CIVIL RIGHTS ACT OF 1964, TITLE VI – GENERAL

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

15.2 CIVIL RIGHTS ACT OF 1964, TITLE VI- ASSURANCE 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, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. 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.

15.3 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 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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- 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 § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

  Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by 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 (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. 74087 (2005)];
- 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).

Executed as of the Effective Date.

CMAR
The Weitz Company, LLC

By: Frank Dascanio

Name: Frank Dascanio

Title: Vice President

Date: 8/28/2025

OWNER
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)

See Appendix D

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)

See Appendices E, F, G, and H

EXHIBIT C – REQUIRED FORMS

STATUTORY PERFORMANCE BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal, and the _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 202_ to construct the following projects under the **Authority Solicitation No. 2025-001-RFQ; CMAR for In-Line Checked Baggage Improvements (Authority Project No. 1265),** 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 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. 2025-001-RFQ: CMAR for In-Line Checked Baggage Improvements (Authority Project No. 1265),** 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**

NOTICE OF INTENT TO AWARD CMAR CONTRACT

MM/DD/YR

The Weitz Company, LLC
2111 E. Highland Avenue, Suite 400
Phoenix, AZ 85016

Attn:

Re: In-Line Checked Baggage Improvements
Authority Project No. 1265
Authority Solicitation No. 2025-001-RFQ

Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated August 12, 2024. You are hereby notified that you were awarded this CMAR Contract by 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 will be scheduled by your Project Manager at a later date and will be held in the Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Mesa Gateway Airport Authority.

Dated this _____ day of _____, 202__.

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

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____day of _____, 202__.

NOTARY PUBLIC My Commission Expires

NOTICE TO PROCEED

MM/DD/YR

The Weitz Company, LLC
2111 E. Highland Avenue, Suite 400
Phoenix, AZ 85016

Attn:

In-Line Checked Baggage Improvements
Authority Project No. 1265
Authority Solicitation No. 2025-001-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is 855 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 Michael 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.

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

Sincerely,

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

Authorized Representative

APPLICATION AND CERTIFICATE FOR PAYMENT

In-Line Checked Baggage Improvements
Authority Solicitation No. 2025-001-RFQ
Authority Project No. 1265

CONSULTANT: _____

CMAR: _____

Application No. _____ Period From: _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: $_____

Approved Change Orders and Dates:

Change Order No.1	Date_____	$_____
Change Order No.2	Date_____	$_____
Change Order No.3	Date_____	$_____

Total Change Orders Approved to Date: $_____

Adjusted GMP $_____

Total Amount Due to Date
(from attached Construction Progress Estimate) $_____

Less Previous Certificates for Payment $_____

Current Payment Due $_____

Retainage _____% $_____

Total Earned Less Retainage $_____

Notice to Proceed Date_____ Date of Substantial Completion _____

Time Used _____% Complete _____%

CHANGE ORDER

PROJECT: In-Line Checked Baggage Improvements

CHANGE ORDER NO: _ _

Authority Project No. 1265
Authority Solicitation No. 2025-001-RFQ

TO CMAR: The Weitz Company
2111 E. Highland Avenue, Suite 400
Phoenix, AZ 85016

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__***.]

The Weitz Company

By_____ Date_____

It's_____

Owner

By _____ Date___

It's_____

Studdiford Technical Solutions, LLC

By_____ Date_____

It's_____

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:

In-Line Checked Baggage Improvements
Authority Solicitation No. 2025-001-RFQ
Authority Project No. 1265

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)

In-Line Checked Baggage Improvements
Authority Solicitation No. 2025-001-RFQ
Authority Project No. 1265

I hereby certify that all goods and/or services required by **MESA GATEWAY AIRPORT AUTHORITY,** have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Firm Name: _____

Principal: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

MESA GATEWAY AIRPORT AUTHORITY has performed a final inspection of MGAA's **In-Line Checked Baggage Improvements Project**, **MGAA Project Number 1265**, and find that to the best of our knowledge and belief, the work on this project has been completed in accordance with the **Contract.**

The date of final completion for this project is _____, 20___

Mesa Gateway Airport Authority

By: _____

Date: _____

CMAR'S AFFIDAVIT REGARDING SETTLEMENT OF CLAIMS

In-Line Checked Baggage Improvements
Authority Solicitation No. 2025-001-RFQ
Authority Project No. 1265

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of $_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **MESA GATEWAY AIRPORT AUTHORITY, 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)

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 **In-Line Checked Baggage Improvements, *Authority Project No. 1265,*** at the Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, upon receipt of a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 202____.

_____
Company Name

By _____

_____
(Title)

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

WHEREAS, the undersigned, _____ (Sub-contractor) has furnished labor, materials, and services and/or equipment to _____ (CMAR) for the construction of the **In-Line Checked Baggage Improvements*, Authority Project No. 1265***, at the Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, upon receipt of a check from the CMAR payable to the Sub-contractor in the sum of $ _____, said sum representing payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United State of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 202 __.

_____
Company Name

By _____

_____
(Title)

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

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **In-Line Checked Baggage Improvements*, Authority Project No. 1265,*** at the Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, has been paid and has received a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 202____.

_____
Company Name

By _____

_____
(Title)

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

WHEREAS, the undersigned, _____ (Sub-contractor) has furnished labor, materials, and services and/or equipment to _____ (CMAR) for the construction of the **In-Line Checked Baggage Improvements*, Authority Project No. 1265,*** at the Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, has been paid and has received a check from the CMAR payable to the Sub-contractor in the sum of $ _____, said sum representing payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United State of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 202 __.

_____
Company Name

By _____

_____
(Title)

EXHIBIT D – DEFINITIONS

Allowance – A specific amount for a specific item of Work, if any, that Owner agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of the Owner) at the time the Contract Price is agreed to for Contractor to provide a definitive price. Allowances shall be treated in accordance with Article 7.2 above.

Baseline Cost Model – A breakdown and estimate of the scope of the Project developed by CMAR.

CMAR or Construction Manager at Risk – The person or firm selected by Owner to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with Owner. 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)**

   https://www.gatewayairport.com/policiesdocumentsandforms

2. **Minimum Standards (link)**

   https://www.gatewayairport.com/policiesdocumentsandforms

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

Board Action Item

Re: Resolution 25-38

To:	**Board of Directors**
From:	**Scott Brownlee, Deputy Director/COO**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**TSA In-Line Checked Baggage System Improvements Project – Construction Administration Services – Studdiford Technical Solutions, LLC - CIP 1265**
Date:	**September 16, 2025**

Proposed Motion

To approve a Professional Services Agreement to provide Construction Administration Services with Studdiford Technical Solutions, LLC for the In-Line Checked Baggage System Improvements Project, in an amount not to exceed $925,997 pending the receipt of a Transportation Security Administration grant.

Narrative

Due to the increase in passenger traffic at MGAA, it has been determined that the existing Baggage Handling System (BHS) will not be able to adequately keep up with the number of bags being checked. The current BHS will be removed and replaced with a new network of conveyor belts that will transport checked baggage to a new Checked Baggage Inspection System (CBIS) comprising in-line Explosives Detection System (EDS) units, followed by transport of cleared bags to a common existing make-up unit for loading onto carts and transport to the aircraft.

As part of the In-Line Checked Baggage Improvements project, Studdiford was engaged to provide full design services, including schematic design, design development, and construction documents. The project is now transitioning into the Construction Administration phase. The Construction Administration Services will include providing project management and coordination with Mesa Gateway Airport Authority (MGAA) staff, the Transportation Security Administration (TSA), the Construction Manager at Risk, and subconsultants. Through this agreement, Studdiford Technical Solutions, LLC (Studdiford) is responsible for construction administration of architectural, civil, structural, mechanical, electrical, plumbing, and special systems.

This purchase is made following the Airport's Procurement Policy, allowing direct selection for professional services. While competitive procurement remains MGAA's standard approach, a direct selection award provides the best value by: 1) ensuring continuity, as Studdiford has led the project from inception and is fully familiar with the design intent; 2) minimizing risk and delays by avoiding the engaging of a new consultant; and 3) Offering a cost-effective proposal aligned with industry benchmarks and internal budgets. This approach supports project efficiency, reduces risk, and maintains budget discipline.

Fiscal Impact

The funding for this project will be comprised of TSA grant and MGAA non-grant funding under CIP 1265.

Attachment(s): Professional Services Agreement

RESOLUTION NO. 25-38

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

WHEREAS the Authority desires to approve a Professional Services Agreement to provide Construction Administration Services with Studdiford Technical Solutions, LLC for the In-Line Checked Baggage System Improvements Project, in an amount not to exceed $925,997 pending the receipt of a Transportation Security Administration grant;

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 Professional Services Agreement to provide Construction Administration Services with Studdiford Technical Solutions, LLC for the In-Line Checked Baggage System Improvements Project, in an amount not to exceed $925,997 pending the receipt of a Transportation Security Administration grant. 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 September, 2025.

Mark Freeman, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

SERVICES AGREEMENT

MESA GATEWAY AIRPORT AUTHORITY

AND

STUDDIFORD TECHNICAL SOLUTIONS, LLC

FOR

IN-LINE CHECKED BAGGAGE INSPECTION SYSTEM – CONSTRUCTION ADMINISTRATION SERVICES

CIP NUMBER 1265

Mesa Gateway Airport

Table of Contents

Section I - Consultant Services	3
Section II - MGAA Responsibilities	3
Section III - Period of Service	3
Section IV – Key Personnel	4
Section V – Payments to the Consultant	4
Section VI – Alteration in Scope of Services	4
Section VII – Work Assignment Completion	4
Section VIII – Ownership of Documents	4
Section IX – Compliance with Laws	5
Section X – General Considerations	5
Section XI – No Kick-back Certification	5
Section XII – Suspension of Services	5
Section XIII – Times of Payments	5
Section XIV – Timely Review	5
Section XV – Dispute Resolution	5
Section XVI – Liability of Consultant	6
Section XVII – Laws and Regulations	6
Section XVIII – Archaeological Resource Protection	6
Section XIX – Insurance Requirements	6
Section XX – Notices	7
EXHIBIT A – Scope of Services & Fee Schedule	9
EXHIBIT B – Compensation	35
EXHIBIT C – Special Provisions	36
EXHIBIT D – MGAA Standard Terms and Conditions	40

Mesa Gateway Airport Authority, formerly known as Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("MGAA"), desires the performance of the services more fully described in this Services Agreement ("Agreement") and the attached exhibits. Studdiford Technical Solutions, LLC, a Virginia Limited Liability Company ("Consultant"), with its principal offices located at 1608 Old Stage Road, Alexandria, Virginia, 22308, desires to perform these services.

Recitals

A. MGAA requires the services as described in this Agreement, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Agreement; and

B. MGAA 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, MGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Agreement. MGAA will not pay Consultant for any services that have not been authorized under the Agreement. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultant under this Agreement 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."

MGAA's authorized representative shall be the MGAA Deputy Director, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Agreement.

All services provided by Consultant under this Agreement 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 – MGAA RESPONSIBILITIES

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

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Agreement. 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. MGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In MGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this Agreement in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. MGAA will advise Consultant concerning progress of MGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

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

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

This Agreement is effective as of the date signed by MGAA and ends on upon final completion and acceptance by MGAA of the project, as defined by the Scope of Services ("Base Term"), unless terminated, canceled or extended as provided in this Agreement.

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

SECTION IV – KEY PERSONNEL

The Consultant, and its subconsultants as listed below, shall provide all services to be performed under this Agreement. If Consultant determines that additional subconsultants are necessary to perform any services under this Agreement, Consultant shall notify MGAA in writing and obtain MGAA's prior written approval before authorizing any work by such subconsultants. MGAA may, at its sole discretion, approve or reject any proposed additional subconsultants.

Subconsultants: DWL Architects + Planners, Inc.
LSW Engineers Arizona, Inc.
Martin, White & Griffis Structural Engineers, Inc.
Dibble

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Agreement plus any adjustments that have been approved in writing by MGAA in accordance with MGAA'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.

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

MGAA shall pay Consultant in agreed upon installments for services authorized and rendered under this Agreement 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 MGAA.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Agreement fee, the parties shall negotiate an amendment to the Agreement to be executed by MGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by MGAA and Consultant has been notified to proceed by MGAA. No claim for extra work done or materials furnished by Consultant will be allowed by MGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Agreement unless the work is first authorized in writing by MGAA and the change complies with MGAA'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 Agreement, situations arise which prevent work completion within the allotted time, MGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies, graphics, designs, code, and written materials, prepared under or as a result of this Agreement, shall be the property of MGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents, graphics, designs, code, and written materials to MGAA. 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, graphics, designs, code, and written materials prepared under this Agreement, including electronic files, are instruments of service. All of these documents, graphics, designs, code, and written materials shall become the property of MGAA upon completion of the services and payment in full to Consultant or, if the Agreement is terminated, upon termination of this Agreement. MGAA shall have the right to reuse, modify, or adapt the documents, graphics, designs, code, and written materials as it deems necessary, without requiring Consultant's prior written authorization. MGAA 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 MGAA's modification of documents, graphics, designs, code, or written materials produced by Consultant under this Agreement 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 Agreement 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.

MGAA shall administer this Agreement in accordance with MGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Agreement 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 Agreement or the right of either party to enforce each and every provision.

B. The fact that MGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Agreement.

C. This Agreement 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 Agreement, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Agreement and any amendments to this Agreement 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 Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the MGAA Board of Directors or any employee of MGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, MGAA may annul this Agreement without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from MGAA, 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 MGAA.

SECTION XIII – TIMES OF PAYMENTS

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

SECTION XIV – TIMELY REVIEW

MGAA 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 Agreement. By MGAA's reviews, MGAA 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 MGAA and Consultant arising out of or relating to this Agreement will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "MGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

MGAA 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 MGAA, 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 Agreement.

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 Agreement throughout. These laws and regulations are deemed included in this Agreement 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 Agreement, 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 MGAA of the site's location and take all reasonable precautions to protect and preserve the site until MGAA otherwise directs.

SECTION XIX INSURANCE REQUIREMENTS

A. Consultant shall procure and maintain for the duration of the Agreement 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 MGAA, 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, MGAA 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 MGAA.

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 MGAA.
   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 Agreement, 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 Agreement, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by MGAA, 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 MGAA. MGAA 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 MGAA.

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 Agreement or the beginning of Agreement work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the Agreement 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 Agreement 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 MGAA 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 MGAA 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. MGAA 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 MGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: MGAA 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 Agreement will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO MGAA: Mesa Gateway Airport Authority
Attn: Deputy Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT: Studdiford Technical Solutions, LLC
Attn: Larry Studdiford
1608 Old Stage Road
Alexandria, VA 22308

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
Studdiford Technical Solutions, LLC, a Virginia Limited Liability Company

By: Lawrence Studdiford Digitally signed by Lawrence Studdiford DN: C=US, E=larry@studdifordtech.com, O="Studdiford Technical Solutiuons, LLC", OU=President, CN=Lawrence Studdiford Date: 2025.08.19 10:10:09-04'00'

Name: Larry Studdiford

Title: President

Date: August 19, 2025

MGAA
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, MGAA agrees to pay Consultant the not to exceed amount of $925,997.00

See following pages

Mesa Gateway Airport

NEW IN-LINE CHECKED BAGGAGE INSPECTION SYSTEM (CBIS)

PROPOSAL FOR CONSTRUCTION ADMINISTRATION SERVICES

July 2, 2025

Studdiford Technical Solutions, LLC

Studdiford Technical Solutions, LLC (STS) is pleased to provide Mesa Gateway Airport Authority (MGAA) with this proposal for construction administration (CA) services in support of the New In-Line Checked Baggage Inspection System (CBIS) Project at Mesa Gateway Airport (IWA).

PROJECT DESCRIPTION

MGAA has requested construction administration services for the New In-line CBIS project at IWA. This project entails working with MGAA, the Transportation Security Administration (TSA), airport stakeholders, and the construction manager at-risk (CMAR) to deliver a system that meets the TSA's Planning Guidelines and Design Standards (PGDS). For the base scope, the existing baggage handling system (BHS) will be removed and replaced with a new network of conveyors that will transport checked baggage to the new CBIS comprised of in-line Explosives Detection System (EDS) units, followed by transport of cleared bags to a common existing make-up unit for loading onto carts and transported to the aircraft. An alternative has been developed that will allow sortation to a new run out pier. The STS-led design team has recently completed the combined 70/100% design submittal to TSA and anticipates receiving notice to proceed with construction by May 2025.

The CMAR is preparing the guaranteed maximum price (GMP) in parallel with the TSA review of the 70/100% design submittal. Finalizing the GMP on schedule is imperative to ensure the TSA other transaction agreement (OTA) with MGAA gets executed in FY25. Upon the BHSC award, the following construction phase activities are anticipated:

- Engineering
- Fabrication/procurement
- Installation
- Commissioning
- Close-out

STS will serve as the prime engineer, providing project management and coordination with MGAA, TSA, CMAR, and our subconsultants throughout the pre-construction, construction, and closeout phases. Our teaming partner, DWL Architects, and their subconsultants are responsible for construction administration of architectural, civil, structural, mechanical, electrical, plumbing, and special systems, which is included as Exhibit B in this scope of service.

REQUIRED SERVICES

The following services will be provided during pre-construction:

1. Hold a pre-construction conference with MGAA, CMAR, and project stakeholders.
2. Review and respond to the CMAR requests for information (RFIs).
3. Hold a weekly status call with the pertinent stakeholders.

The following services will be provided during construction:

1. Frequent CMAR coordination is anticipated to mitigate delays in the field. Therefore, we have included time for the STS PM to stay in regular contact with the CMAR.
2. Participate in weekly owner-architect-construction (OAC) meetings hosted by the CMAR to review progress, discuss and resolve issues, and identify risks or constraints.
3. Provide a document control process in coordination with MGAA and CMAR for logging and tracking the status of submittals, RFIs, design change notices, change order requests, and change order proposals.
4. Review of the BHS equipment on-site and installation progress once per month on average, and provide MGAA a site observation report (fifteen 4-day visits maximum).

5. Conduct a visit to the BHSC's or their controls subcontractor's facility for factory acceptance testing (FAT) of the BHS controls system design (two 3-day visits).
6. Review of Division 34 specified BHS submittals per the approved submittal schedule. STS is anticipating forty (40) submittals with an average review time of four (4) hours per submittal and a maximum of two reviews per submittal. BHS submittals include, but are not limited to:
    a. Submittal and work schedules
    b. Controls system design
    c. Requests for substitution (RFS)
    d. Product data
    e. Description of operations
    f. Contingency plans
    g. Shop drawings
    h. Power distribution requirements
    i. Product and system warranty information
    j. Draft and final operations & maintenance (O&M) manuals
    k. Draft and final test plans
    l. Training plan
    m. As-built drawings and documentation
    n. Recommended spare parts list
7. Review and respond to RFIs submitted by the CMAR or BHSC to provide technical clarification. STS estimates fielding approximately fifty (50) RFIs germane to BHS. CMAR shall have a complete and vetted RFI before sending it to STS for review. This includes cost and schedule impacts or improvements. When an RFI requires more than one follow-up response to the initial question and answer, it will be considered a separate RFI.
8. Coordination with the TSA and its contract representatives for Explosives Detection Systems (EDS) equipment deliveries.
9. Coordination and oversight of Site Specific Test Plan (SSTP) development.
10. Act as MGAA's technical representative, providing on-site support to witness specified BHS testing and commissioning activities. STS anticipates utilizing, on average, two representatives during the (90-day) period to accomplish:
    a. Upon readiness notification by BHSC, STS will conduct detailed static, dynamic, and functional punchlisting of equipment
    b. Witness owner tests, including functional, load, merge, redundancy, sortation, rate, and endurance.
    c. Full participation in TSA pre-ISAT, Test Readiness Review (TRR), and ISAT.
11. Closeout Support
    a. Provide on-site support during the post-live operations period (30 days); (two 3-day visits maximum).
    b. Check in with the BHSC subcontractor's standby period personnel weekly and report status of systems, including any issues.
    c. Conduct a final punch walk with MGAA, CMAR, and stakeholders to verify completed punch list items.
    d. Review BHS training material, Operation and Maintenance Manuals, and as-built record drawings for compliance with specifications and as-built conditions.
    e. Conduct a 10-month warranty walk and compile a warranty list from all disciplines for issuance to the CMAR.

COMPENSATION

STS and our subconsultant teaming partners will provide the additional above scope of work for a not-to-exceed amount of **$925,997.00**, with breakout as follows:

Allocable (TSA Reimbursable):

- ALLOCABLE: $479,160.00

Non-Allocable (TSA non-reimbursable):

- NON-ALLOCABLE: $446,837.00

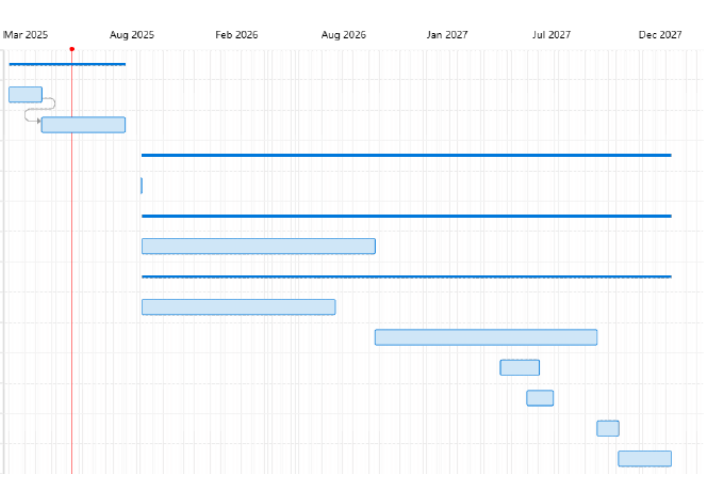
A detailed cost breakdown is included in **Exhibit A**.

SCHEDULE

This proposal covers the construction administration services commencing from GMP development by the CMAR through construction and final acceptance of the CBIS and OS phases. The total duration for construction administration services is approximately one hundred twenty (120) weeks as reflected in the milestone construction schedule shown below. This schedule is based on the design schedule provided to MGAA and TSA with the combined 70/100% submittal package (file name: 70%_100% AZA_CBIS_SCHEDULE_250604_R0).

IWA - Construction Phase

	Name	Assigned to	Start	Finish	% Complete
1	**Pre-Construction**		3/25/2025	9/25/2025	0
2	GMP Development		3/25/2025	5/15/2025	0
3	FAC MOD OTA Timeline		5/16/2025	9/25/2025	0
4	**Construction**		10/21/2025	2/8/2028	0
5	NTP		10/21/2025	10/21/2025	0
6	**Terminal Building**		10/22/2025	2/8/2028	0
7	Active Construction		10/22/2025	10/26/2026	0
8	**BHS (CBIS/CBRA)**		10/22/2025	2/8/2028	0
9	BHS Engineering & Fabrication		10/22/2025	8/25/2026	0
10	BHS Installation		10/27/2026	10/14/2027	0
11	Testing & Commissioning (CBIS/CBRA)		5/14/2027	7/14/2027	0
12	Final Acceptance (CBIS/CBRA)		6/25/2027	8/5/2027	0
13	Testing & Commissioning (OS)		10/15/2027	11/16/2027	0
14	Final Acceptance (OS)		11/17/2027	2/8/2028	0



ASSUMPTIONS, CLARIFICATIONS, AND EXCLUSIONS

1. Professional Engineering analysis and stamps are excluded.
2. Costs for travel and labor for obtaining Security Identification Display Area (SIDA) badges are included in the NTE amount and will be billed to MGAA.
3. Reviews of BHS related Change Order Requests and Construction Change Directives (CCDs) are included.
4. Review of pay applications is excluded.
5. The CMAR is responsible for developing the construction project schedule. Any changes, delays, or deviations to the project schedule may result in additional services.
6. The CMAR shall provide construction phasing and tie-in plans.

7. Expenses associated with travel will be billed at cost, within the guidelines set forth by the General Services Administration (GSA) for lodging, mileage, meals, and incidental expenses. Any exceptions to the GSA expense guidelines will be pre-approved by MGAA in writing.
8. MGAA is responsible for quality assurance, and the CMAR and BHSC are responsible for quality control of the work.
9. The CMAR and BHSC shall submit their completed, signed, and dated records of internal testing with any corrective actions as specified for review before scheduling any owner inspections or testing.
10. The CMAR and BHSC are responsible for re-testing should they fail an owner witness test; however, witnessing re-testing may result in additional services for the consultant.
11. All baggage portering and management of baggage porters is excluded and assumed to be provided by the CMAR.
12. This proposal excludes the preparation of special studies not listed herein. If required and requested by MGAA, special studies and reports can be added to this scope of work by amendment and pricing negotiation.
13. This proposal is valid for 150 days.
14. All personnel working on the project will be U.S. citizens. All documents produced will be considered unclassified, other than those elements considered by TSA as “Sensitive Security Information (SSI).”
15. Invoices will be submitted monthly, to be paid within thirty (30) calendar days of receipt.

Thank you for the opportunity to submit this Change Order proposal. If you have any questions, please feel free to contact me.

Best regards,
Studdiford Technical Solutions, LLC



Larry Studdiford, PMP President

EXHIBIT A

Cost Breakdown

Studdiford
Technical Solutions, LLC

Scope Item		Principal			Sr. PM			PM			Sr. Inspector			Inspector		Subtotal	
	Hours		Subtotal	Hours		Subtotal	Hours		Subtotal	Hours		Subtotal	Hours		Subtotal	Hours	Cost
		305.47			145.22			124.83			94.93			92.12			
Subtotal w/ contingency	0		$ -	0		$ -	0		$ -	0		$ -	0		$ -	0.00	$ -
Construction Administration Phase																	
Pre-con conference on-site	0	305.47	-	0	145.22	-	20	124.83	2,496.54	0	94.93	-	0	92.12	-	20	$2,496.54
Pre-con RFI responses	0	305.47	-	10	145.22	1,452.17	40	124.83	4,993.07	20	94.93	1,898.70	0	92.12	-	70	$8,343.94
OTA application support [*Removed*]	0	305.47	-	0	145.22	-	0	124.83	-	0	94.93	-	0	92.12	-	0	$0.00
Pre-con weekly status meetings	0	305.47	-	10	145.22	1,452.17	40	124.83	4,993.07	20	94.93	1,898.70	10	92.12	921.20	80	$9,265.14
CMAR coordination - STS PM	0	305.47	-	0	145.22	-	320	124.83	39,944.56	0	94.93	-	0	92.12	-	320	$39,944.56
Weekly OAC meetings	0	305.47	-	80	145.22	11,617.39	160	124.83	19,972.28	80	94.93	7,594.78	40	92.12	3,684.78	360	$42,869.24
Document control/file management	0	305.47	-	0	145.22	-	80	124.83	9,986.14	20	94.93	1,898.70	0	92.12	-	100	$11,884.84
Site observations - (15 trips)	0	305.47	-	40	145.22	5,808.70	120	124.83	14,979.21	280	94.93	26,581.74	160	92.12	14,739.14	600	$62,108.79
Witness Factory Acceptance Test (2 trips)	0	305.47	-	80	145.22	11,617.39	0	124.83	-	0	94.93	-	0	92.12	-	80	$11,617.39
BHS submittal reviews - estimating 40 submittals	0	305.47	-	50	145.22	7,260.87	50	124.83	6,241.34	50	94.93	4,746.74	50	92.12	4,605.98	200	$22,854.93
BHS RFIs responses - estimating 50 RFIs	0	305.47	-	32	145.22	4,646.96	68	124.83	8,488.22	50	94.93	4,746.74	50	92.12	4,605.98	200	$22,487.90
TSA coordination on EDS deliveries & SSTP	0	305.47	-	8	145.22	1,161.74	24	124.83	2,995.84	12	94.93	1,139.22	0	92.12	-	44	$5,296.80
Static & dynamic equipment inspections / punch listing	0	305.47	-	40	145.22	5,808.70	40	124.83	4,993.07	80	94.93	7,594.78	40	92.12	3,684.78	200	$22,081.33
Witness owner testing (functional, load, rate, sort, merge, etc.)	0	305.47	-	120	145.22	17,426.09	80	124.83	9,986.14	40	94.93	3,797.39	40	92.12	3,684.78	280	$34,894.40
TSA pre-ISAT, TRR, ISAT	0	305.47	-	40	145.22	5,808.70	120	124.83	14,979.21	120	94.93	11,392.18	0	92.12	-	280	$32,180.08
On-site support post go-live (2 trips)	0	305.47	-	0	145.22	-	0	124.83	-	40	94.93	3,797.39	40	92.12	3,684.78	80	$7,482.18
Run-in data collection and weekly status report	0	305.47	-	0	145.22	-	0	124.83	-	20	94.93	1,898.70	40	92.12	3,684.78	60	$5,583.48
Final punch walk (1 trip)	0	305.47	-	0	145.22	-	24	124.83	2,995.84	0	94.93	-	0	92.12	-	24	$2,995.84
Review closeout submittals (O&M, training warranty, as-builts)	0	305.47	-	16	145.22	2,323.48	40	124.83	4,993.07	40	94.93	3,797.39	16	92.12	1,473.91	112	$12,587.85
Conduct 10-month warranty walk (1 trip)	0	305.47	-	0	145.22	-	24	124.83	2,995.84	0	94.93	-	0	92.12	-	24	$2,995.84
Invoicing, monthly report & QA/QC	48	305.47	14,662.50	0	145.22	-	80	124.83	9,986.14	0	94.93	-	0	92.12	-	128	$24,648.64
Expenses (est.)																	$95,009.00
Subtotal labor (allocable)																	$269,233.79
Subtotal labor (non-allocable)																	$115,385.91
Subtotal																	
Labor (allocable)																	$ 269,234.00
Labor (non-allocable)																	$ 115,386.00
Travel Expenses (est.)																	$ 95,009.00
Design allowance (non-allocable)																	$ -
Subconsultants (allocable)																	$ 140,284.00
Subconsultants (non-allocable)																	$ 304,084.00
Subconsultants Expenses (non-allocable)																	$ 2,000.00
Subtotal (allocable)																	**$ 479,160.00**
Subtotal (non-allocable)																	**$ 446,837.00**
TOTAL																	**$925,997.00**

EXHIBIT B

Subconsultant Proposals

DWL ARCHITECTS+

~~April 8, 2025~~
~~R1: April 21, 2025~~
R2: May 12, 2025

FINAL

Larry Studdiford, PMP
President
Studdiford Technical Solutions, LLC (STS)
1608 Old Stage Road, Alexandria, VA 22308
C: +1 (203) 206-0533
larry@studdifordtech.com / www.studdifordtech.com

RE: Mesa Gateway Airport (MGA)
AZA Studdiford Outbound BHS - Building Expansion
Construction Phase Services - Allocable and Non-Allocable
Contract No. 20230112 | DWL Project No. 2316.02

Dear Larry:

We are very pleased for this opportunity to submit the Construction Administration (CA) services proposal for the construction of the Outbound Baggage Handling Expansion project at Mesa Gateway Airport (AZA/IWA).

Assumptions:

1. The selected project delivery method is Construction Manager at Risk (CMAR) and the CMAR is Weitz Company. Studdiford is the Prime Engineer and will provide primary Construction Administration (CA) and Project Management (PM). The 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

3. Studdiford will have a Project Manager (STS-PM) who will be the main point of contact for DWL and lead the design team's construction phase service efforts. Studdiford will have a regularly scheduled person on site monthly to provide site observations during BHS equipment installation.

4. For purposes of fee development, the following overall construction durations are used based on ongoing discussions with Weitz Construction and MGA:

A. Pre-Construction	31 weeks
a. GMP Development	3/25/2025 – 5/15/2025 (8 weeks)
b. FAC MOD OTA Timeline	5/16/2025 – 9/26/2025 (20 weeks)
B. Construction	77 weeks
a. NTP	10/21/2025 (Construction start)
b. Mobilization	10/21/2025 – 11/10/2025 (3 weeks)
c. Building Active Construction Start/End:	11/11/2025 – 11/11/2026 (52 weeks)
d. BHS Construction, Testing / Commissioning:	3/17/2026 – 4/14/2027 (56 weeks)
e. Project Substantial Completion:	4/14/2027
C. Project Closeout:	4/15/2027-7/7/2027 (12 weeks)

Active Construction Duration in Weeks (Building Component): 52 weeks

5. 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 STS and MGA 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.

6. STS 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 Studdiford, MGA, CMAR, or others for whom DWL is legally not liable.

Scope of work – Limited Construction Phase Services

1. Pre-Construction Activities: (31 weeks)

   a. General pre-construction coordination and attend one pre-construction conference (with the Airport, CMAR, STS and others who will be affected by the construction. DWL assumes STS will prepare agenda, minutes and distribute to participants.

   b. Pre-construction questions from the CMAR in the form of Pre-bid RFIs will be responded to by the design team.

   c. Due to the TSA process, there is an extended TSA review period after the development of the CMAR's GMP to the start of construction, approximately 23 weeks. During this period, DWL assumes limited participation however will maintain weekly communication with STS.

2. Construction Administration Activities: (77 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 included for coordination with STS-PM, MGA-PM, CMAR, DWL project staff and consultants. The DWL team is to clarify and support the STS-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 (virtual and in-person) to review the current schedule and work progress and to facilitate resolution of construction issues. Preparation and distribution of meeting minutes is assumed by the CMAR.

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 times per week on average, by the field representative. (52 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. DWL's Project Manager will visit the site approximately 1 times per month. (12 visits).

c. Inspect mechanical, electrical, plumbing & special system elements of the project. See attached consultant proposal.

d. Provide field observation of structural steel erection and other structural components including steel reinforcing, formwork, concrete placement, and masonry. See attached consultant proposal.

c. Submittals: DWL's fee estimate for the project anticipates a total of 140 submittals at 3 hours each for first review and 2 hours for second review. We assume 50% will require a second review.

1) 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 contractor, or to safety precautions and programs associated thereto.

2) A submittal schedule shall be submitted by the contractor within 14 days of NTP to DWL via the STS-PM. This schedule shall be reviewed by the STS-PM for submittals requiring Owner pre-approvals. This submittal schedule is required by DWL to schedule reviews in advance.

3) The STS-PM and DWL will be copied on all submittals and DWL will control the receipt and distribution of submittals to our consulting engineers (MPE, Structural, Civil) who require submittal review.

4) The owner with be copied on submittals and distribute to their stakeholders when appropriate for owner staff review.

5) Complete submittals shall be provided by the contractor in accordance with specification section 01 33 00. When a 2nd submittal is incomplete, it will be rejected without review when permitted, in order to preserve hours. DWL and our consultants shall track the time spent on additional reviews separately.

d. Requests for Information (RFI): DWL Team fee estimate includes at total of 120 RFI's within the base estimate. This includes informal and formal RFI's. Each distinct issue is considered a separate RFI. The intent is that the contractor not include multiple unrelated RFIs within a single RFI number. We assume 3 hours per RFI. Reviews and responses to formal RFIs shall be submitted to the STS-PM by the contractor and copy DWL when appropriate in order to expedite the process. Duration of review per specifications starts from the time the RFI is received by DWL. DWL will distribute and log consultant RFIs.

1) DWL Team to inform STS-PM prior to reaching 75% (90 RFIs) of this CAP to evaluate need for additional RFI's to be compensated through change order towards the Owner contingency.

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
Total:	120	12	0

1. * DWL Team to inform the STS-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: Proposals Requests are excluded. Should MGA require a significant design change to the project, DWL will request additional services for the associated change.

g. Substitution Requests: Up to (2) 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. 3 hours.

h. 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 **2** separate areas/lists. Team assumes a punch list for the EDS building and renovated areas of the Ticketing Terminal (Facilities Storage, OS Screening, and Employee Screening) Punch list beyond quantity listed will require additional services. DWL and our consultants shall track the time spent on additional punch lists separately.

3. Project Close-Out Activities (12 weeks): The DWL team shall provide the followings services:

a. General Communications and Meetings: After Substantial Completion DWL will participate in monthly virtual meetings (4 meetings). General communication time (4 hours/ per week for the PM) is included for coordination with STS, MGA and the CMAR. An additional 1 hour is included for consultant coordination.

b. 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.

c. 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 MGA for the completeness of the as-built drawings. PDF files and (1) 24x36 set of record documents will be provided to MGA. AutoCAD files directly converted from Revit shall be provided for the floor plans via electronic file transfer.

d. Conduct warranty inspections and prepare a warranty list for the contractor prior to the expiration of the contractor's one-year warranty period. Warranty inspections are assumed to occur approximately at the 10-month time frame prior to the completion of the warranty period.

Additional Services:

The following additional services will be broken out separately from other construction administration services.

a. None

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
13. Resident engineer and associated duties, inspection calls, project management, meeting minutes
14. Special Structural Inspections
15. 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.
16. Change Order Requests Reviews, Construction Change Directives (CCDs) reviews, and Pay Application review is not included in DWL's base scope
17. Substantial Completion certificate and Final Completion letter.
18. 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, 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	$ 356,128
MPE and Special Systems - LSW	$ 35,870
Structural - MWG	$ 26,370
Civil - Dibble	$ 26,000
Design & Engineering Total	**$ 444,368**
Design & Engineering – Allocable Subtotal	$ 140,284
Design & Engineering - Non-Allocable Subtotal	$ 304,084
Reimbursable	$ 2,000
Proposal Total	**$ 446,368**

We will invoice at cost for project related expenses such as travel, mileage, courier, printing, copying (in or out of office).

DWL will closely monitor use of hours by DWL and sub-consultant personnel and inform the STS-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, the STS team and the MGA 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

cc: Mary Ann Modzelewski
Shawn Filip
Business Office

DWL ARCHITECTS + PLANNERS, INC.

AZA Studdiford Outbound BHS
Construction Phase Services - Allocable and Non-Allocable
DWL Project No. 2316.02

DWL ARCHITECTS+

COMPENSATION ESTIMATE | Hourly Not-to-Exceed | Construction Budget: $13 M | 05.12.2025

ARCHITECTURAL - Construction Administration Phase

Labor Hours

	Task Description	Principal 242.00 per hr.		Building Code Mgr 176.00 per hr.		Proj. Manager 152.00 per hr.		Sr. Inspector 163.00 per hr.		Project Architect 137.00 per hr.		Apprentice Architect 102.00 per hr.		Field Representative 145.00 per hr.		CADD/BIM Technician 106.00 per hr.		Sr. Interior Designer 111.00 per hr.		Spec Writer 183.00 per hr.		Administration 136.00 per hr.		Clerical 98.00 per hr.		Task Total
		Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	
1	**Pre-Construction**	20	4,840.00	0	0.00	78	11,856.00	0	0	0	0	0	0.00	0	0	16	1,696.00	0	0.00	0	0.00	8	1,088.00	32	3,136.00	22,616.00
2.a	**General Communication**	8	1,936.00	0	0.00	387	58,824.00	0	0	0	0	0	0.00	77	11165	77	8,162.00	0	0.00	0	0.00	65	8,840.00	40	3,920.00	92,847.00
2b	**Field Observation**	0	0.00	0	0.00	96	14,592.00	0	0	0	0	0	0.00	312	45240	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	59,832.00
2c	**Submittals**	16	3,872.00	0	0.00	120	18,240.00	0	0	0	0	0	0.00	52	7540	340	36,040.00	30	3,330.00	0	0.00	0	0.00	0	0.00	69,022.00
2d	**Requests for Information (RFI)**	26	6,292.00	0	0.00	120	18,240.00	0	0	0	0	0	0.00	120	17400	120	12,720.00	25	2,775.00	0	0.00	0	0.00	0	0.00	57,427.00
2e	**Architects Supplemental Instruction s (ASI)**	12	2,904.00	0	0.00	36	5,472.00	0	0	0	0	0	0.00	0	0	120	12,720.00	0	0.00	2	366.00	0	0.00	0	0.00	21,462.00
2f	**Proposal Requests**	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	0.00	0.00
2g	**Substitution Requests**	2	484.00	0	0.00	8	1,216.00	0	0	0	0	0	0.00	0	0	8	848.00	4	444.00	0	0.00	0	0.00	0	0.00	2,992.00
2h	**Punch List**	3	726.00	0	0.00	20	3,040.00	0	0	0	0	0	0.00	32	4640	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	8,406.00
3a	**Close-Out - General Communication/Meetings**	4	968.00	0	0.00	54	8,208.00	0	0	0	0	0	0.00	20	2900	0	0.00	0	0.00	0	0.00	12	1,632.00	8	784.00	14,492.00
3c	**Close-Out - O&M Manuals**	0	0.00	0	0.00	6	912.00	0	0	0	0	0	0.00	0	0	20	2,120.00	0	0.00	0	0.00	0	0.00	0	0.00	3,032.00
3d	**Close-Out - Record Drawings**	0	0.00	0	0.00	4	608.00	0	0	0	0	0	0.00	0	0	32	3,392.00	0	0.00	0	0.00	0	0.00	0	0.00	4,000.00
	DWL CA PHASE TOTAL	91	22,022.00	0	0.00	929	141,208.00	0	0.00	0	0.00	0	0.00	613	88,885.00	733	77,698.00	59	6,549.00	2	366.00	85	11,560.00	80	7,840.00	2592 **$356,128.00**
																										Allocable $118,709.33
																										Non-Allocable $237,418.67

356,128.00

TEAM SUMMARY

Discipline	Construction Administration			Add'l Services						Totals
	Construction Administration Allocable	Construction Administration Non-Allocable								
Basic Design & Engineering										
Architectural - DWL	$118,709.33	$237,418.67								356,128.00
Structural - MWG	-	26,370.00								26,370.00
MPE & Special Systems - LSW	21,575.00	14,295.00								35,870.00
Subtotal - Basic Design & Engineering	418,368.00							Subtotal - Basic Design & Eng.	0.00	
									Basic Design & Engineering Sub-Total	**$418,368.00**
Other Design & Engineering										
Civil - Dibble	-	26,000.00								26,000.00
										0.00
										0.00
	$140,284.33	*$304,083.67*	-	*$0.00*	-	-	-	-	-	
Subtotal - Other Design & Engineering	26,000.00							Subtotal - Other Design & Engineering	0.00	
									Other Design & Engineering Sub-Total	**$26,000.00**
									Total	**$444,368.00**
									Design Allowance	$0.00
									Total with Allowance	**$444,368.00**

REIMBURSABLE EXPENSES

Firm	Expense	
DWL / Consultants	Printing, Copies, Courier - Billed only as needed	2,000.00
	Total Reimbursable	**$2,000.00**

DBE PARTICIPATION

	$ -	0.0%

DWL's personnel hourly rates are based on an Overhead Rate of 1.7335 and includes 10% profit.

Total w/ Reimbursable $446,368.00

LSWEngineers
ENGINEERING SOLUTIONS
FOR THE BUILT ENVIRONMENT

2333 W. Northern Ave., #9
Phoenix, AZ 85021
www.lswengineers.com
602.249.1320

April 29, 2025

DWL Architects + Planners, Inc.
2333 North Central Avenue
Phoenix, AZ 85004

Attn: Sandy Kukla, AIA, LEED AP

Re: Mesa Gateway Airport (AZA) Outbound Baggage Addition Construction Administration, rev02
LSW Proposal No. PR2025-093 / Project No. 2023-065.081 and 2023-065.082

Ms. Kukla:

We are pleased to offer our engineering construction administration services for the Outbound Baggage Addition at the Mesa Gateway Airport.

PROJECT UNDERSTANDING

This project is understood to be the construction phase services for the outbound baggage addition including both allocable (~12,000 SF) and non-allocable spaces (~7,500 SF). The project delivery system is understood to be Construction Manager at Risk (CMAR) with Weitz Company as the CMAR. Studdiford is the Prime Engineer and will provide primary construction administration (CA) and project management. The DWL team (including LSW) is to provide limited CA services as outlined in this proposal.

Our mechanical, plumbing, electrical and technology engineering services for this project will consist of the following. Services not indicated below are considered outside of our basic scope and will be provided upon request as an additional service.

The active construction duration for this project is understood to be 52 weeks.

SCOPE OF WORK

Our construction phase services will include the following:

1. Pre-construction Activities
    a. General pre-construction coordination.
    b. Respond to pre-construction questions from the CMAR in the form of Pre-bid RFI's.
2. Construction Administration Activities
    a. General communication to support questions from the field that need immediate response.

b. Perform up to twelve (12) field observations during construction to confirm that the work is proceeding in accordance with the plans and specifications and prepare a written report on our findings.

1) Prepare a punch list from open field observation items for the contractor's use prior to the final project walk through.

c. Review of the Contractor submittals (up to 60) and RFIs (up to 40).

d. Provide Architects Supplemental Instructions (ASIs) to support RFI responses (up to 4).

e. Review MEP substitution requests (up to 2) with consideration for redesign (up to 3 hrs).

f. Assist Contractors with electrical Utility coordination including meetings (up to 3 in person and 1 on site), proving drawings and calculations for use by Utility, and assistance with compliance of Utility standards.

g. Attend up to four (4) 1-hour construction meetings, these meetings will be attended by our field observer and are anticipated to be scheduled to coincide with our field observations. Meetings that do not coincide with our observations can be attended virtually and will count towards the total.

3. Project Close-Out Activities

a. Review the Contractor-prepared Operation and Maintenance Manual.

b. Prepare HVAC, plumbing, electrical and technology record drawings in AutoCAD format from the Contractor-prepared as-built redlines. No verification of accuracy is included; therefore, the record drawings will not be signed and sealed.

PROFESSIONAL FEE

Our fee for the work outlined above will be billed hourly, at rates described herein, up to an aggregate limit as follows:

Allocable	$21,575.
Non-Allocable	14,295.

Total	**$35,870.**

NOTE: This fee includes all travel expenses incurred within the metropolitan Phoenix area. Travel outside the metropolitan Phoenix area will be billed as a reimbursable expense, including, but not limited to, travel, rentals, meals, lodging, and reasonable incidental expenses.

This fee does not include plotting or printing of sets of our drawings or other discipline's drawings for interprofessional coordination or distribution.

CLIENT SERVICES

Services requested of the Client and/or Owner include the following:

1. Distribute meeting agendas before each meeting in order for us to assign appropriate staff to the meeting; and promptly distribute meeting minutes after each meeting.

EXCLUSIONS

1. Proposal requests.
2. Change order request reviews and construction change directives.
3. FAA Reports or Federal Funding tasks.
4. Meetings or virtual meetings beyond those listed.
5. Analysis of, preparing designs for, or assisting in design modifications to any unlisted equipment for the purpose of obtaining a field listing from a Nationally Recognized Testing Laboratory (NRTL) acceptable to the Authority Having Jurisdiction (AHJ). LSW assumes that all Owner-furnished equipment and equipment specified by others will be Listed and Labeled.
6. Utility company energy rebate data collection and/or submission.
7. All support or coordination work associated with an independent Commissioning Agent.
8. Functional testing or commissioning services.
9. Value engineering services.
10. Preparation of the electrical coordination or power system study.
11. Work in relation to the delinquency or insolvency of the Contractor(s).

ADDITIONAL SERVICES

Additional services will be performed on an hourly basis at our standard billing rates or a separate fixed fee contract as determined by your firm. Our current rate structure is shown below for your reference. Hourly contracted work will be invoiced based on our rates in effect at the time of such requests.

2025:	Principals	$235.00
	Sr. Engineers	$210.00
	Sr. Project Manager	$205.00
	Project Manager	$175.00
	Engineers	$165.00
	Field Observers	$130.00
	Sr. Designers	$140.00
	Designers	$120.00
	Project Coordinator	$120.00
	Project Assistant	$90.00

CAD Operators	$90.00
Admin	$80.00
Outside Services	Our cost

This proposal is effective for not more than 180 days.

LSW accepts the AIA C401 contract and requests that you prepare this document reflecting the terms and conditions of this proposal for our mutual execution prior to our beginning work.

We appreciate this opportunity and look forward to working with your firm on this project.

Regards,

LSW ENGINEERS ARIZONA, INC.



Cory Killpack, PE
Vice President

ck:js

Please indicate your acceptance of this proposal by signing and returning one copy of this letter for our files.

APPROVED: _____ DATE: _____

YOUR PROJECT / REFERENCE NO.:_____

https://us-partner-integrations.egnyte.com/msoffice/wopi/files/375ad6d5-e9dd-4b96-baf1-4f23d071000d/WOPIServiceId_TP_EGNYTE_PLUS/WOPIUserId_3.lswengineers.egnyte.com/PR2025-093 fee MGA (AZA) Outbound Baggage Addition CA.docx

LSWEngineers
ENGINEERING SOLUTIONS
FOR THE BUILT ENVIRONMENT

2333 W. Northern Ave., #9
Phoenix, AZ 85021
www.lswengineers.com
602.249.1320

Fee Hours

April 02, 2025

Proposal No.: PR2025-093
Project Name: MGA (AZA) Outbound Baggage Addition CA

Construction Phase Services % of Total Fee: 100.0%

CA Office Time ***Task ID: 60*** % of Total Fee: 51.1%

Staff Type	Rate	Allocable Hrs	Allocable Cost	Non-Alocable Hrs	Non-Allocable Cost	Sub-totals
Senior Engineer	210.00	8.0	1,680.00	6.0	1,260.00	2,940.00
Engineer	165.00	16.0	2,640.00	12.0	1,980.00	4,620.00
Field Observer	130.00		-		-	-
Senior Designer	140.00	16.0	2,240.00		-	2,240.00
Designer	120.00	24.0	2,880.00	20.0	2,400.00	5,280.00
CAD Operator	90.00	20.00	1,800.00	16.00	1,440.00	3,240.00
Clerical	80.00		-		-	-
Task Totals		**84.0**	**11,240.00**	**54.0**	**7,080.00**	**18,320.00**

Field Observations ***Task ID: 61*** Qty: 12 % of Total Fee: 37.5%

Staff Type	Rate	Allocable Hrs	Allocable Cost	Non-Alocable Hrs	Non-Allocable Cost	Sub-totals
Senior Engineer	210.00		-		-	-
Engineer	165.00		-		-	-
Field Observer	130.00	5.0	650.00	3.0	390.00	1,040.00
Senior Designer	140.00		-		-	-
Designer	120.00		-		-	-
CAD Operator	90.00		-		-	-
Clerical	80.00	0.50	40.00	0.50	40.00	80.00
Sub-totals		5.5	690.00	3.5	430.00	1,120.00
Task Totals		**66.0**	**8,280.00**	**42.0**	**5,160.00**	**13,440.00**

Meetings ***Task ID: 62*** Qty: 8 % of Total Fee: 5.8%

Staff Type	Rate	Allocable Hrs	Allocable Cost	Non-Alocable Hrs	Non-Allocable Cost	Sub-totals
Senior Engineer	210.00		-		-	-
Engineer	165.00		-		-	-
Field Observer	130.00	1.0	130.00	1.0	130.00	260.00
Senior Designer	140.00		-		-	-
Designer	120.00		-		-	-
CAD Operator	90.00		-		-	-
Clerical	80.00		-		-	-
Sub-totals		1.0	130.00	1.0	130.00	260.00
Task Totals		**8.0**	**1,040.00**	**8.0**	**1,040.00**	**2,080.00**

Record Drawings ***Task ID: 65*** % of Total Fee: 5.7%

Staff Type	Rate	Allocable Hrs	Allocable Cost	Non-Alocable Hrs	Non-Allocable Cost	Sub-totals
Senior Engineer	210.00	1.0	210.00	1.0	210.00	420.00
Engineer	165.00	1.0	165.00	1.0	165.00	330.00
Field Observer	130.00		-		-	-
Senior Designer	140.00	2.0	280.00	2.0	280.00	560.00
Designer	120.00		-		-	-
CAD Operator	90.00	4.00	360.00	4.00	360.00	720.00
Clerical	80.00		-		-	-
Task Totals		**8.0**	**1,015.00**	**8.0**	**1,015.00**	**2,030.00**

Construction Phase Services Totals	**166.0**	**21,575.00**	**112.0**	**14,295.00**	**35,870.00**

Engineering Services Grand Total	**166.0**	**21,575.00**	**112.0**	**14,295.00**	**35,870.00**

Sent via Electronic Mail to: Kukla@dwlarchitects.com

March 31st, 2025
(Revised April 4, 2025)

Sandra Kukla, RA, NCARB, LEED, AP
DWL Architects + Planners, Inc.
2333 North Central Avenue
Phoenix, AZ 85004

MARTIN WHITE GRIFFIS
STRUCTURAL ENGINEERS, INC

Re: MGA Outbound Baggage Non-Allocable
Additional Service for CA Services
MWG #: 22100.00

Dear Sandra:

We are pleased to provide this additional service proposal for construction administrative services. Our understanding relative to the project scope and details of the services which we propose to provide, are as follow:

1. Scope – Construction Administrative Services:

a. Review the following shop drawings:

1. Concrete mixes.
2. Concrete reinforcement.
3. Masonry materials, mortar mix and grout mix.
4. Structural Steel.
5. Metal deck.
6. Metal Studs

b. Respond to RFI's. Approximately 5 RFI's.

c. ASI submittals. Total of 3 maximum.

d. Prepare as-built drawings based on documents prepared by the Contractor.

e. Field observations. Total of 4 maximum.

2. Fees and Payments

a. Hours

Sr. Structural Engineer	8.0 hrs. X $180.00	$ 1,440.00
Structural Engineer	84.0 hrs. X $145.00	$ 12,180.00
Engineer/E.I.T.	90.0 hrs. X $115.00	$ 10,350.00
Revit	24.0 hrs. X $100.00	$ 2,400.00

Total Hourly Amount not to exceed : $ 26,370.00

Special Inspections are excluded from all fees.

b. Our services will be billed monthly and are due and payable within 7 days after receipt of payment by your client for work performed for which payment has been made. Non payment could result in actions pursuant to ARS statute 32-128 C 5.

Thank you for the opportunity of submitting this proposal. If you find it satisfactory, please indicate so by signing and returning one copy, so that we will be able to proceed with the work.

Sincerely,

Thomas C. Griffis, PE
Principal

Agreed to:

_____
DWL Architects + Planners, Inc.

_____
Date

TCG

p 602.957.1155 | 3020 East Camelback Road, Suite, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

April 1, 2025

Sandra Kukla, AIA, LEED AP
DWL Architects + Planners, Inc.
2333 North Central Avenue
Phoenix, Arizona 85004

RE: MGAA Outbound BHS Non-Allocable – Building Expansion
Construction Administration Services Proposal

Sandra,

Thank you for the opportunity to submit this proposal to provide Limited Construction Administration services. Dibble will provide the following support services during construction.

SCOPE OF SERVICES:

1.0 Preconstruction Activities

The proposed schedule based on ongoing discussions between Weitz Construction and MGA includes 31 weeks for preconstruction, including GMP development. Dibble will provide limited preconstruction phase services, including:

- Attend one preconstruction meeting with the Airport, CMAR, STS, and the design team's CA representatives
- Respond to civil-related preconstruction questions from the CMAR in the form of Pre-bid RFIs

2.0 Construction Administration Activities

Per initial coordination, the anticipated construction schedule will be 77 weeks. Dibble will provide limited construction phase services, including:

- Attend periodic construction meetings, as requested or required. Meeting attendance is estimated to include a total of 12 meetings over the 77-week project duration. Dibble anticipates that these will be more concentrated during the civil construction period and less concentrated during other periods of construction. Note that as much as practical, meeting attendance and Periodic Observations will be combined in a single visit
- Visit the site to provide Periodic Observation of the civil elements throughout the project. Periodic Observation will focus on critical civil activities including site and utility demolition, completion of rough grading, civil utility installation, and completion of civil hardscape. Periodic Observations will be documented with brief Observation Reports summarizing observations and noting any pertinent recommendations. A total of 6 Periodic Observations are estimated to be required over the 77-week project duration. Daily or other required (special) inspections are specifically excluded: these will be provided by others
- Review Contractor-provided shop drawings, product data, and substitution requests for conformance to the contract documents and make recommendations if necessary for revisions. Review in excess of two per submittal will require additional services. Transmittal by DWL 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 MGAA unless otherwise noted
- Review Contractor Requests for Information (RFI's) and provide clarifications in the form of written RFI responses and/or design modification sketches
- 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 ASIs will be issued throughout construction

3.0 Project Close-Out Activities

Dibble will provide project close-out services at the time of substantial completion, including:

- Attend the "Final Inspection" walk-throughs (at the time the Contractor is requesting Substantial Completion) and provide DWL with comments to assist in generation of their punch list. Attend one follow-up visit when requested by MGAA/DWL to confirm compliance with the noted deficiencies. Additional punch list re-inspections over the initial visit will require additional compensation
- 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
- Attend warranty walk at 11-months following completion of the project and provide comments to DWL to assist in generation of their warranty punch list

Dibble proposes to provide Limited Construction Phase Services for a time-and-material, not-to-exceed fee of $26,000. Please see the Fee Summary for a breakdown of rates and costs.

FEES:

1.0	Preconstruction Activities		$ 1,970
2.0	Construction Administration Activities		$ 18,940
3.0	Project Close-Out Activities		$ 5,090
		Total	**$26,000**

STANDARD BILLING RATES (January 1, 2025)

Project Manager	230.00
QA/QC Manager	230.00
Project Engineer (PE)	190.00
Assistant Project Engineer (EIT)	145.00
Senior Designer	155.00
Project Coordinator	130.00

Invoices will be submitted monthly based on the percentage of the survey and civil engineering services that are complete. These invoices will be due and payable upon receipt and will be considered past due if not paid within seven days after Client's receipt of payment from the Owner.

If you have any questions, please feel free to call us at (602) 957-1155.

Sincerely,

Travis G Dunn
Project Manager, Land Development
Dibble

Jeffrey L. McBride
Vice President, Land Development
Dibble

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 Agreement

Any and all services to be performed under this Agreement require approval. All compensation for services shall be identified in writing. The Agreement 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 Agreement is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

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

For services rendered in accordance with the Agreement, Consultant shall submit to MGAA 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 MGAA 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 Agreement. 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 MGAA. 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. MGAA Responsibilities for Compensation

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

5. Billing Address

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

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

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

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

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

Title VI List of Pertinent Nondiscrimination Acts and Authorities:

During the performance of this Agreement, 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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- 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 § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by 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 (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. 74087 (2005)];

- 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).

Title VI Compliance With Nondiscrimination Requirements:
During the performance of this Agreement, 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 Agreement.
2. Nondiscrimination: The Contractor, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Agreement 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 Agreement 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 Agreement, the Sponsor will impose such Agreement 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 Agreement until the Contractor complies; and/or

b. Cancelling, terminating, or suspending an Agreement, 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. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

Consultant, by accepting this Agreement, 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.

4. Project Security

As some or all portions of work possible during the Term of this Agreement 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 MGAA Consultant and Consultant's employees and subcontractor personnel performing work functions in accordance with this Agreement shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA, 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 MGAA Badging Office.

5. Standard Terms & Conditions

MGAA'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 agreement. MGAA reserves the right to make that determination if there is a conflict.

6. Federal and State Guidelines and Regulations

All work performed under this Agreement 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 Agreement in accordance with the applicable requirements imposed by MGAA, 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 MGAA all information, reports, documents, and/or certifications requested by MGAA 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 Agreement.

7. Right to Contract With Other Firms

MGAA 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 Agreement. Consultant shall conduct its operations and perform any services authorized under the Agreement so as not to interfere with or hinder the progress of completion of the work being performed by MGAA 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.

8. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. MGAA 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 MGAA.

EXHIBIT D – MGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Consultant certifies:
   a. The award of this Agreement 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 Agreement; and Consultant hereby certifies that the individual signing this Agreement is an authorized agent for Consultant and has the authority to bind the Consultant to the Agreement.

2. **Termination of Agreement.**

   a. Termination for cause. MGAA reserves the right to cancel this Agreement in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Agreement. At least ten (10) business days before terminating the Agreement, MGAA will issue a written notice of default specifying one of the following reasons. MGAA shall, at all times during the term of the Agreement or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

      (1) Consultant has provided personnel that do not meet the requirements of the Agreement.

      (2) Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Agreement.

      (3) Consultant has attempted to impose on MGAA 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 Agreement or associated Authorization of Services.

      (5) Consultant has failed to make progress in the performance of the requirements of the Agreement or Authorization of Services, or Consultant fails to give MGAA adequate assurance the Consultant will perform the Agreement in full and on time.

   b. This Agreement may be terminated at any time by mutual written consent or by MGAA - with or without cause - provided the terminating party gives fourteen (14) calendar days' advance written notice to the other party. MGAA may terminate this Agreement, in whole or in part, for MGAA's convenience and with fourteen (14) days' written notice.

   c. Each payment obligation of MGAA created hereby is conditioned on the availability of MGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by MGAA for continuance of service under this Agreement, then MGAA may terminate the Agreement. MGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to MGAA if this provision is exercised, and MGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   d. Upon cancellation/termination of the Agreement, the Consultant must deliver to MGAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by Owner, its Engineer, Architect, or representative, under this Agreement, whether complete or partially complete.

   e. If this Agreement is canceled/terminated, then MGAA is liable only for services rendered and material received, certified, and approved by MGAA under the Agreement before the cancellation/termination effective date. In the event any payments are made by MGAA to Consultant in advance of services performed, and this Agreement is canceled/terminated, Consultant shall refund MGAA's payment on a pro-rata basis for the unused portion of the term. The refund shall be paid to MGAA within thirty (30)

days of the cancellation/termination of the Agreement. This refund shall only apply to payments made for services or products that have not been rendered or delivered prior to the cancellation/termination date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Agreement or its breach, the parties to this Agreement 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 Agreement be unable to resolve their dispute through direct negotiations, the parties to this Agreement, 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 Agreement, 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 Agreement, but subject to reallocation following binding dispute resolution.

   c. **Binding Dispute Resolution**. Should the parties to this Agreement 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 Agreement, commence formal dispute resolution proceedings. Both parties to this Agreement 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 Agreement, 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 Agreement are excused from this arbitration requirement and the parties to this Agreement 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 MGAA in the form of salaries, paid vacation, or sick days. MGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. MGAA will not withhold FICA, taxes, or any similar deductions from MGAA's payments under this Agreement.

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 MGAA contracts.

7. **Non-Exclusive Agreement**. This Agreement is for the sole convenience of MGAA. MGAA 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 MGAA for the purpose of assuring that no information contained in its records or obtained from MGAA or from others in carrying out its functions under the Agreement shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Agreement. Persons requesting such information should be referred to MGAA. 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 Agreement, unless otherwise agreed to in writing by MGAA.

10. **Gratuities.** MGAA may, by written notice to the Consultant, cancel this Agreement 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 MGAA involved in the amending, or the making of any determinations with respect to the performing of such Agreement. If this Agreement is canceled by MGAA under this provision, MGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

11. **Applicable Law.** This Agreement shall be governed by the laws of the state of Arizona, and suits pertaining to this Agreement shall be brought only in federal or state courts in the state of Arizona.

12. **Agreement**. This Agreement is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Consultant under an RFP, IFB or RFQ. The Agreement contains the entire agreement between MGAA 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. **Agreement Amendments**. This Agreement shall be modified only by a written amendment signed by the MGAA 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 Agreement 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 Agreement shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Agreement are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Agreement, 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 MGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages MGAA's property in any way, Consultant shall immediately report such damage to MGAA and repair or replace the damage at no cost to MGAA, as directed by the MGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then MGAA may terminate the Agreement, and MGAA shall deduct the repair or replacement cost from money due Consultant under the Agreement.

17. **Interpretation – Parol Evidence.** This Agreement 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 Agreement. Acceptance or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement 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 MGAA. MGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. MGAA 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 Agreement performance whether subcontractors are used.

19. **No Waiver.** No provision in this Agreement 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 Agreement. The failure of either party to insist on strict performance of any Agreement term or condition; to exercise or delay

exercising any right or remedy provided in the Agreement or by law; or to accept materials, services, or Consultant's services under this Agreement or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Agreement.

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

21. **Indemnification.** To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless MGAA, 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 Agreement.

22. **Right to Assurance.** Whenever one party to this Agreement 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 Agreement.

23. **Advertising.** Consultant shall not advertise or publish information concerning this Agreement without prior written consent of MGAA.

24. **Right to Inspect.** MGAA may, at reasonable times, and at MGAA's expense, inspect the place of Consultant's or any of Consultant's subcontractor's business, which is related to the performance of this Agreement 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 Agreement 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 Agreement, 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 MGAA. Material or service failing to conform to the specifications of this Agreement 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 Agreement.

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

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to MGAA until MGAA actually receives the material or service at the Airport, unless otherwise provided within this Agreement.

29. **Liens.** All materials, services, and other deliverables supplied to MGAA under this Agreement must be free of all liens and other encumbrances. Upon request of MGAA, 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 Agreement.

31. **Subsequent Employment.** MGAA may cancel this Agreement 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 Agreement, on behalf of the MGAA is or becomes, at any time while the Agreement or any extension of the Agreement is in effect, an employee of, or a contractor to any other party to this Agreement with respect to the subject matter of the Agreement. Such cancellation shall be effective when the parties to this Agreement receive written notice from MGAA, unless the notice specifies a later time.

32. **Clean Up.** Consultant shall at all times keep Agreement 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 MGAA. 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 MGAA, 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 MGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to MGAA by Consultant under this Agreement.

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 Agreement, including the papers of all Consultant and subcontractor employees that work on the Agreement (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 MGAA. MGAA 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 Agreement. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. MGAA is entitled to access to these Records from the effective date of this Agreement for the duration of the work and until five years after the date of final payment by MGAA to Consultant under the Agreement. During normal working hours, MGAA 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. MGAA 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 Agreement.

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 Agreement and may result in the termination of this Agreement by MGAA. MGAA shall have the right to inspect the

papers of Consultant's and any of Consultant's subcontractor's employee who works on this Agreement to ensure the Consultant is complying with this paragraph.

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

Board Action Item

Re: Resolution 25-39

To:	**Board of Directors**
From:	**Scott Brownlee, Deputy Director/COO**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Airport Wide Fire System Test, Inspect, Monitoring & Repair Services – Cross Fire Protection, LLC**
Date:	**September 16, 2025**

Proposed Motion

To authorize a contract with Cross Fire Protection, LLC, to provide Airport Wide Fire System Test, Inspect, Monitoring, and Repair services for all fire protection/alarm systems installed throughout the Airport's property, in an amount not-to-exceed $55,848.50, (excluding repair services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5%, subject to written approval by the Airport. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of the Airport.

Narrative

The Airport's property is comprised of twenty-nine (29) commercial buildings, warehouse buildings, hangars, and encompasses approximately 409,890 square feet.

The Airport's system consists of:

1. Two (2) Fire Pump Systems:
   a. South Central Fire Systems
      i. Quantity 3, 2500 GPM fire pumps
      ii. Hangar 31: Wet Pipe Foam System; Wet Pipe Fire Sprinkler System
      iii. Hangar 32: Wet Pipe Fire Sprinkler System

   b. 1083 Pump House Fire Systems
      i. Quantity 4, 1500 GPM Pumps
      ii. Hangar 1084: Pre-Action/Deluge Foam System; Wet Pipe Fire Sprinkler System
      iii. Hangar 1092: Pre-Action System
      iv. Air Traffic Control Tower 1081: 4 Pre-Action Systems, Wet System, VESDA

2. Ten (10) buildings are not on the Airport's Pump System but are on city water. These 10 buildings have alarm systems with a combination of cell dialer and phone lines for monitoring.

The Request for Proposals (RFP), Solicitation 2025-009-RFP, was issued on May 29, 2025, and advertised in the Arizona Business Gazette on 5/29, 6/5, 6/12, and 6/19/25; it was also posted on the AzAA and the Mesa Gateway Airport Authority's websites. In addition, the RFP was emailed to a list of 22 prospective firms. On July 10, 2025, the Airport received two (2) proposals:

1. AP Fire
2. Cross Fire Protection, LLC

The Evaluation Panel reviewed the proposals and is recommending award to Cross Fire Protection LLC. Their proven track record, depth of expertise, and ability to deliver at the scale and complexity required make them the best value for the Airport.

Fiscal Impact

The first year of the contract is budgeted in the FY26 Operating Budget. The remaining years costs will be budgeted in the appropriate fiscal years.

Attachment(s): Services Agreement

RESOLUTION NO. 25-39

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

WHEREAS the Authority desires to authorize a contract with Cross Fire Protection, LLC, to provide Airport Wide Fire System Test, Inspect, Monitoring, and Repair services for all fire protection/alarm systems installed throughout the Airport's property, in an amount not-to-exceed $55,848.50, (excluding repair services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5%, subject to written approval by the Airport. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of 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 a contract with Cross Fire Protection, LLC, to provide Airport Wide Fire System Test, Inspect, Monitoring, and Repair services for all fire protection/alarm systems installed throughout the Airport's property, in an amount not-to-exceed $55,848.50, (excluding repair services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5%, subject to written approval by the Airport. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of the Airport. This resolution also authorizes the Executive Director/CEO to approve such annual price adjustments during the term of the contract. 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 September, 2025.

Mark Freeman, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

SERVICES AGREEMENT

MESA GATEWAY AIRPORT AUTHORITY

AND

CROSS FIRE PROTECTION LLC

FOR

FIRE SYSTEM TESTING, INSPECTION, MONITORING, AND REPAIR SERVICES

Mesa Gateway Airport

Table of Contents

Section I - Contractor Services	3
Section II - MGAA Responsibilities	3
Section III - Period of Service	4
Section IV – Key Personnel	4
Section V – Payments to the Contractor	4
Section VI – Alteration in Scope of Services	4
Section VII – Work Assignment Completion	4
Section VIII – Ownership of Documents	4
Section IX – Compliance with Laws	5
Section X – General Considerations	5
Section XI – No Kick-back Certification	5
Section XII – Suspension of Services	5
Section XIII – Times of Payments	5
Section XIV – Timely Review	6
Section XV – Dispute Resolution	6
Section XVI – Liability of Contractor	6
Section XVII – Laws and Regulations	6
Section XVIII – Archaeological Resource Protection	6
Section XIX – Insurance Requirements	6
Section XX – Notices	7

EXHIBIT A – Scope of Services & Fee Schedule	9
EXHIBIT B – Compensation	15
EXHIBIT C – Special Provisions	16
EXHIBIT D – MGAA Standard Terms and Conditions	20
EXHIBIT E – Building and Services Breakdown and Summary	25
EXHIBIT F – MGAA Map of Buildings to be Serviced	26
EXHIBIT G – Contractor's RFP Submittal	27

Mesa Gateway Airport Authority, formerly known as Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("MGAA") desires the performance of the services more fully described in this Services Agreement ("Agreement") and the attached exhibits. Cross Fire Protection LLC, an Arizona Limited Liability Company ("Contractor"), with its principal offices located at 19445 W. Indian School Road, Suite 102-207, Litchfield Park, AZ 85340, desires to perform these services.

Recitals

A. MGAA requires the services as described in this Agreement, including any and all exhibits and amendments, and Contractor is willing to provide these and other services under this Agreement; and

B. MGAA 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, MGAA and Contractor agree as follows.

SECTION I – CONTRACTOR SERVICES

The services to be performed by Contractor are specified in this Agreement. MGAA will not pay Contractor for any services that have not been authorized under the Agreement. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Contractor under this Agreement shall generally include, but not be limited to, the following: Fire System Testing, Inspection, Monitoring, and Repair Services, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule." and **EXHIBIT E**, "Building and Services Breakdown and summary".

Contractor is to provide all labor, materials, equipment and supervision necessary to perform testing, inspection, monitoring, maintenance and repairs as detailed in this Agreement to the satisfaction of MGAA and in accordance with applicable laws, codes and standards, and specifications.

Services are to be provided during normal working hours of Monday – Friday 7:00 am to 5:00 pm, excluding holidays.

Contractor must maintain throughout the Base Term or any extension thereof, a current State of Arizona license to provide fire alarm system inspections.

MGAA's authorized representative shall be the MGAA Director of Engineering and Facilities, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Agreement.

All services provided by Contractor under this Agreement 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 – MGAA RESPONSIBILITIES

MGAA shall furnish Contractor, at no cost to Contractor, the following information or services for this Agreement:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Agreement. 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. MGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Contractor.

B. In MGAA's discretion and upon Contractor's reasonable request, access to staff for consultation with Contractor during the performance of this Agreement in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Contractor's deliverables. MGAA will advise Contractor concerning progress of MGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Contractor shall complete all work in accordance with the provisions of this Agreement as amended. All work initiated under this Agreement must be completed on or before the expiration date of the Agreement.

This Agreement is effective as of November 1, 2025 and ends on October 31, 2028 ("Base Term"), unless terminated, canceled or extended as provided in this Agreement.

This Agreement has two (2) optional one-year extensions that MGAA may exercise at its sole discretion. Prior to the expiration of the Agreement Base Term, MGAA may elect to extend the Agreement. If MGAA exercises such right, all terms, conditions and provisions of the original Agreement shall remain the same and apply during the extended period with the possible exception of price. Any extension of this Agreement shall require an amendment signed by both parties.
Contractor shall perform its services in a diligent manner and in accordance with this Agreement.

SECTION IV – KEY PERSONNEL

The Contractor itself shall provide all services to be performed under this Agreement. If Sub-Contractors are required by Contractor to perform any services listed under this Agreement, Contractor shall notify MGAA prior to authorizing work by said Sub-Contractors. MGAA 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 Agreement plus any adjustments that have been approved in writing by MGAA in accordance with MGAA'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.

MGAA does not guarantee any minimum or maximum fee during the Term of this Agreement, and Contractor, in executing this Agreement, shall not anticipate or require any minimum or maximum fee.

MGAA shall pay Contractor for services authorized and rendered under this Agreement at the completion of each work assignment, provided Contractor 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 Agreement fee, the parties shall negotiate an amendment to the Agreement to be executed by MGAA and Contractor. No work shall commence on any amendment or change until the amendment has been approved by MGAA and Contractor has been notified to proceed by MGAA. No claim for extra work done or materials furnished by Contractor will be allowed by MGAA, except as provided herein, nor shall Contractor do any work or furnish any materials not covered by this Agreement unless the work is first authorized in writing by MGAA and the change complies with MGAA'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 Agreement, situations arise which prevent work completion within the allotted time, MGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies, graphics, designs, code, and written materials, prepared under or as a result of this Agreement, shall be the property of MGAA. To the extent necessary to effectuate such ownership, Contractor hereby assigns all right, title and interests to such documents, graphics, designs, code, and written materials to MGAA. 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, graphics, designs, code, and written materials prepared under this Agreement, including electronic files, are instruments of service. All of these documents, graphics, designs, code, and written materials shall become the property of MGAA upon completion of the services and payment in full to Contractor or, if the Agreement is terminated, upon termination of this Agreement. MGAA shall have the right to reuse, modify, or adapt the documents, graphics, designs, code, and written materials as it deems necessary, without requiring Contractor's prior written authorization. MGAA shall indemnify and hold harmless Contractor, its officers, directors, employees and subcontractors (collectively, the "Contractor") against any and all damages, liabilities or costs arising from MGAA's modification of documents, graphics, designs, code, or written materials produced by Contractor under this Agreement 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 Agreement 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.

MGAA shall administer this Agreement in accordance with MGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Agreement 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 Agreement or the right of either party to enforce each and every provision.

B. The fact that MGAA has accepted or approved Contractor's work shall in no way relieve Contractor of responsibility for the work under this Agreement.

C. This Agreement 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 Agreement, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Agreement and any amendments to this Agreement 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 Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the MGAA Board of Directors or any employee of MGAA has any interest, financially or otherwise, in Contractor's firm.

For breach or violation of this warranty, MGAA may annul this Agreement without liability.

SECTION XII – SUSPENSION OF SERVICES

Contractor shall, within five (5) business days upon receiving written notice from MGAA, 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 MGAA.

SECTION XIII – TIMES OF PAYMENTS

Contractor shall submit invoices to MGAA for services actually completed as follows:

Test and Inspect Services – upon completion of services
Monitoring Services – quarterly
Repair Services – upon completion of services

MGAA shall review, certify, and approve or reject each invoice in whole or in part. MGAA shall pay each approved invoice within fifteen (15) calendar days of the date that MGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

MGAA 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 Agreement. By MGAA's reviews, MGAA 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 MGAA and Contractor arising out of or relating to this Agreement will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "MGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

MGAA and Contractor 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 CONTRACTOR

To the fullest extent permitted by law, Contractor shall defend, save, indemnify, and hold harmless MGAA, 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 Agreement.

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 Agreement throughout. These laws and regulations are deemed included in this Agreement 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 Agreement, 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 MGAA of the site's location and take all reasonable precautions to protect and preserve the site until MGAA otherwise directs.

SECTION XIX INSURANCE REQUIREMENTS

A. Contractor shall procure and maintain for the duration of the Agreement 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 Agreement, except *Workers Compensation* and *Professional Liability*, shall name MGAA, 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 $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, MGAA 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 MGAA.

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 MGAA.

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 Agreement, 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 Agreement, all of Contractor's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by MGAA, 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 MGAA. MGAA 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 MGAA.

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 Agreement or the beginning of Agreement work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the Agreement 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 Agreement 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 MGAA 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 MGAA 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. MGAA 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 MGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: MGAA 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 Agreement will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO MGAA: Mesa Gateway Airport Authority
Attn: Director of Engineering and Facilities
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONTRACTOR: Cross Fire Protection LLC
19445 W. Indian School Road, Suite 102-207
Litchfield Park, AZ 85340

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.

CONTRACTOR
Cross Fire Protection LLC

By: P. Shayne Castellani

Name: P. Shayne Castellani

Title: Owner

Date: 8/11/2025

MGAA
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.

MGAA reserves the right to add, remove, and/or revise the number of buildings, systems, and frequency of services as needed.

SCOPE OF SERVICES

1. **Test and inspect services, as detailed below, based on the quantity and frequency, and for the buildings set forth in Exhibits E and F.**

   a. Fire Alarm System Inspection per NFPA 72

   i. A complete functional test of the control panel and all related circuits.
   ii. Control panel switches, lights, and wiring terminations will be checked, and batteries will be load tested.
   iii. All detection circuits, pull stations, water flow/tamper switches, and audio/visual (notification) devices will be tested.
   iv. All smoke detectors, heat detectors, and duct detectors will be tested and cleaned.
   v. A final report based on the NFPA requirements will be completed detailing the results of the test and will be delivered and reviewed with the owner no later than 30 (thirty) days after the test and inspection.

   b. Fire Sprinkler System Inspection per NFPA 25

   i. Service will include all control valves being exercised and sealed.
   ii. Water pressure will be recorded, including residual pressure during a main drain flow test.
   iii. All inspector's test valves will be exercised, and water flow alarms will be confirmed.
   iv. The fire sprinkler riser will be inspected for signage, valve positions, and a stocked spare sprinkler head box.
   v. All visible distribution piping will be inspected for corrosion and visible sprinkler heads inspected for discharge blockage and foreign material.
   vi. A final report based on the NFPA requirements will be completed detailing the results of the test and will be delivered and reviewed with the owner no later than 30 (thirty) days after the test and inspection.

   c. Pre-Action / Deluge System Inspection per NFPA 25

   i. Service will include a complete functional test of the control panel and all related circuits.
   ii. Control panel switches, lights, and wiring terminations will be checked, and batteries will be load tested.
   iii. All detection circuits, manual pull stations, and audio/visual (notification) devices will be tested.
   iv. All smoke detectors, heat detectors will be tested and cleaned.
   v. Service also includes inspection of the pre-action fire sprinkler riser, alarm initiating devices, and a flow test of the riser.
   vi. A final report based on the NFPA requirements will be completed detailing the results of the test and will be delivered and reviewed with the owner no later than 30 (thirty) days after the test and inspection.

   d. Standpipe System Inspection per NFPA 25

   i. Service will include inspection of all system piping, hose connections, waterflow devices, cabinets, hose storage devices, and gauges.
   ii. A final report based on the NFPA requirements will be completed detailing the results of the test and will be delivered and reviewed with the owner no later than 30 (thirty) days after the test and inspection.

   e. Fire Pump Test and Inspection per NFPA 20

   i. The inspection of the electric/diesel fire pump will be conducted under minimum, rated and peak flows of fire pump by controlling the quantity of water discharged.

ii. The test will be conducted using the available suction water supply.
iii. Pump suction and discharge pressure measurements will be used to determine the total pump output.
iv. The fire pump and associated control equipment will be energized, and suction water will be flowed for the time required to take the required measurements and meet the requirements of the test.
v. Water drainage and effects from water run off can be an environmental and safety hazard, and it is the responsibility of the owner to manage and maintain.
vi. A final report based on the NFPA requirements will be completed detailing the results of the test and will be delivered and reviewed with the owner no later than 30 (thirty) days after the test and inspection.

f. Backflow Valve Test and Inspection per local code requirements

i. The inspection and functional testing of the backflow check valve, including a visual inspection and a mechanical test to ensure the valve is in good operating condition and is operating within the correct parameters.
ii. If the backflow valve initial test indicates it is operating out of specifications, the valve will be disassembled, inspected, cleaned, reassembled and re-tested for proper operation.
iii. Additional materials and labor for any needed repairs are an additional cost. No repair work shall be done without the prior written authorization of MGAA. MGAA is under no obligation to utilize Offeror for any repairs.
iv. A final report based on the local water purveyor requirements will be completed detailing the results of the test and will be delivered and reviewed with the owner no later than 30 (thirty) days after the test and inspection. A copy of the report will be submitted to the local water purveyor.
v. Offeror shall be responsible for submitting all required reports of the test results to the City of Mesa, in the city's required time frame.

g. AFFF Foam / Water Sprinkler Inspection per NFPA 25 and 16

i. The operation test will be conducted to ensure that the system responds as designed, both automatically and manually.
ii. Test procedures will simulate anticipated emergency events, so the response of the system can be evaluated.
iii. Where discharge from the discharge devices would create hazardous conditions or create damage to the facilities or products being protected, alternate methods will be applied to complete the operational testing.
iv. Testing and inspection will be completed for response time, discharge time, and discharge patterns, pressure readings, and concentration testing.
v. After completion of the testing, the system will be returned to service, and the foam concentrate tank shall be replenished to the designed level.
vi. A final report based on the NFPA requirements will be completed detailing the results of the test and will be delivered and reviewed with the owner no later than 30 (thirty) days after the test and inspection.

h. Fire Hose and Valve Inspection per NFPA 25

i. Service includes operation of the hose valve through its full range of motion, with the hose being returned to its normal operation upon completion.
ii. A visual verification will be done to ensure that the valve is in its normally closed position, assessable, free of external leaks, and provided with appropriate documentation.
iii. A final report based on the NFPA requirements will be completed detailing the results of the test and will be delivered and reviewed with the owner no later than 30 (thirty) days after the test and inspection.

i. Offeror shall notify MGAA, no less than two (2) weeks prior to each inspection due date, to schedule the inspection.

j. MGAA shall determine who will correct any system deficiencies found during testing by Offeror.

k. Test and inspect services will be done in the following months:
Quarterly: October, January, April, and July
Semi-Annual: January and July
Annual: July

2. Annual monitoring services, as detailed below, based on the quantity and frequency for the buildings set forth in Attachment B.

a. Monitoring is required to be from a remote supervising station that operates 24/7 and will report alarms to the municipal fire department, as well as report to the fire suppression contractor and MGAA.

b. Must have the capability for remote login through a website so that authorized MGAA personnel can place a system in test and review alarm data.

c. Offeror shall not install any proprietary hardware that would make it impossible for another contractor to monitor the system. Upon contract expiration or termination, Offeror shall coordinate the removal of any proprietary software with the new Contractor to ensure continued service to the property.

d. Monitoring services will be done on a monthly basis at an agreed-upon date and time.

3. Repair Services for Fire Systems

a. Repair services will be done on an as-needed basis.

b. There is no guarantee of a minimum amount of services.

c. MGAA reserves the right to call other firms/individuals for repair services.

d. Offeror will be required to have a response time of a maximum of two (2) hours from the time a service call is dispatched from MGAA and must arrive at the site within two (2) hours, assess the problem, and recommend a possible solution within four (4) hours. Any work will be completed as agreed upon by MGAA.

e. Emergency Services shall be responded to by Offeror within 2 hours of notification by MGAA. No repair work shall be done without the prior written authorization of MGAA. MGAA is under no obligation to utilize Offeror for emergency services or repairs resulting from such emergency call.

FEE SCHEDULE ON FOLLOWING PAGES

FEE SCHEDULE

For the services provided herein, MGAA agrees to pay Contractor the following fees. All fees set forth below shall apply to the Base Term, and any extension thereof, unless Contractor requests, and MGAA grants, a price increase as allowed herein.

Contractor may increase fees effective on each anniversary date of the Agreement, up to a maximum of 5%, with the prior written approval of MGAA. Offeror must provide at least thirty (30) days' prior written notice of any proposed fee increase.

TEST AND INSPECT SERVICES:

Attachment A
Price Proposal – Fire System Test and Inspect Services

The fees stated herein shall remain in effect for the first year of the Contract. Offeror may increase fees effective on each anniversary date of the Contract, up to a maximum of 5%, with the prior written approval of MGAA. Offeror must provide at least thirty (30) days' prior written notice of any proposed fee increase.

System Qty	Description	Frequency	Annual Cost
24	Fire Alarm System Inspection	Annual	$6,800.00
34	Fire Sprinkler System Inspection	Quarterly	$10,200.00
31	Risers	Quarterly	$9,300.00
15	Backflow Valve Test & Inspection	Annual	$750.00
8	AFFF Foam System Inspection	Semi-Annual	$4,000.00
4	Fire Hose Inspection & Reracking	Annual	$500.00
5	Deluge System Inspection	Semi-Annual	$1,500.00
1	Vesda System (ATCT)	Annual	$175.00
7	Pre-Action System Inspection	Semi-Annual	$1,960.00
26	Internal valve Inspection	Annual	$4,550.00
183	Fire Extinguisher Inspection	Annual	$823.50
7	Fire Pump Testing	Annual	$ 4,550.00
345	**GRAND Total, All Buildings & All Services, Year 1 Cost**		$45,108.50

FIRE SYSTEM MONITORING SERVICES:

Mesa Gateway Airport

Attachment B
Price Proposal – Fire System Monitoring Services

The fees stated herein shall remain in effect for the first year of the Contract. Offeror may increase fees effective on each anniversary date of the Contract, up to a maximum of 5%, with the prior written approval of MGAA. Offeror must provide at least thirty (30) days' prior written notice of any proposed fee increase.

16 Cell; 5 Landline Locations

Service Type	Bldg No. / Location	Address	Frequency	Annual Cost
Cell Line	Bldg 531 - (Sierra Bldg Sys)	6416 S. Sossaman Rd	Monthly	$ 540.00
Cell Line	Bldg 532 - (Car Rental Facility)	6450 S. Sossaman Rd	Monthly	$ 540.00
Cell Line	Bldg 533 - (Sun Valley)	6410 S. Sossaman Rd	Monthly	$ 540.00
Cell Line	Bldg 550 (Hylan West)	6350 S. Sossaman Rd	Monthly	$ 540.00
Cell Line	Bldg 568 (Vacant)	6145 S. Kent Street	Monthly	$ 540.00
Cell Line	Bldg 1080 - Maint	6263 S. Taxiway Circle	Monthly	$ 540.00
Cell Line	Bldg 1081 - Tower	6309 S. Taxiway Circle	Monthly	$ 540.00
Cell Line	Bldg 1083 (Pump House)	6250 S. Taxiway Circle	Monthly	$ 540.00
Cell Line	Bldg 1084 (Allegiant)	6250 S. Taxiway Circle	Monthly	$ 540.00
Cell Line	Bldg 1090 (Essential Turbines)	7808 E. Velocity Way	Monthly	$ 540.00
Cell Line	Bldg 1092 (Allegiant)	6309 S. Taxiway Circle	Monthly	$ 540.00
Cell Line	Bldg 1199 - Eastside Light Vault	6002 S. Ellsworth Rd	Monthly	$ 540.00
Cell Line	Hangar 32 (DSV)	6229 S. Sossaman Rd	Monthly	$ 540.00
Cell Line	Hangar 46	5755 S. Sossaman Rd	Monthly	$ 540.00
Cell Line	Fuel Farm	7630 E. Velocity Way	Monthly	$ 540.00
Cell Line	So. Central	6262 S. Sossaman Rd.	Monthly	$ 540.00
Landline	Bldg 15 - Ticketing	6033 S. Sossaman Rd	Monthly	$ 420.00
Landline	Bldg 15 - West Term (Ph. 1,2.3,	6033 S. Sossaman Rd	Monthly	$ 420.00
Landline	Hangar 31 (Air Methods)	6203 S. Sossaman Rd	Monthly	$ 420.00
Landline	Bldg 41 - Admin	5835 S. Sossaman Rd	Monthly	$ 420.00
Landline	Bldg 45 - GAS/FBO	5803 S. Sossaman Rd.	Monthly	$ 420.00
			TOTAL YEAR 1 COST	**$** 10,740.00

FIRE SYSTEM REPAIR SERVICES:

Attachment C
Price Proposal – Fire System Repair Services

The fees stated herein shall remain in effect for the first year of the Contract. Offeror may increase fees effective on each anniversary date of the Contract, up to a maximum of 5%, with the prior written approval of MGAA. Offeror must provide at least thirty (30) days' prior written notice of any proposed fee increase.

1. Please list all hourly labor rates for repairs and/or service, separated by skill level/category if different rates apply. The hourly rates stated below shall include all costs, excluding parts, associated with providing maintenance services.

Example:
Skilled Technician $Enter rate
Technician/Laborer $Enter rate

Category	Hourly Rate
Lead Service Technician	$105.00
Helper/Labor Technician	$95.00
Fire Pump Service Technician	$115.00

2. Please list all overtime hourly labor rates for repairs and/or service, separated by skill level/category if different rates apply. The hourly rates stated below shall include all costs, excluding parts, associated with providing repair services.

Category	Hourly Rate
Lead Service Technician	$157.50
Helper/Labor Technician	$142.50
Fire Pump Service Technician	$172.50

3. Please list all after normal business hours, hourly labor rates for repairs and/or service, separated by skill level/category if different rates apply.

Category	Hourly Rate
Lead Service Technician	$157.50
Helper/Labor Technician	$142.50
Fire Pump Service Technician	$172.50

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 Agreement

Any and all services to be performed under this Agreement require approval. All compensation for services shall be identified in writing. The Agreement 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 Agreement is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Agreement, MGAA shall pay Contractor the appropriate rate or fixed price amount for services rendered as described in the Agreement only after Contractor has submitted an invoice for services performed and MGAA has certified and approved each invoice.

For services rendered in accordance with the Agreement, Contractor shall submit to MGAA 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 MGAA 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 Agreement. 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 MGAA. 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. MGAA Responsibilities for Compensation

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

5. Billing Address

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

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

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

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

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

Title VI List of Pertinent Nondiscrimination Acts and Authorities:

During the performance of this Agreement, 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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- 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 § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by 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 (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. 74087 (2005)];

- 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).

Title VI Compliance With Nondiscrimination Requirements:

During the performance of this Agreement, 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 Agreement.
2. Nondiscrimination: The Contractor, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices, when the Agreement 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 Agreement 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 Agreement, the Sponsor will impose such Agreement 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 Agreement until the Contractor complies; and/or

b. Cancelling, terminating, or suspending an Agreement, 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. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

Contractor, by accepting this Agreement, 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.

4. Project Security

As some or all portions of work possible during the Term of this Agreement 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. Secured Area Access – 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 – All Contractor and/or subcontractor personnel performing work functions in accordance with this Agreement shall obtain and properly display an Airport security badge. Contractor shall submit a Security Badge Application form to the MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA, 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 MGAA Badging Office.

5. Standard Terms & Conditions

MGAA'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 agreement. MGAA reserves the right to make that determination if there is a conflict.

6. Federal and State Guidelines and Regulations

All work performed under this Agreement 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 Agreement in accordance with the applicable requirements imposed by MGAA, ADOT, FAA and any other applicable sponsoring agencies. Contractor 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. Contractor shall provide MGAA all information, reports, documents, and/or certifications requested by MGAA 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 Agreement.

7. Right to Contract With Other Firms

MGAA 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 Agreement. Contractor shall conduct its operations and perform any services authorized under the Agreement so as not to interfere with or hinder the progress of completion of the work being performed by MGAA 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.

8. Independent Contractor Status

At all relevant times, Contractor is - and shall remain - an independent contractor with regard to performance of its services. MGAA 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 MGAA.

EXHIBIT D – MGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Contractor certifies:
   a. The award of this Agreement 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 Agreement; and Contractor hereby certifies that the individual signing this Agreement is an authorized agent for Contractor and has the authority to bind the Contractor to the Agreement.

2. **Termination of Agreement.**

   a. Termination for cause. MGAA reserves the right to cancel this Agreement in whole or in part due to failure of Contractor to carry out any term, promise, or condition of the Agreement. At least ten (10) business days before terminating the Agreement, MGAA will issue a written notice of default specifying one of the following reasons. MGAA shall, at all times during the term of the Agreement or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

      (1) Contractor has provided personnel who do not meet the requirements of the Agreement.

      (2) Contractor has failed to perform adequately the stipulations, conditions, or services/specifications required in this Agreement.

      (3) Contractor has attempted to impose on MGAA 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 Agreement or associated Authorization of Services.

      (5) Contractor has failed to make progress in the performance of the requirements of the Agreement or Authorization of Services, or Contractor fails to give MGAA adequate assurance that the Contractor will perform the Agreement in full and on time.

   b. This Agreement may be terminated at any time by mutual written consent or by MGAA, with or without cause, provided the terminating party gives sixty (60) calendar days' advance written notice to the other party. MGAA may terminate this Agreement, in whole or in part, for MGAA's convenience and with thirty (30) days' written notice.

   c. Each payment obligation of MGAA created hereby is conditioned on the availability of MGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by MGAA for the continuance of service under this Agreement, then MGAA may terminate the Agreement. MGAA shall promptly notify Contractor regarding the service that may be affected by a shortage of funds. No penalty accrues to MGAA if this provision is exercised, and MGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   d. Upon cancellation/termination of the Agreement, the Contractor must deliver to MGAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by Owner, its Engineer, Architect, or representative, under this Agreement, whether complete or partially complete.

   e. If this Agreement is canceled/terminated, then MGAA is liable only for services rendered and material received, certified, and approved by MGAA under the Agreement before the cancellation/termination effective date. In the event any payments are made by MGAA to Contractor in advance of services performed, and this Agreement is canceled/terminated, Contractor shall refund MGAA's payment on a pro-rata basis for the unused portion of the term. The refund shall be paid to MGAA within thirty (30)

days of the cancellation/termination of the Agreement. This refund shall only apply to payments made for services or products that have not been rendered or delivered prior to the cancellation/termination date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Agreement or its breach, the parties to this Agreement 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 Agreement be unable to resolve their dispute through direct negotiations, the parties to this Agreement, 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 Agreement, 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 Agreement, but subject to reallocation following binding dispute resolution.

   c. **Binding Dispute Resolution**. Should the parties to this Agreement 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 Agreement, commence formal dispute resolution proceedings. Both parties to this Agreement 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 Agreement, 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 Agreement are excused from this arbitration requirement and the parties to this Agreement 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 MGAA in the form of salaries, paid vacation, or sick days. MGAA will not provide any insurance to Contractor, including *Workers' Compensation* coverage. MGAA will not withhold FICA, taxes, or any similar deductions from MGAA's payments under this Agreement.

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 MGAA contracts.

7. **Non-Exclusive Agreement**. This Agreement is for the sole convenience of MGAA. MGAA 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 MGAA for the purpose of assuring that no information contained in its records or obtained from MGAA or from others in carrying out its functions under the Agreement shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Agreement. Persons requesting such information should be referred to MGAA. 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 Agreement, unless otherwise agreed to in writing by MGAA.

10. **Gratuities.** MGAA may, by written notice to the Contractor, cancel this Agreement 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 MGAA involved in the amending, or the making of any determinations with respect to the performing of such Agreement. If this Agreement is canceled by MGAA under this provision, MGAA shall, in addition to any other rights and remedies, repay to the Contractor the amount of the gratuity.

11. **Applicable Law.** This Agreement shall be governed by the laws of the state of Arizona, and suits pertaining to this Agreement shall be brought only in federal or state courts in the state of Arizona.

12. **Agreement**. This Agreement is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Contractor under an RFP, IFB or RFQ. The Agreement contains the entire agreement between MGAA 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. **Agreement Amendments**. This Agreement shall be modified only by a written amendment signed by the MGAA 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 Agreement 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 Agreement shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Agreement are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Agreement, 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 MGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Contractor damages MGAA's property in any way, Contractor shall immediately report such damage to MGAA and repair or replace the damage at no cost to MGAA, as directed by the MGAA Executive Director. If Contractor fails or refuses to repair or replace the damage, then MGAA may terminate the Agreement, and MGAA shall deduct the repair or replacement cost from money due Contractor under the Agreement.

17. **Interpretation – Parol Evidence.** This Agreement 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 Agreement. Acceptance or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement 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 MGAA. MGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. MGAA 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 Agreement performance whether subcontractors are used.

19. **No Waiver.** No provision in this Agreement 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 Agreement. The failure of either party to insist on strict performance of any Agreement term or condition; to exercise or delay

exercising any right or remedy provided in the Agreement or by law; or to accept materials, services, or Contractor's services under this Agreement or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Agreement.

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

21. **Indemnification.** To the fullest extent permitted by law, Contractor shall defend, save, indemnify, and hold harmless MGAA, 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 Agreement.

22. **Right to Assurance.** Whenever one party to this Agreement 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 Agreement.

23. **Advertising.** Contractor shall not advertise or publish information concerning this Agreement without prior written consent of MGAA.

24. **Right to Inspect.** MGAA may, at reasonable times, and at MGAA's expense, inspect the place of Contractor's or any of Contractor's subcontractor's business, which is related to the performance of this Agreement 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 Agreement 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 Agreement, 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 MGAA. Material or service failing to conform to the specifications of this Agreement 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 Agreement.

27. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Agreement, are the sole property of MGAA and shall not

be used or released by Contractor or any other person except with prior written permission by MGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to MGAA until MGAA actually receives the material or service at the Airport, unless otherwise provided within this Agreement.

29. **Liens.** All materials, services, and other deliverables supplied to MGAA under this Agreement must be free of all liens and other encumbrances. Upon request of MGAA, 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 Agreement.

31. **Subsequent Employment.** MGAA may cancel this Agreement 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 Agreement, on behalf of the MGAA is or becomes, at any time while the Agreement or any extension of the Agreement is in effect, an employee of, or a contractor to any other party to this Agreement with respect to the subject matter of the Agreement. Such cancellation shall be effective when the parties to this Agreement receive written notice from MGAA, unless the notice specifies a later time.

32. **Clean Up.** Contractor shall at all times keep Agreement 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 MGAA. 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 MGAA, 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 MGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to MGAA by Contractor under this Agreement.

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 Agreement, including the papers of all Contractor and subcontractor employees that work on the Agreement (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 MGAA. MGAA 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 Agreement. For any audit under this Section, Contractor and its subcontractors hereby waive the right to keep such Records confidential. MGAA is entitled to access to these Records from the effective date of this Agreement for the duration of the work and until five years after the date of final payment by MGAA to Contractor under the Agreement. During normal working hours, MGAA 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. MGAA 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 Agreement.

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 Agreement and may result in the termination of this Agreement by MGAA. MGAA shall have the right to inspect the papers of Contractor's and any of Contractor's subcontractor's employee who works on this Agreement to ensure the Contractor is complying with this paragraph.

EXHIBIT E - BUILDING AND SERVICES BREAKDOWN AND SUMMARY

Building	Address	SQ FT	FACP Cntrl Panels	Voice Evac Panel	Annunciator	Cell Dialer	Power supplies Booster panels	Smoke Detectors	Manual Pull Stations	Heat Detectors	Duct Smoke Detectors	Notification Devices	Waterflow Tamper Points	Fire Alarm System Inspection	Risers	Fire Sprinkler System Inspection	Backflow Valve Test & Inspection	AFFF Foam System Inspection	Fire Hose Inspection & Reracking	Deluge System Inspection	Vesda System Test	Pre-Action System Inspection	Internal valve Inspection	Fire Extinguisher Inspection	Fire Pump Testing
														Annual	Qrtly	Qrtly	Annual	Semi Annual	Annual	Semi Annual	Annual	Semi Annual	Annual	Annual	Annual
Bldg 15 - Ticketing Term	6033 S. Sossaman Road	23,705	1	1	1	0	0	68	9	3	23	30	3	1	1	1	1	0	0	0	0	0	1	14	0
Bldg 15 - Ph 1-2 (baggage) 55,000 Enclosed Ped Walkway 31,095	6033 S. Sossaman Road	86,095	1	1	2	0	6	0	0	0	18	43	6	1	2	2	2	0	0	0	0	0	2	12	0
Bldg 15 - Ph 3	6033 S. Sossaman Road	14,336	1	0	1	0	1	1	0	0	16	15	4	1	1	1	2	0	0	0	0	0	1	4	0
Bldg 15 - So Concourse	6033 S. Sossaman Road	30,000	1	0	0	0	0	14	4	3	0	10	3	1	1	1	1	0	0	0	0	0	1	7	0
Hangar 31 - DSV Air & Sea	6203 S. Sossaman Road	22,785	1	0	0	1	1	1	7	0	2	16	18	1	1	1	0	2	0	0	0	2	3	1	0
Hangar 32 - Top Aces	6229 S. Sossaman Road	26,279	1	0	0	1	0	1	9	0	0	13	3	1	2	2	0	0	0	1	0	0	2	8	0
Bldg 41 - PMGAA Admn Office	5835 S. Sossaman Road	14,873	1	0	1	0	0	1	6	0	10	18	0	1	0	0	0	0	0	0	0	0	0	10	0
Bldg 45 - Gateway Aviation Svcs	5803 S. Sossaman Road	22,726	1	0	1	0	2	1	14	0	10	33	3	1	1	1	1	0	0	0	0	0	1	17	0
Bldg 46 - Hangar	5755 S. Sossaman Road	22,430	1	0	0	1	0	8	7	0	0	4	0	1	0	0	0	0	0	0	0	0	0	9	0
Bldg 51 - Maint Workshop	6263 S. Taxiway Circle	800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Bldg 531 - Sierra Bldg Svcs	6416 S, Sossaman Road	2,298	1	0	0	0	0	0	2	0	0	1	0	1	0	0	0	0	0	0	0	0	0	4	0
Bldg 532 - Car Wash (new Bldgs)	6450 S. Sossaman Road	3,160	1	0	0	0	0	1	1	0	0	5	1	1	4	1	1	0	0	0	0	0	1	3	0
Bldg 533 - Sun Valley Interiors	6410 S. Sossaman Road	22,710	1	0	0	0	0	0	2	2	0	8	2	1	1	1	0	0	0	0	0	0	1	12	0
Bldg 550 - Hylan West	6350 S. Sossaman Road	26,136	1	0	0	1	0	0	6	17	1	1	0	1	0	0	0	0	0	0	0	0	0	1	0
Bldg 568 - Vacant	6145 S. Kent Street	10,193	1	0	0	1	0	33	5	3	2	10	0	1	0	0	0	0	0	0	0	0	0	6	0
Bldg 928 - OPS Airfield Bldg	6002 S. Sossaman Road	1,728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0
Bldg 1056 - West Vault	7600 E. Velocity Way	1,322	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0
Bldg 1080 - Ops & Maint	6263 S. Taxiway Circle	23,456	1	0	0	1	1	0	10	0	0	14	0	1	0	0	1	0	0	0	0	0	0	23	0
Bldg 1081 - NEW ATCT	6309-1 S. Taxiway Circle	12,927	1	0	0	0	0	16	8	1	0	9	0	1	10	10	2	0	0	0	1	4	2	14	0
Bldg 1083 - Pump House	6263-3 S. Taxiway Circle	1,320	1	0	0	0	0	0	0	0	0	1	4	1	1	1	1	0	0	0	0	0	1	2	4
Bldg 1084 - Allegiant Hangar	6250 S. Taxiway Circle	63,598	2	0	0	0	4	2	23	0	2	40	20	1	3	3	0	6	4	4	0	0	6	2	0
Bldg 1086 - Straube's	6262 S. Taxiway Circle	6,050	0	0	0	0	0	0	0	0	0	0	0	1	2	2	0	0	0	0	0	0	0	5	0
Bldg 1090 - Essential Turbines	7808 E. Velocity Way	5,919	1	0	0	0	0	0	5	0	0	4	0	1	0	0	0	0	0	0	0	0	0	0	0
Bldg 1092 - Allegiant Hangar	6309 S. Taxiway Circle	6,820	1	0	0	1	0	1	7	0	0	2	5	1	1	1	0	0	0	0	0	1	2	9	0
Bldg 1101 - RTR Transmitter Site NEW	6002 S. Ellsworth Road - Escort	1,608	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0
Bldg 1199 - Eastside Light Vault	6002 S. Ellsworth Road - Escort	1,400	1	0	0	0	0	3	3	1	0	3	0	1	1	1	0	0	0	0	0	0	1	3	0
Bldg 7630 - Fuel Farm	7630 E. Velocity Way	502	1	0	0	0	0	0	1	0	0	1	3	1	1	1	1	0	0	0	0	0	0	1	0
Ray Road Parking Lot - North	7255 E. Ray Road	300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0
South Central Tanks	6262 S. Sossaman Road	0	1	0	0	0	0	0	0	0	0	0	6	1	1	1	1	0	0	0	0	0	1	2	3
Spares (extinguishers)	6263 S. Taxiway Circle	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0
Totals	Totals	455,476	24	2	6	7	15	151	129	30	84	281	81	24	34	31	15	8	4	5	1	7	26	183	7

EXHIBIT F – MGAA MAP OF BUILDINGS TO BE SERVICED



EXHIBIT G – CONTRACTOR'S RFP SUBMITTAL

Contractor's Proposal in response to Mesa Gateway Airport Authority's Solicitation 2025-009-RFP dated July 9, 2025, is hereby incorporated herein and made part of this Agreement.

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

Board Action Item

Re: Resolution 25-40

To:	**Board of Directors**
From:	**Margi EvanSon, Director of Operations, Security & Maintenance**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Power Washing Services, Kleen-Tech Services, LLC**
Date:	**September 16, 2025**

Proposed Motion

To authorize a contract with Kleen-Tech Services, LLC for Power Washing Services, in an amount not to exceed $23,564.00 (excluding as needed services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5% provided the adjustments are submitted in writing with thirty (30) days' advance notice. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of MGAA.

Narrative

In line with the Airport's efforts to maintain a clean, safe, and professional environment throughout the Airport, regular and as-needed power washing services are needed across key airport areas.

The airport areas, including sidewalks, terminal curbs, outdoor courtyards, and loading areas—experience high volumes of foot and vehicle traffic, leading to the accumulation of dirt, debris, and other contaminants. Routine power washing is essential not only for aesthetics but also for safety and compliance with sanitation standards.

Invitation for Bid (IFB), Solicitation 2026-001-IFB, was issued on July 30, 2025, and advertised in the Arizona Business Gazette on 8/7, 8/14, and 8/21/25; it was also posted on the AzAA and the Mesa Gateway Airport Authority websites. In addition, the IFB was emailed to a list of 6 prospective contractors. The bid opening was held on August 26, 2025, and eight (8) bids were received. While Rolling Suds of Phoenix-Scottsdale submitted the lowest, responsive bid, the company rescinded its bid after bid opening. The second lowest, responsive bid was from Kleen-Tech Services, LLC.

Bidder	Bid Amount ($) – Year 1 Power Washing Services Annual Cost	Bid Amount ($) – Year 1 As-Needed Services ESTIMATED NEED	Bid Amount ($) – Year 1 Scope Additions / Reductions ESTIMATED NEED	TOTAL Bid Amount ($) - Year 1 Annual Cost
Jani Works	$71,424.00	$1,500.00 ($0.15 per sq ft x 10,000 sq ft)	$750.00 ($0.15 per sq ft x 5,000 sq ft)	$73,674.00
Valley Pro Power Wash	$65,600.00	$700.00 ($0.07 per sq ft x 10,000 sq ft)	$350.00 ($0.07 per sq ft x 5,000 sq ft)	$66,650.00
Hatcher Power Washing	$110,149.20	$1,500.00 ($0.15 per sq ft x 10,000 sq ft)	$750.00 ($0.15 per sq ft x 5,000 sq ft)	$112,399.20
AquaFroce Arizona	$146,865.00	$2,000.00 ($0.20 per sq ft x 10,000 sq ft)	$1,000.00 ($0.20 per sq ft x 5,000 sq ft)	$149,865.00
Rolling Suds of Phoenix	$15,600.00	$500.00 ($0.05 per sq ft x 10,000 sq ft)	$250.00 ($0.05 per sq ft x 5,000 sq ft)	$16,350.10
No Pressure Power Washing	$54,360.00	$740.0 ($0.074 per sq ft x 10,000 sq ft)	$370.00 ($0.074 per sq ft x 5,000 sq ft)	$55,474.32
Kept Companies	$123,485.00	$2,500.00 ($0.25 per sq ft x 10,000 sq ft)	$1,250.00 ($0.25 per sq ft x 5,000 sq ft)	$127,235.00
Kleen-Tech Services, LLC	**$23,564.00**	**$600.00 ($0.06 per sq ft x 10,000 sq ft)**	**$300.00 ($0.06 per sq ft x 5,000 sq ft)**	**$24,464.00**

Fiscal Impact

The first year of the contract is budgeted in the FY26 Operating Budget. The remaining years costs will be budgeted in the appropriate fiscal years.

Attachment(s)

Services Agreement

RESOLUTION NO. 25-40

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

WHEREAS the Authority desires to authorize a contract with Kleen-Tech Services, LLC for Power Washing Services, in an amount not to exceed $23,564.00 (excluding as needed services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5% provided the adjustments are submitted in writing with thirty (30) days' advance notice. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of MGAA;

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 Kleen-Tech Services, LLC for Power Washing Services, in an amount not to exceed $23,564.00 (excluding as needed services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5% provided the adjustments are submitted in writing with thirty (30) days' advance notice. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of MGAA. This resolution also authorizes the Executive Director/CEO to approve such annual price adjustments during the term of the contract. 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 September, 2025.

Mark Freeman, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

SERVICES AGREEMENT

MESA GATEWAY AIRPORT AUTHORITY

AND

KLEEN-TECH SERVICES, LLC

FOR

POWER WASHING SERVICES

Mesa Gateway Airport

Table of Contents

Section I - Contractor Services	3
Section II - MGAA Responsibilities	3
Section III - Period of Service	3
Section IV – Key Personnel	4
Section V – Payments to the Contractor	4
Section VI – Alteration in Scope of Services	4
Section VII – Work Assignment Completion	4
Section VIII – Ownership of Documents	4
Section IX – Compliance with Laws	5
Section X – General Considerations	5
Section XI – No Kick-back Certification	5
Section XII – Suspension of Services	5
Section XIII – Times of Payments	5
Section XIV – Timely Review	5
Section XV – Dispute Resolution	5
Section XVI – Liability of Contractor	6
Section XVII – Laws and Regulations	6
Section XVIII – Archaeological Resource Protection	6
Section XIX – Insurance Requirements	6
Section XX – Notices	7

EXHIBIT A – Scope of Services & Fee Schedule	9
EXHIBIT B – Service Areas and Service Schedule	10
EXHIBIT C – Compensation	14
EXHIBIT D – Special Provisions	15
EXHIBIT E – MGAA Standard Terms and Conditions	19

Mesa Gateway Airport Authority, formerly known as Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("MGAA") desires the performance of the services more fully described in this Services Agreement ("Agreement") and the attached exhibits. Kleen-Tech Services, LLC, a Delaware Limited Liability Company ("Contractor"), with its principal offices located at 7100 Broadway, Suite 6-L, Denver, CO 80221, desires to perform these services.

Recitals

A. MGAA requires the services as described in this Agreement, including any and all exhibits and amendments, and Contractor is willing to provide these and other services under this Agreement; and

B. MGAA 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, MGAA and Contractor agree as follows.

SECTION I – CONTRACTOR SERVICES

The services to be performed by Contractor are specified in this Agreement. MGAA will not pay Contractor for any services that have not been authorized under the Agreement. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Contractor under this Agreement shall generally include, but not be limited to, the following: Power Washing Services, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

MGAA's authorized representative shall be the MGAA Director of Operations and Maintenance or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Agreement.

All services provided by Contractor under this Agreement 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 – MGAA RESPONSIBILITIES

MGAA shall furnish Contractor, at no cost to Contractor, the following information or services for this Agreement:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Agreement. 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. MGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Contractor.

B. In MGAA's discretion and upon Contractor's reasonable request, access to staff for consultation with Contractor during the performance of this Agreement in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Contractor's deliverables. MGAA will advise Contractor concerning progress of MGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Contractor shall complete all work in accordance with the provisions of this Agreement as amended.

All work initiated under this Agreement must be completed on or before the expiration date of the Agreement

This Agreement is effective as of October 1, 2025 and ends on September 30, 2028 ("Base Term"), unless terminated, canceled or extended as provided in this Agreement.

This Agreement has two (2) optional one-year extensions that MGAA may exercise at its sole discretion. Prior to the expiration of the Agreement Base Term, MGAA may elect to extend the Agreement. If MGAA exercises such right, all terms, conditions and provisions of the original Agreement shall remain the same and apply during the extended period with the possible exception of price. Any extension of this Agreement shall require an amendment signed by both parties.

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

SECTION IV – KEY PERSONNEL

A. The Contractor itself shall provide all services to be performed under this Agreement.

SECTION V - PAYMENTS TO THE CONTRACTOR

Contractor will be paid for work performed under this Agreement, plus any adjustments that have been approved in writing by MGAA in accordance with MGAA'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.

MGAA does not guarantee any minimum or maximum fee during the Term of this Agreement, and Contractor, in executing this Agreement, shall not anticipate or require any minimum or maximum fee.

MGAA shall pay Contractor in agreed-upon installments for services authorized and rendered under this Agreement at the completion of each work assignment, provided Contractor 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 MGAA.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

MGAA reserves the right to modify the Scope of Services at any time during the term of the Agreement. Such modifications may include, but are not limited to, the addition or removal of areas to be power washed and the performance of services on an as-needed or reduced-frequency basis, as directed by MGAA.

For any alteration in the Scope of Services that would materially increase or decrease the Agreement Fees, the parties shall negotiate an amendment to the Agreement to be executed by MGAA and Contractor. No work shall commence on any amendment or change until the amendment has been approved by MGAA and Contractor has been notified, in writing, to proceed by MGAA. No claim for extra work done or materials furnished by Contractor will be allowed by MGAA, except as provided herein, nor shall Contractor do any work or furnish any materials not covered by this Agreement unless the work is first authorized in writing by MGAA and the change complies with MGAA'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 Agreement, situations arise which prevent work completion within the allotted time, MGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies, graphics, designs, code, and written materials, prepared under or as a result of this Agreement, shall be the property of MGAA. To the extent necessary to effectuate such ownership, Contractor hereby assigns all right, title and interests to such documents, graphics, designs, code, and written materials to MGAA. 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, graphics, designs, code, and written materials prepared under this Agreement, including electronic files, are instruments of service. All of these documents, graphics, designs, code, and written materials shall become the property of MGAA upon completion of the services and payment in full to Contractor or, if the Agreement is terminated, upon termination of this Agreement. MGAA shall have the right to reuse, modify, or adapt the documents, graphics, designs, code, and written materials as it deems necessary, without requiring Contractor's prior written authorization. MGAA shall indemnify and hold harmless Contractor, its

officers, directors, employees and subcontractors (collectively, the "Contractor") against any and all damages, liabilities or costs arising from MGAA's modification of documents, graphics, designs, code, or written materials produced by Contractor under this Agreement 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, including but not limited to those governing wastewater collection and disposal, stormwater protection, chemical use, and hazardous materials handling, throughout the Term.

Contractor's signature on this Agreement 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.

MGAA shall administer this Agreement in accordance with MGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Agreement 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 Agreement or the right of either party to enforce each and every provision.

B. The fact that MGAA has accepted or approved Contractor's work shall in no way relieve Contractor of responsibility for the work under this Agreement.

C. This Agreement 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 Agreement, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Agreement and any amendments to this Agreement 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 Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the MGAA Board of Directors or any employee of MGAA has any interest, financially or otherwise, in Contractor's firm.

For breach or violation of this warranty, MGAA may annul this Agreement without liability.

SECTION XII – SUSPENSION OF SERVICES

Contractor shall, within five (5) business days upon receiving written notice from MGAA, 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 MGAA.

SECTION XIII – TIMES OF PAYMENTS

Contractor shall submit monthly invoices for services actually completed. MGAA shall review, certify, and approve or reject each invoice in whole or in part. MGAA shall pay each approved invoice within 30 calendar days of the date that MGAA approves the invoice. MGAA shall be entitled to take advantage of any payment discount offered by Contractor, provided payment is made within the discount period.

SECTION XIV – TIMELY REVIEW

MGAA 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 Agreement. By MGAA's reviews, MGAA 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 MGAA and Contractor arising out of or relating to this Agreement will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT E**, "MGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

MGAA 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 MGAA, 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 Agreement. Further, the Contractor shall indemnify and hold harmless MGAA, its member governments, departments, officers, employees, and agents for any fines, penalties, damages, or claims arising from non-compliance with environmental laws or regulations.

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 Agreement throughout. These laws and regulations are deemed included in this Agreement, 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 Agreement, 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 MGAA of the site's location and take all reasonable precautions to protect and preserve the site until MGAA otherwise directs.

SECTION XIX INSURANCE REQUIREMENTS

A. Contractor shall procure and maintain for the duration of the Agreement 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 Agreement, except *Workers Compensation* and *Professional Liability*, shall name MGAA, 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 limits 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 a 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, MGAA 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 MGAA.

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 MGAA.

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 Agreement, 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 Agreement, all of Contractor's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by MGAA, 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 MGAA. MGAA 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 MGAA.

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 Agreement or the beginning of Agreement work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the Agreement 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 Agreement 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 MGAA with original certificates and amendatory endorsements or copies of the applicable policy language affecting coverage required by this clause. All certificates and endorsements are to be received and approved by MGAA 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. MGAA 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 MGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: MGAA 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 Agreement will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO MGAA:
Mesa Gateway Airport Authority
Attn: Director of Operations & Maintenance
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONTRACTOR:
Kleen-Tech Services, LLC
Attn: Mark Assise, CFO
7100 Broadway, Suite 6-L
Denver, CO 80221

Docusign Envelope ID: 930AFE6D-CE01-4CE1-B51A-7DC52900F881

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.

CONTRACTOR
KLEEN-TECH SERVICES, LLC

By: DocuSigned by: Mark Assise 332C0035DA7848D...

Name: Mark Assise

Title: Chief Financial Officer

Date: 9/2/2025 | 5:49 AM PDT

MGAA
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 is to provide all labor, materials, equipment, and supervision necessary to perform Power Washing Services as detailed in this Agreement to the satisfaction of MGAA and in accordance with applicable laws, regulations, and specifications.

MGAA may modify the Scope of Services during the term of the Agreement, which may include, but is not limited to, the addition or removal of Service Areas and the performance of services on an as-needed basis, as directed by MGAA.

The Scope of Services shall include, but is not limited to, the following:

1. Power washing of concrete, asphalt, and stone surfaces and exterior furnishings (i.e., tables/chairs) in areas identified in Exhibit B.

2. Removal of oil stains, gum, dirt, and other debris in areas identified in Exhibit B.

3. Services are to be provided following the schedule in Exhibit B, unless otherwise authorized in writing by MGAA.

4. Use of environmentally safe cleaning agents.

5. Adherence to all MGAA safety regulations.

6. Adherence to all applicable federal, state, and local laws, regulations, and ordinances, including but not limited to those governing wastewater collection and disposal, stormwater protection, chemical use, and hazardous materials handling.

7. Performance of power washing services on an as-needed basis, as directed by MGAA.

FEE SCHEDULE

Line No.	Item	Price
1	Annual Power Washing Services Year 1	$ 23,564.00
2	As-Needed Power Washing	$ 0.06 per square foot
3	Additional/Reduction Area Power Washing	$ 0.06 per square foot

Line item #1 to be invoiced and paid in equal monthly installments.

The rates stated above shall remain firm and in effect for the first year of the Contract term. Offeror may request a rate adjustment effective on each anniversary date of the Contract, up to a maximum of 5%, with the prior written approval of MGAA. Offeror must provide at least thirty (30) days' prior written notice of any proposed rate increase.

EXHIBIT B – SERVICE AREAS AND SERVICE SCHEDULE

Service Area Overview



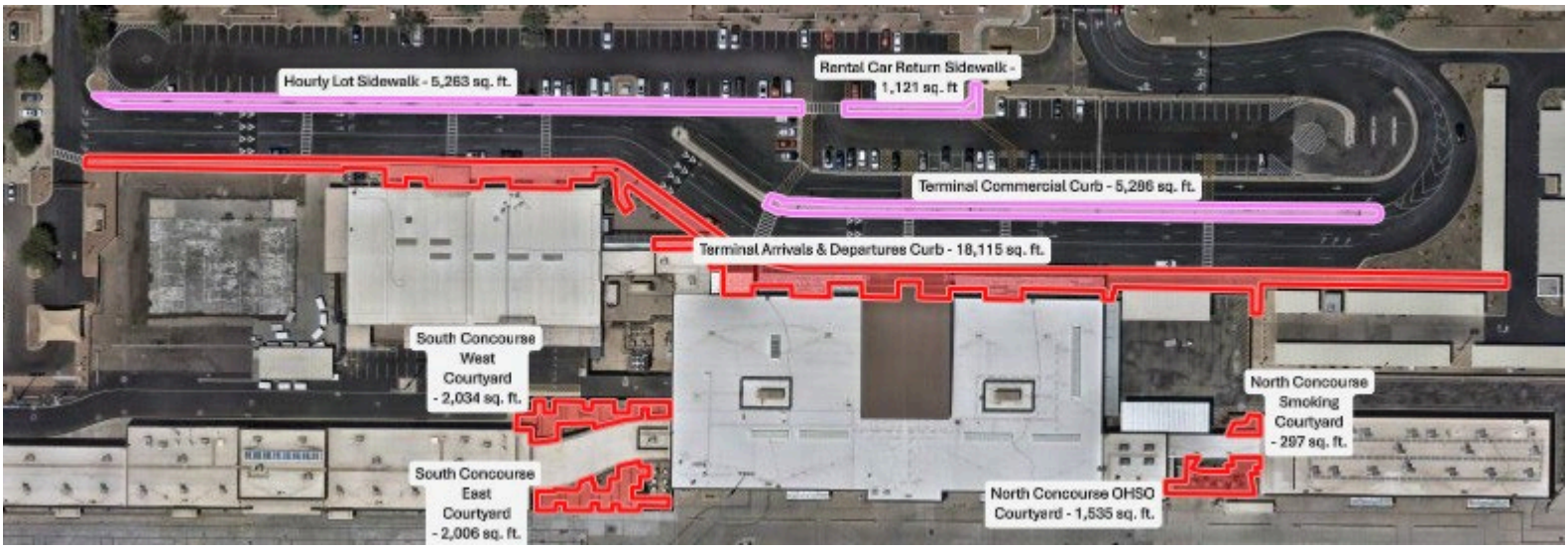
1. **Services to be completed on the first and third Tuesday of every month:**

   Work may commence at 9:00 PM on Tuesdays and must be completed by 4:00 AM the following morning. Any deviation from these hours must be requested in advance from MGAA.

Map areas in red include:

- Terminal Arrivals and Departures Curb – 18,115 sq. ft.
- North Concourse Smoking Courtyard – 297 sq. ft.
- North Concourse OHSO Courtyard – 1535 sq. ft.
- South Concourse East Courtyard – 2006 sq. ft.
- South Concourse West Courtyard – 2034 sq. ft.

Total Service Area – 23,988 sq. ft.

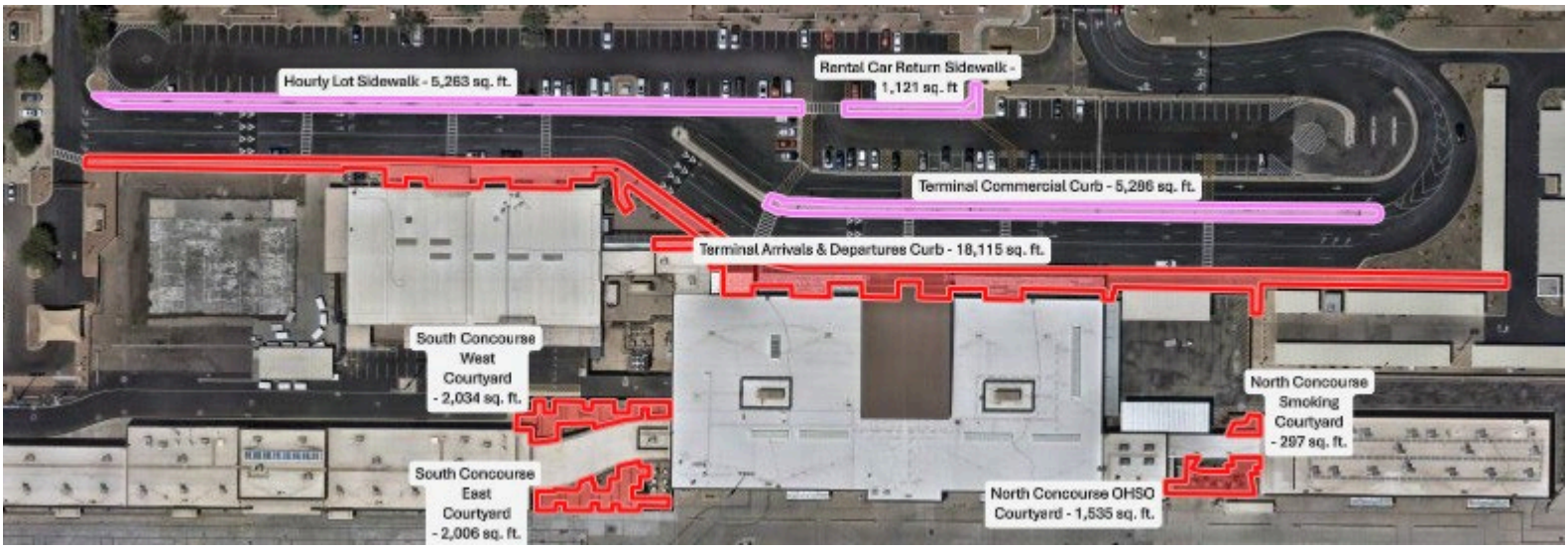


2. **Services to be completed on the first Tuesday of every month:**
   Work may commence at 9:00 PM on Tuesdays and must be completed by 4:00 AM the following morning. Any deviation from these hours must be requested in advance from MGAA.

Map areas in pink:

- Terminal Commercial Curb – 5286 sq. ft.
- Rental Car Return Sidewalk – 1121 sq. ft.
- Hourly Lot Sidewalk – 5263 sq. ft.
- Gateway Aviation Center Building Entrance – 504 sq. ft.
- Administration Building Entrance – 1044 sq. ft.

Total Service Area – 13,218 sq. ft.



Gateway Aviation Center Building Entrance Service Area



Administration Building Entrance Service Area

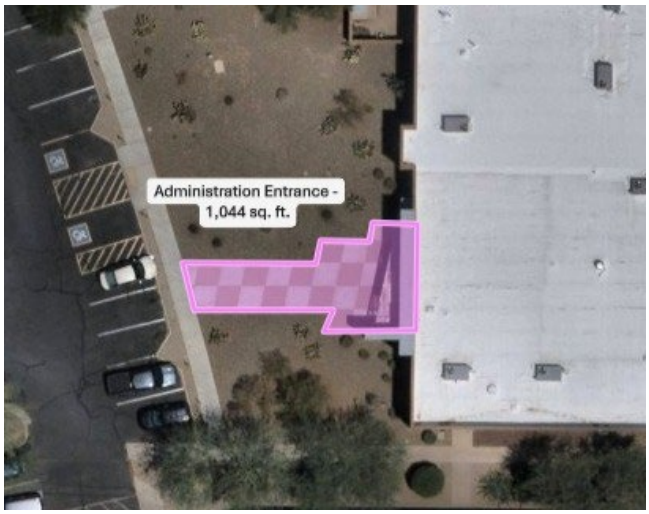


EXHIBIT C - COMPENSATION

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 Agreement

Any and all services to be performed under this Agreement require approval. All compensation for services shall be identified in writing. The Agreement 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 Agreement is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Agreement, MGAA shall pay Contractor the appropriate rate or fixed price amount for services rendered as described in the Agreement only after Contractor has submitted an invoice for services performed and MGAA has certified and approved each invoice.

For services rendered in accordance with the Agreement, Contractor shall submit to MGAA 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 MGAA 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 Agreement. 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 MGAA. 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. MGAA Responsibilities for Compensation

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

5. Billing Address

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

Accounts Payable: ap@gatewayairport.com

EXHIBIT D - SPECIAL PROVISIONS

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

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

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

Title VI List of Pertinent Nondiscrimination Acts and Authorities:

During the performance of this Agreement, 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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- 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 § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by 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 (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. 74087 (2005)];

- 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).

Title VI Compliance With Nondiscrimination Requirements:
During the performance of this Agreement, 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 Contractors) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.
2. Nondiscrimination: The Contractor, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Agreement 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 Agreement 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 Agreement, the Sponsor will impose such Agreement 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 Agreement until the Contractor complies; and/or

b. Cancelling, terminating, or suspending an Agreement, 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. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

Contractor, by accepting this Agreement, 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.

4. Project Security

As some or all portions of work possible during the Term of this Agreement 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. Secured Area Access – 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 – All Contractor and/or subcontractor personnel performing work functions in accordance with this Agreement shall obtain and properly display an Airport security badge. Contractor shall submit a Security Badge Application form to the MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA, 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 MGAA Badging Office.

5. Standard Terms & Conditions

MGAA's Standard Terms & Conditions (in **EXHIBIT E** attached) include clauses that pertain to both construction and services. For such, the term "contractor" is to be considered the same as "Contractor." If a clause implies construction service then it is waived for a services agreement. MGAA reserves the right to make that determination if there is a conflict.

6. Federal and State Guidelines and Regulations

All work performed under this Agreement 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 Agreement in accordance with the applicable requirements imposed by MGAA, ADOT, FAA and any other applicable sponsoring agencies. Contractor 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. Contractor shall provide MGAA all information, reports, documents, and/or certifications requested by MGAA 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 Agreement.

7. Right to Contract With Other Firms

MGAA 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 Agreement. Contractor shall conduct its operations and perform any services authorized under the Agreement so as not to interfere with or hinder the progress of completion of the work being performed by MGAA 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.

8. Independent Contractor Status

At all relevant times, Contractor is - and shall remain - an independent contractor with regard to performance of its services. MGAA 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 MGAA.

EXHIBIT E – MGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Contractor certifies:
   a. The award of this Agreement 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 Agreement; and Contractor hereby certifies that the individual signing this Agreement is an authorized agent for Contractor and has the authority to bind the Contractor to the Agreement.

2. **Termination of Agreement.**

   a. Termination for cause. MGAA reserves the right to cancel this Agreement in whole or in part due to failure of Contractor to carry out any term, promise, or condition of the Agreement. At least ten (10) business days before terminating the Agreement, MGAA will issue a written notice of default specifying one of the following reasons. MGAA shall, at all times during the term of the Agreement or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

      (1) Contractor has provided personnel that do not meet the requirements of the Agreement.

      (2) Contractor has failed to perform adequately the stipulations, conditions or services/specifications required in this Agreement.

      (3) Contractor has attempted to impose on MGAA 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 Agreement or associated Authorization of Services.

      (5) Contractor has failed to make progress in the performance of the requirements of the Agreement or Authorization of Services, or Contractor fails to give MGAA adequate assurance the Contractor will perform the Agreement in full and on time.

   b. This Agreement may be terminated by either party, with or without cause, provided the terminating party gives thirty (30) calendar days' advance written notice to the other party.

   c. Each payment obligation of MGAA created hereby is conditioned on the availability of MGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by MGAA for continuance of service under this Agreement, then MGAA may terminate the Agreement. MGAA shall promptly notify Contractor regarding the service that may be affected by a shortage of funds. No penalty accrues to MGAA if this provision is exercised, and MGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   d. Upon cancellation/termination of the Agreement, the Contractor must deliver to MGAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by Owner, its Engineer, Architect, or representative, under this Agreement, whether complete or partially complete.

   e. If this Agreement is canceled/terminated, then MGAA is liable only for services rendered and material received, certified, and approved by MGAA under the Agreement before the cancellation/termination effective date. In the event any payments are made by MGAA to Contractor in advance of services performed, and this Agreement is canceled/terminated, Contractor shall refund MGAA's payment on a pro-rata basis for the unused portion of the term. The refund shall be paid to MGAA within thirty (30) days of the cancellation/termination of the Agreement. This refund shall only apply to payments made

for services or products that have not been rendered or delivered prior to the cancellation/termination date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Agreement or its breach, the parties to this Agreement 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 Agreement be unable to resolve their dispute through direct negotiations, the parties to this Agreement, 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 Agreement, 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 Agreement, but subject to reallocation following binding dispute resolution.

   c. **Binding Dispute Resolution**. Should the parties to this Agreement 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 Agreement, commence formal dispute resolution proceedings. Both parties to this Agreement 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 Agreement, 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 Agreement are excused from this arbitration requirement and the parties to this Agreement 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 MGAA in the form of salaries, paid vacation, or sick days. MGAA will not provide any insurance to Contractor, including *Workers' Compensation* coverage. MGAA will not withhold FICA, taxes, or any similar deductions from MGAA's payments under this Agreement.

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 MGAA contracts.

7. **Non-Exclusive Agreement**. This Agreement is for the sole convenience of MGAA. MGAA 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 MGAA for the purpose of assuring that no information contained in its records or obtained from MGAA or from others in carrying out its functions under the Agreement shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Agreement. Persons requesting such information should be referred to MGAA. 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 Agreement, unless otherwise agreed to in writing by MGAA.

10. **Gratuities.** MGAA may, by written notice to the Contractor, cancel this Agreement 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 MGAA involved in the amending, or the making of any determinations with respect to the performing of such Agreement. If this Agreement is canceled by MGAA under this provision, MGAA shall, in addition to any other rights and remedies, repay to the Contractor the amount of the gratuity.

11. **Applicable Law.** This Agreement shall be governed by the laws of the state of Arizona, and suits pertaining to this Agreement shall be brought only in federal or state courts in the state of Arizona.

12. **Agreement**. This Agreement is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Contractor under an RFP, IFB or RFQ. The Agreement contains the entire agreement between MGAA 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. **Agreement Amendments**. This Agreement shall be modified only by a written amendment signed by the MGAA 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 Agreement 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 Agreement shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Agreement are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Agreement, 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 MGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Contractor damages MGAA's property in any way, Contractor shall immediately report such damage to MGAA and repair or replace the damage at no cost to MGAA, as directed by the MGAA Executive Director. If Contractor fails or refuses to repair or replace the damage, then MGAA may terminate the Agreement, and MGAA shall deduct the repair or replacement cost from money due Contractor under the Agreement.

17. **Interpretation – Parol Evidence.** This Agreement 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 Agreement. Acceptance or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement 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 MGAA. MGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. MGAA 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 Agreement performance whether subcontractors are used.

19. **No Waiver.** No provision in this Agreement 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 Agreement. The failure of either party to insist on strict performance of any Agreement term or condition; to exercise or delay

exercising any right or remedy provided in the Agreement or by law; or to accept materials, services, or Contractor's services under this Agreement or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Agreement.

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

21. **Indemnification.** To the fullest extent permitted by law, Contractor shall defend, save, indemnify, and hold harmless MGAA, 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 Agreement.

22. **Right to Assurance.** Whenever one party to this Agreement 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 Agreement.

23. **Advertising.** Contractor shall not advertise or publish information concerning this Agreement without prior written consent of MGAA.

24. **Right to Inspect.** MGAA may, at reasonable times, and at MGAA's expense, inspect the place of Contractor's or any of Contractor's subcontractor's business, which is related to the performance of this Agreement 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 Agreement 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 Agreement, 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 MGAA. Material or service failing to conform to the specifications of this Agreement 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 Agreement.

27. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Agreement, are the sole property of MGAA and shall not be

used or released by Contractor or any other person except with prior written permission by MGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to MGAA until MGAA actually receives the material or service at the Airport, unless otherwise provided within this Agreement.

29. **Liens.** All materials, services, and other deliverables supplied to MGAA under this Agreement must be free of all liens and other encumbrances. Upon request of MGAA, 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 Agreement.

31. **Subsequent Employment.** MGAA may cancel this Agreement 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 Agreement, on behalf of the MGAA is or becomes, at any time while the Agreement or any extension of the Agreement is in effect, an employee of, or a contractor to any other party to this Agreement with respect to the subject matter of the Agreement. Such cancellation shall be effective when the parties to this Agreement receive written notice from MGAA, unless the notice specifies a later time.

32. **Clean Up.** Contractor shall at all times keep Agreement 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 MGAA. 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 MGAA, 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 MGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to MGAA by Contractor under this Agreement.

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 Agreement, including the papers of all Contractor and subcontractor employees that work on the Agreement (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 MGAA. MGAA 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 Agreement. For any audit under this Section, Contractor and its subcontractors hereby waive the right to keep such Records confidential. MGAA is entitled to access to these Records from the effective date of this Agreement for the duration of the work and until five years after the date of final payment by MGAA to Contractor under the Agreement. During normal working hours, MGAA 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. MGAA 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 Agreement.

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 Agreement and may result in the termination of this Agreement by MGAA. MGAA shall have the right to inspect the papers of Contractor's and any of Contractor's subcontractor's employee who works on this Agreement to ensure the Contractor is complying with this paragraph.

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

Board Action Item

Re: Resolution 25-41

To: **Board of Directors**
From: **Lori Collins, Business & Economic Development Director**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Gateway East – Amendment to Lot 210 Development Lease**
Date: **September 16, 2025**

Proposed Motion

To authorize an Amendment to the Development Lease on Lot 210 with Boyer Gateway East Mesa Building 1, L.C., a Utah limited liability company, to adjust the base rent schedule and update the name of the Airport and Airport Authority.

Narrative

On September 19, 2023, the Mesa Gateway Airport Authority Board of Directors approved a Development Lease with Boyer Gateway East Mesa Building 1, LC (Boyer) for the purpose of constructing a two hundred seventy-eight thousand (278,000) square foot building to house the XNRGY Climate Systems headquarters and manufacturing operation. Due to unforeseen construction delays and related costs, staff is recommending adding an additional six (6) months to the construction period, in which base rent is $0.00 per square foot. Boyer will begin paying the full amount of base rent of $0.55 per square foot per year in month thirty-one of the Development Lease.

Additionally, references to "Phoenix-Mesa Gateway Airport" or the "Phoenix-Mesa Gateway Airport Authority" in the Lease are replaced with "Mesa Gateway Airport" and "Mesa Gateway Airport Authority," respectively.

Attachment(s)

Development Lease Amendment 1

RESOLUTION NO. 25-41

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

WHEREAS the Authority desires to authorize an Amendment to the Development Lease on Lot 210 with Boyer Gateway East Mesa Building 1, L.C., a Utah limited liability company, to adjust the base rent schedule and update the name of the Airport and 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 authorizes an Amendment to the Development Lease on Lot 210 with Boyer Gateway East Mesa Building 1, L.C., a Utah limited liability company, to adjust the base rent schedule and update the name of the Airport and 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 16th day of September, 2025.

Mark Freeman, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport Authority

FIRST AMENDMENT TO LEASE

This FIRST AMENDMENT TO LEASE ("**Amendment 1**") is executed to be effective as of the 1st day of October, 2025 ("**Amendment 1 Effective Date**") by and between the MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized and existing under the laws of the State of Arizona, formerly known as Phoenix-Mesa Gateway Airport Authority ("**Lessor**"), and BOYER GATEWAY EAST MESA BUILDING 1, L.C., a Utah limited liability company ("**Lessee**").

RECITALS:

A. Lessor and Lessee are parties to that certain Development Lease dated and effective October 1, 2023, ("**Lease**"), with respect to that certain real property at the Airport located at 9019 East Technology Avenue, Mesa, Arizona 85212, consisting of Seven Hundred Thirty-Eight Thousand Six Hundred and Seventy (738,670) square feet, and described as Lot 210, which real property is more particularly described in the Lease and referred to in the Lease as the "**Premises**."

B. The Parties desire to enter into this Amendment 1 to reflect the new name of Lessor/Airport and adjust the Base Rent schedule as further set forth herein.

AGREEMENT

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. Definitions. Each capitalized term used in this Amendment 1 and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

2. Name of Lessor/Airport. All references to the "Phoenix-Mesa Gateway Airport" or the "Phoenix-Mesa Gateway Airport Authority" in the Lease are replaced with "Mesa Gateway Airport" and "Mesa Gateway Airport Authority," respectively.

3. Rent. Section 4.1 is hereby amended by replacing the chart with the following:

Period	Rent PSF Per Year	Monthly Installment	Annual Rent
Effective Date through day immediately prior to the THIRTY-FIRST (31st) month.	$0.00	$0.00	$0.00
THIRTY-FIRST (31st) month through day immediately prior to the THIRD (3rd) anniversary of the Effective Date.	$0.55	$33,855.71	$406,268.50

4. Declaration. Exhibit G to the Lease is hereby deleted in its entirety. Section 43.1 of the Lease is hereby deleted in its entirety and replaced with the following:

> 43.1 Subordination. The Premises shall be subject and subordinate to that certain Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East dated August 28, 2025 and recorded on September 10, 2025 in the Official Records of Maricopa County, Arizona as Instrument No. 2025-0523001 ("**Declaration**"). Lessee hereby agrees to fulfil and comply with its duties and obligations of a "Lessee" and an "Occupant" as defined under the Declaration with respect to the Premises.

5. Authority of Lessee. Lessee warrants and represents to Lessor that: (a) all necessary actions have been taken to authorize the execution of this Amendment 1 by Lessee; (b) the persons who have executed this Amendment 1 on behalf of Lessee are duly authorized to do so; and (c) 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 Agreement.

6. Full Force and Effect. 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.

7. Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Amendment 1 of any term thereof.

8. Recitals. All of the Recitals set forth above are incorporated into this Amendment 1 by this reference.

[Remainder of Page Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties have entered into this AMENDMENT 1 as of the date first set forth above.

FOR LESSOR:

MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized and existing under the laws of the State of Arizona, formerly known as Phoenix-Mesa Gateway Airport Authority

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

FOR LESSEE:

BOYER GATEWAY EAST MESA BUILDING 1, L.C., a Utah limited liability company, by its Manager

By: The Boyer Company, L.C., a Utah limited liability company

By: _____
Name:
Title:

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

Board Action Item

Re: Resolution 25-42

To: **Board of Directors**
From: **Lori Collins, Business & Economic Development Director**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Gateway East – First Amendment to the Master Development Agreement**
Date: **September 16, 2025**

Proposed Motion
To authorize the First Amendment to the Master Development Agreement with Boyer Gateway East L.C., to update the boundaries for the Development Phases of the Project.

Narrative
The Mesa Gateway Airport Authority ("MGAA") and Boyer Gateway East, L.C. (Boyer) entered into a Master Development Agreement on June 21, 2022, for approximately 273 acres located on the east side of the airport, south and west of Ellsworth Road and State Route 24. The Master Development Agreement requires Boyer to finance and construct the horizontal improvements within Gateway East, lead the development of Gateway East in accordance with the Master Plan and successfully complete Minimum Development Requirements within specific development phases.

Boyer has worked with MGAA to adjust its infrastructure and roadway plan, causing the boundaries of each development phase to shift slightly. The First Amendment modifies the Agreement to depict that adjustment.

Attachment(s)
First Amendment to the Master Development Agreement

RESOLUTION NO. 25-42

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

WHEREAS the Authority desires to authorize the First Amendment to the Master Development Agreement with Boyer Gateway East L.C., to update the boundaries for the Development Phases of the Project;

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 Master Development Agreement with Boyer Gateway East L.C., to update the boundaries for the Development Phases of the Project. 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 September, 2025.

Mark Freeman, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

FIRST AMENDMENT TO MASTER DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO MASTER DEVELOPMENT AGREEMENT ("**Amendment 1**") is made as of the 1st day of October, 2025 by and between **MESA GATEWAY AIRPORT AUTHORITY**, formerly Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Authority**"), and **BOYER GATEWAY EAST, L.C.**, a Utah limited liability company ("**Developer**").

RECITALS

A. Authority and Developer are parties to that certain Master Development Agreement dated June 21, 2022 ("**Agreement**") covering the Project commonly known as Gateway East at the Mesa Gateway Airport, which Project is more particularly described in the Agreement.

B. The boundaries for the Development Phases of the Project have changed, and the Parties desire to modify the Agreement to adjust the boundaries of Development Phases as set forth herein**.**

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and Developer agree as follows:

1. Recitals. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. Phasing Exhibits.

2.1. **EXHIBIT B** to the Agreement is deleted in its entirety and the attached **EXHIBIT B** inserted in its place.

2.2. **EXHIBIT B-I**, **EXHIBIT B-II**, and **EXHIBIT B-III** to the Agreement are hereby deleted in their entirety.

3. Phasing. Section 2.2.1(a), Section 2.21(b) and Section 2.2.1(c) of the Agreement are hereby amended to read as follows:

(a) Development Phase I: approximately 118 acres of undeveloped land, as depicted in **Exhibit B**.

(b) Development Phase II: approximately 97 acres of undeveloped land, as depicted in **Exhibit B.**

(c) Development Phase III: approximately 84 acres of undeveloped land, as depicted in **Exhibit B**.

4. Miscellaneous.

(a) Capitalized Terms/Definitions. Each capitalized term used in this Amendment 1 and not defined herein shall be deemed to have the same meaning ascribed to it in the Agreement.

(b) Continuing Effect. Except as specifically provided in this Amendment 1, the provisions of the Agreement shall remain unchanged and in full force and effect. In the event of a conflict between the Agreement and this Amendment 1, this Amendment 1 shall control.

(c) Authority. Each person executing this Amendment 1 on behalf of a Party represents and warrants that it has the full power, authority, and legal right to execute and deliver this Amendment 1 on behalf of such Party and that this Amendment 1 constitutes the legal, valid and binding obligations of such Party, its heirs, representatives, successors and assigns, enforceable against such Party or Parties in accordance with its terms.

(d) Counterparts. To facilitate execution of this Amendment 1, this Amendment 1 may be executed in one or more counterparts as may be convenient or required, and an executed copy of this Amendment 1 delivered electronically by e-mail shall have the effect of an original, executed instrument. All counterparts of this Amendment 1 shall collectively constitute a single instrument; but, in making proof of this Amendment 1 it shall not be necessary to produce or account for more than one such counterpart executed by each Party hereto. It shall not be necessary for the signature of, or on behalf of, each Party hereto, or that the signature of all persons required to bind any such Party appear on each counterpart of this Amendment 1.

[Remainder of Page Left Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment 1 as of the day and year first above written.

AUTHORITY:

MESA GATEWAY AIRPORT AUTHORITY, formerly Phoenix-Mesa Gateway Airport Authority, an Arizona joint powers airport authority

By: _____

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

DEVELOPER:

BOYER GATEWAY EAST, L.C., a Utah limited liability company

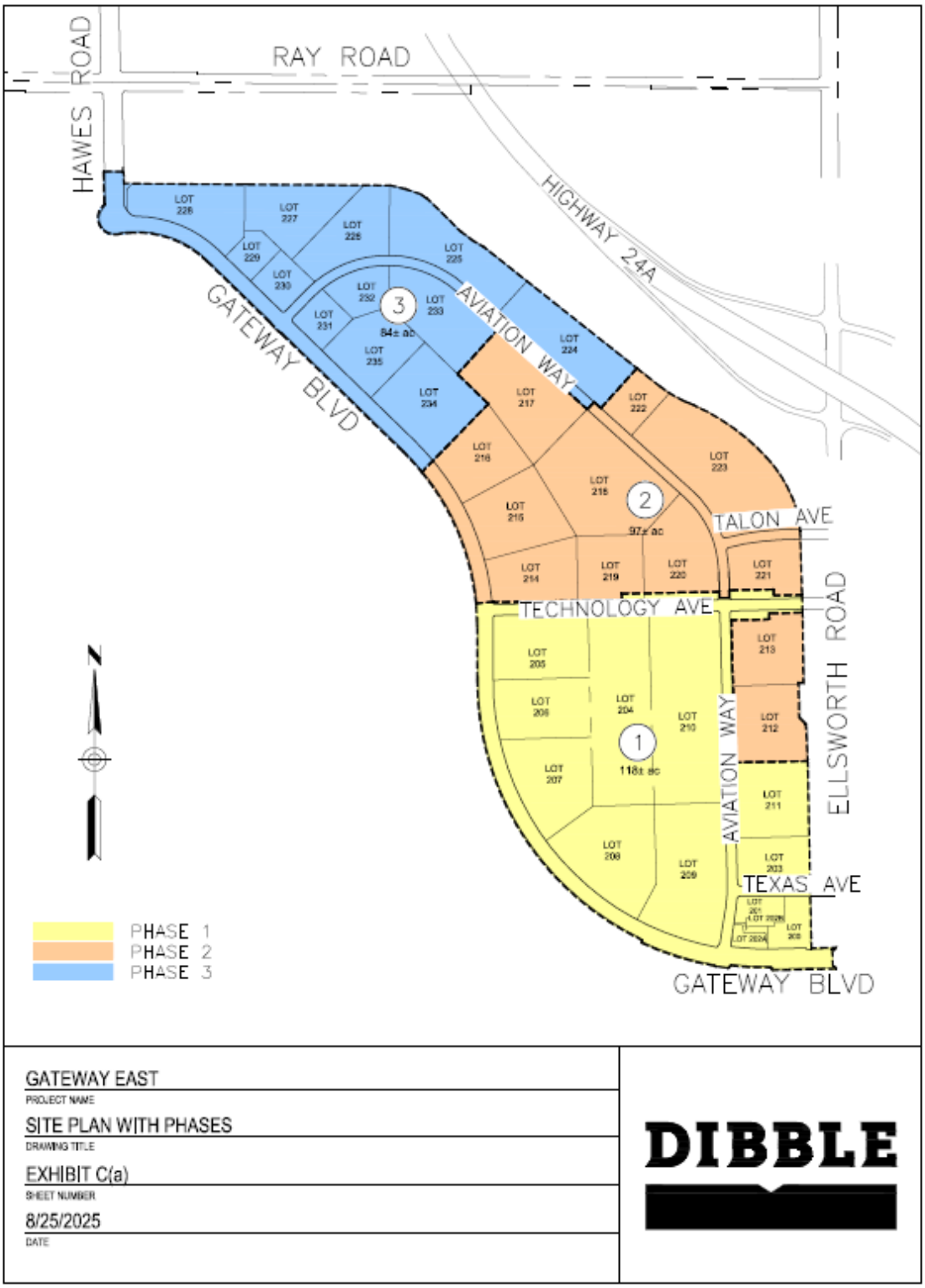
By: The Boyer Company, L.C., a Utah limited liability company, its Manager

By: _____
Brian Gochnour, Manager

[Remainder of Page Left Intentionally Blank; Exhibit Follows]

EXHIBIT B

Depiction of Development Phases



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

Board Action Item

Re: Resolution 25-43

To:	**Board of Directors**
From:	**Lori Collins, Business & Economic Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Gateway East Mesa Hotel 1, L.C. Lot 201 Development Lease and Second Amendment to the Master Lease with Boyer Gateway East L.C.**
Date:	**September 16, 2025**

Proposed Motion

To authorize a Development Lease with Boyer Gateway East Mesa Hotel 1, L.C., a Utah limited liability company, for 1.725 acres (75,138 square feet) located within the Gateway East project and identified as Lot 201. The lease term is SIXTY-FIVE (65) years commencing on October 1st, 2025. To authorize a Second Amendment to the Master Lease with Boyer Gateway East L.C., to concurrently remove Lot 201 from the Master Lease Agreement and update the Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East.

Narrative

The Mesa Gateway Airport Authority ("MGAA") and Boyer Gateway East, L.C. (Boyer) entered into a Master Lease Agreement on June 21, 2022, for approximately 273 acres located on the east side of the airport, south and west of Ellsworth Road and State Route 24. The Master Lease Agreement transferred leasehold control of the Property to Boyer, but it did not convey vertical development rights. As part of the Master Lease, MGAA and Boyer agreed to "spin out" property from the Master Lease into Development Leases as projects become ready for vertical development.

Boyer will sublease Lot 201 to a hospitality development and management company who will construct a 78,937-square-foot, 127-room SpringHill Suites by Marriott. The hotel will include meeting and restaurant space along with a pool and patio area. Lot 201 is 1.725-acres (75,138 square feet) and has been identified as a non-aeronautical parcel. A reciprocal easement for the purpose of pedestrian and vehicular access, ingress, and egress and vehicular parking has also being granted. The proposed development is compliant with the Gateway East Master Plan, City of Mesa Planned Area Development (PAD) zoning and the Gateway East Design Guidelines.

Agreement Term and Rate

The Lot 201 Development Lease proposes a lease term of SIXTY-FIVE (65) years. The base rent for Lot 201 will be $0.00 annually through the end of the second (2nd) lease year and $41,207.76 annually beginning on the third (3rd) anniversary of the effective date.

Attachment(s)

Boyer Gateway East Mesa Hotel 1, L.C (Lot 201) Development Lease
Master Lease Amendment #2
Declaration of Reciprocal Access and Parking Easements
Declaration of Covenants, Conditions, Restrictions and Easements

Mesa Gateway Airport

RESOLUTION NO. 25-43

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

WHEREAS the Authority desires to authorize a Development Lease with Boyer Gateway East Mesa Hotel 1, L.C., a Utah limited liability company, for 1.725 acres (75,138 square feet) located within the Gateway East project and identified as Lot 201. The lease term is SIXTY-FIVE (65) years commencing on October 1st, 2025. To authorize a Second Amendment to the Master Lease with Boyer Gateway East L.C., to concurrently remove Lot 201 from the Master Lease Agreement and update the Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East;

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 Boyer Gateway East Mesa Hotel 1, L.C., a Utah limited liability company, for 1.725 acres (75,138 square feet) located within the Gateway East project and identified as Lot 201. The lease term is SIXTY-FIVE (65) years commencing on October 1st, 2025. To authorize a Second Amendment to the Master Lease with Boyer Gateway East L.C., to concurrently remove Lot 201 from the Master Lease Agreement and update the Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East. 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 September, 2025.

Mark Freeman, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport Authority

DEVELOPMENT LEASE

with

BOYER GATEWAY EAST MESA HOTEL 1, L.C.

Effective Date: October 1, 2025

TABLE OF CONTENTS

Section No.	Title	Page
1.	LEASE.	1
2.	TERM.	2
3.	NONEXCLUSIVE RIGHTS.	2
4.	RENT.	3
5.	PERFORMANCE GUARANTEE.	6
6.	INTENTIONALLY DELETED	8
7.	IMPROVEMENTS.	8
8.	MAINTENANCE.	12
9.	ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.	12
10.	IDENTIFICATION SIGNS.	14
11.	DEFAULT; TERMINATION BY LESSOR.	14
12.	INTENTIONALLY DELETED.	16
13.	INDEMNIFICATION.	16
14.	ENVIRONMENTAL PROTECTION.	17
15.	PROTECTION OF WETLANDS.	22
16.	INSURANCE.	22
17.	SURRENDER OF POSSESSION.	23
18.	INSPECTION BY LESSOR.	24
19.	NOTICES.	24
20.	SEVERABILITY.	25
21.	APPROVALS, CONSENTS AND NOTICES.	25
22.	LIENS AND MORTGAGES.	25
23.	GOVERNING LAW; ATTORNEY'S FEES.	27
24.	COMPLIANCE WITH LAWS, RULES AND REGULATIONS.	27
25.	CORPORATE AUTHORIZATION.	28
26.	UTILITY LINES AND SERVICE CHARGES.	28
27.	RESERVATIONS TO LESSOR.	28
28.	FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS.	29
29.	TITLE VI.	30
30.	FEDERAL FAIR LABOR STANDARDS ACT	33
31.	OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970	33
32.	INCORPORATION OF QUITCLAIM DEED	33
33.	REQUIRED PROVISIONS OF QUITCLAIM DEED.	33

34. INTENTIONALLY DELETED. 34
35. DEFAULT BY LESSOR. 34
36. BROKERS. 34
37. SALE BY LESSOR. 34
38. ESTOPPEL CERTIFICATE. 34
39. UNAVOIDABLE DELAY. 35
40. ADDITIONAL PAYMENTS. 35
41. MISCELLANEOUS. 37
42. INCORPORATION OF RECITALS. 37
43. DECLARATIONS. 38
44. 49 CFR PART 23. 38

EXHIBIT A Legal Description and Depiction of the Premises A-1
EXHIBIT B Airport Rates & Charges Schedule and Airport Fees, Services and Rental Rates Schedule B-1
EXHIBIT C Permitted Exceptions C-1
EXHIBIT D Depiction of Proposed Improvements D-1
EXHIBIT E Memorandum of Lease E-1
EXHIBIT F Prohibited Uses F-1

Mesa Gateway Airport Authority

DEVELOPMENT LEASE

This Development Lease (the "**Lease**") is executed to be effective the FIRST (1ST) day of October, 2025 (the "**Effective Date**") between the **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 MESA HOTEL 1, L.C.**, a Utah limited liability company authorized to do business in the State of Arizona("**Lessee**"). Lessor and Lessee may be referred to jointly as "**Parties**," and each separately may be referred to as a "**Party**."

WITNESSETH:

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 (the "**Airport**"); and

B. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at the southeast corner of Aviation Way and Texas Avenue consisting of 74,923.2 square feet, and described as Lot 201, as set forth in **EXHIBIT A** attached hereto (the "**Premises**") on the terms and conditions set forth herein; and

C. The Premises is identified in the Master Plan and the Airport Layout Plan as a Non-Aeronautical Development Parcel;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, as follows:

1. LEASE.

Lessor hereby leases the Premises to Lessee, subject to the matters set forth on **EXHIBIT C**, (the "**Permitted Exceptions**"), and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease. Subject to the terms and conditions of this Lease, Lessee shall have the right to access and use the Premises 24 hours per day, 7 days per week.

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 the development, construction and operation of a hotel, including, without limitation, for a Springhill Suites Hotel, and other uses related thereto to the extent approved by Lessor, 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 F**. 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. Notwithstanding the foregoing, or anything to the contrary contained herein, Lessee shall be permitted to serve retail products, including food and beverages for on-premises consumption, typical of other Springhill Suite Hotels or similar hotel establishments in the immediate geographical area.

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 Permitted Exceptions or applicable laws, rules, regulations and operating policies of any governmental authority, including Lessor, or for any other activity or operation not specified in SECTION 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director.

1.6 On-Site Manager. Upon commencement of business operations at and on the Premises and the Airport, Lessee shall designate a manager for the Term (as defined below) who shall be available to Lessor and Lessee's or Lessee's subtenant's customers, if any, during normal business hours.

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) the Permitted Exceptions; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM.

The initial term of this Lease shall be for a period of SIXTY-FIVE (65) years, commencing on the Effective Date and terminating on September 30, 2090 thereafter (the "**Term**").

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 with respect to the Airport, not including the Premises, are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport (but not the Premises except as set forth in SECTIONS 26.1.3 and 27 below) 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 SECTIONS 4.3 and 4.4 herein, Lessee agrees to pay Lessor rent for the use of the Premises (the "**Base Rent**") as follows:

Period	Rent PSF Per Year	Monthly Installment	Annual Rent
Effective Date through day immediately prior to the to the SECOND (2nd) anniversary of the Effective Date	$0.00	$0.00	$0.00
SECOND (2nd) anniversary of the Effective Date through day immediately prior to THIRD (3rd) anniversary of the Effective Date	$0.55	$3,433.98	$41,207.76

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 Annual Increases. Starting on the THIRD (3rd) anniversary of the Effective Date and every anniversary of the Effective Date thereafter other than on an anniversary where the annual Base Rent will be adjusted pursuant to SECTION 4.4, the annual Base Rent paid by Lessee shall be increased by TWO AND ONE-HALF PERCENT (2.5%).

4.4 Market Adjustments to Base Rent.

4.4.1 In addition to the annual increases provided for in SECTION 4.3, on (a) the FIFTEENTH (15th) anniversary of the Effective Date of this Lease, and (b) each subsequent FIFTEEN (15) year anniversary of the date set forth in preceding subsection (a), the annual Base Rent shall be increased (but never decreased) (the "**Adjustment Date(s)**") as hereinafter set forth in this SECTION. On each such Adjustment Date, the Base Rent shall be adjusted to the Fair Market Base Rent of the Premises. For purposes hereof, "**Fair Market Base Rent**" shall mean the amount that a willing, comparable, non-equity lessee would pay, and a willing, comparable landlord of in the same market as the Premises would accept, for comparable (in quality, size, and value) airport-related leasehold interest in vacant land, and specifically excluding any improvements constructed or caused to be constructed by Lessee and/or its affiliates to the Premises or the Airport and any lease or sublease for such improvements. No single adjustment to the annual Base Rent pursuant to this SECTION 4.4 shall increase the annual Base Rent by more than TEN PERCENT (10%) from the annual Base Rent in effect immediately prior to the increase pursuant to this SECTION 4.4.

4.4.2 Lessor's determination of such Fair Market Base Rent for the Premises shall be delivered to Lessee no later than NINETY (90) calendar days prior to the Adjustment Date along with any and all substantiated information used by Lessor in connection with such determination. If Lessee

disputes Lessor's determination of such Fair Market Base Rent, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such Fair Market Base Rent, to Lessor within THIRTY (30) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such Fair Market Base Rent. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within SEVEN (7) calendar days thereafter, mutually appoint an appraiser to determine the Fair Market Base Rent. Said appraiser shall have at least FIVE (5) years of full-time commercial appraisal experience and be a member of the Appraisal Institute or comparable professional organization. Within SEVEN (7) calendar days of the appointment of the appraiser, the Parties shall submit to the appraiser, with a copy to the other Party, their respective determinations of the Fair Market Base Rent and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal and shall select one Party's submittal as representing the most reasonable approximation of such Fair Market Base Rent. The appraiser shall promptly notify the Parties of their decision, which shall be final and binding upon Lessor and Lessee. The appraiser's fees and expenses shall be paid by the Party whose submittal was not selected.

4.4.3 If the Parties are unable to agree upon an appraiser pursuant to SECTION 4.4.2 within such SEVEN (7) calendar days, then within THREE (3) business days after expiration of the 7-day period, Lessor and Lessee shall each (a) appoint an appraiser with the above qualifications, and (b) give notice to the other identifying that party's appraiser. If a Party fails to timely appoint an appraiser, the other Party's appraiser shall determine the Fair Market Base Rent in accordance with this SECTION 4. Not later than SEVEN (7) calendar days after both appraisers have been appointed, Lessor and Lessee shall each submit to each appraiser, with a copy to the other Party, their respective determinations of the Fair Market Base Rent and any/all substantiated information. Within TWENTY-ONE (21) days after receipt of both Parties' proposals, the appraisers shall review the submissions and shall select one Party's submittal as representing the most reasonable approximation of such Fair Market Base Rent. The appraisers shall promptly notify the Parties of their decision, which shall be final and binding upon Lessor and Lessee. Each Party shall be responsible for the fees and expenses of their own selected appraiser.

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

4.5 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current *Airport Rates and Charges Schedule* and *Airport Fees, Services and Rental Rates Schedule* are included as **EXHIBIT B** and are subject to change without prior notice to or approval of Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* at any time at Lessor's sole discretion. No fee shall apply to the use of the Premises or access to the Premises.

4.6 Payment.

4.6.1 Unless otherwise specified herein, the first 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. On each such date, Lessee shall pay the full Base Rent payment.

4.6.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.6.3 All payments required by this SECTION 4.6 shall be remitted to the following address by the due date(s) specified hereinabove:

Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee.

4.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum (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.

4.8 Taxes. Lessee shall pay, prior to delinquency, any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax or assessment imposed during the Term against the Premises or as the result of Lessee's occupancy of Premises or conduct of any activity at the Premises under the 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 thereon, Lessee shall pay such amounts to Lessor in the manner set forth in SECTION 4.6. Such taxes to be paid directly to Lessor include, without limitation, payment of all rent taxes, i.e., taxes imposed specifically on the gross receipts in the form of rent received by Lessor.

4.9 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

5. PERFORMANCE GUARANTEE.

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equivalent to the first monthly installment of Base Rent due after the second (2nd) anniversary of the Effective Date THREE THOUSAND FOUR HUNDRED Thirty-THREE and 98/100 DOLLARS ($3,433.98), as a security deposit (the "**Security Deposit**") to insure the faithful performance of all of Lessee's obligations hereunder.

5.1.2 The Security Deposit, at the election of Lessor, may be applied in reduction of any loss and/or damage sustained by Lessor by reason of the occurrence of any breach, nonperformance or default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Lessee shall, within FIVE (5) business days after written notice from Lessor, deposit with Lessor immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such Security Deposit and shall have no obligation to pay interest thereon.

Following the timely payment when due by Lessee of THIRTY-SIX (36) consecutive monthly installments of Base Rent due after the SECOND (2nd) anniversary of the Effective Date, Lessor shall return the Security Deposit to Lessee and the terms of this SECTION 5.1 shall thereafter be null and void; provided that, except as otherwise set forth in SECTION 22 with respect to an Enforcement Action (as defined in SECTION 22.11 below), upon any assignment of this Lease to a third party, such assignee shall be required to deposit the Security Deposit with Lessor in accordance with, and subject to, this SECTION 5.1, including, without limitation, the return of such Security Deposit to Lessee upon the timely payment when due of THIRTY-SIX (36) consecutive monthly installments of Base Rent by such assignee.

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 provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of A.R.S. § 33-1003 as it may be amended or renumbered from time to time. The Parties agree that Lessee is not a public body, and the improvements to be constructed under this Lease by Lessee at Lessee's sole cost are not public buildings, public works or public improvements. The bond shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety. The bond and a copy of the contract shall be recorded in the office of the Maricopa County Recorder as required under A.R.S. § 33-1003, and a copy of the bond shall be provided to Lessor; or

(b) Letter of Credit. A letter of credit ("**Letter of Credit**") shall be irrevocable, in an amount equal to the total amount of the construction contract(s) for the construction of the Improvements (as defined in SECTION 7 below) plus TEN PERCENT (10%) of such amount and be issued to Lessee by a financial institution ("**Bank**") reasonably acceptable to Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date which is TWENTY-FOUR (24) months thereafter, after which date it shall be renewed on a year-to-year basis until the earlier of (a) 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, or (b) six (6) months after the issuance of a Certificate of Occupancy for the Improvements (as defined below). 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.

(c) Parent Guaranty. A payment guaranty from The Boyer Company, L.C., a Utah limited liability company ("**Guarantor**"), in favor of Lessor guarantying the prompt and complete payment of all amounts due in connection with the construction of the Improvements in form and substance reasonably satisfactory to Lessor, which payment guaranty shall provide that Guarantor shall maintain, during the construction of the Improvements, a minimum net worth of at least $100,000,000 and liquidity of not less than $10,000,000.

5.2.2 Performance Guarantee. 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 7.1 of this Lease if an Event of Default occurs and is continuing under SECTION 7.2 of this Lease. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.

(c) Parent Guaranty. A completion guaranty from Guarantor in favor of Lessor guarantying the timely completion of the Improvements in form and substance reasonably satisfactory to Lessor, which guaranty shall provide that Guarantor shall maintain, during the construction of the Improvements, a minimum net worth of at least $100,000,000 and liquidity of not less than $10,000,000.

6. INTENTIONALLY DELETED

7. IMPROVEMENTS.

7.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that generally shall consist of a five (5)-story, approximately 127-room, approximately 78,937 square foot hotel and related improvements and amenities with a total planned improvements cost of approximately $27,500,000 as generally depicted in **EXHIBIT D** (the "**Improvements**") and in accordance in all material respects with a site plan approved by Lessor's Design Review Committee, such approval not to be unreasonably withheld or delayed, and in compliance with all applicable governmental regulations, restrictions and building codes and any declaration of covenants, conditions, restrictions and easements of record affecting the Premises (including, without limitation, the Gateway East Declaration and the Parking Declaration as defined in SECTION 43 hereof) and any design guidelines that are applicable to the Premises. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any required connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises, as reasonably required by Lessor; (ii) constructing all Improvements necessary to bring all utilities onto the Premises, including, without limitation, electrical, gas, water, sewer, cable and telephone utilities; and (iii) installing all utility meters and water and sewer lines to service all Improvements constructed on the Premises.

7.2 Construction Milestones; 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 THREE (3) months from the Effective Date. Lessor shall promptly, and in all events within TWENTY-ONE (21) calendar days, notify Lessee in writing if Lessor believes such plans (or any revised plans submitted by Lessee) would cause the Improvements to fail to comply with the Master Plan. Any such notice shall specify in reasonable detail the items Lessor believes do not comply with the Master Plan and the changes, which if made, would cause the Improvements to comply with the Master Plan. Thereafter the Parties will negotiate in good faith to resolve any concerns raised by Lessor. If Lessor fails to timely provide any objections to such plans, such plans shall be deemed to be approved by Lessor.

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

7.2.3 Reserved.

7.2.4 Lessee shall diligently prosecute construction of all Improvements and shall complete, or cause to be completed, construction of all Improvements to be constructed by Lessee at and on the Premises and shall obtain a certificate of occupancy (a "**CofO**") (or its equivalent) from the City of Mesa therefor, no later than THIRTY (30) months from the date the City of Mesa issues a building permit for the Improvements and all government approvals required for such, including any approvals required from the FAA (the "**Outside Completion Date**"). If Lessee is unable to meet a Construction Milestone due to Unavoidable Delay (as set forth and defined in SECTION 39), then the Outside Completion Date shall be extended by ONE (1) day for each day of such Unavoidable Delay impacting the Construction Milestone.

7.2.5 If Lessee fails to obtain a temporary or final CofO by the Outside Completion Date, Lessee shall pay to Lessor an amount equal to FIVE HUNDRED DOLLARS ($500.00) for each day that Lessee is late obtaining a temporary or final CofO (a "**Late Completion Fee**"), which payment by Lessee shall be in addition to any Base Rent due from Lessee hereunder. Lessee shall pay Lessor all Late Completion Fees to Lessor on the FIRST (1st) day of the month following the date on which such Late Completion Fees first accrues, until such time as all Late Completion Fees are paid in full. If Lessee fails to obtain a temporary or final CofO within ONE (1) year after the Outside Completion Date, Lessee shall have no further obligation to pay a Late Completion Fee for any days following such one-year period and Lessor can pursue its other remedies available under this Lease.

7.2.6 If Lessee fails to commence construction within SIXTY (60) calendar days after the issuance of all necessary construction permits and receipt of all approvals required for such, including any approvals required from the FAA, but subject to any applicable notice and cure periods provided for in SECTION 11, Lessor shall have the right to terminate this Lease by written notice to Lessee delivered at any time prior to commencement of construction. For purposes of this section "**commencement of construction**" shall be the date on which Lessee has obtained it permits, has executed a contract for construction of the Improvements and engaged in material work, such as grading and pouring of footings and slabs.

7.3 No Alterations. Except as otherwise permitted in this SECTION 7.3, Lessee shall make no material improvements or alterations to the exterior of any building on 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. Notwithstanding the foregoing, Lessee may make any modification or alterations and improvements to the Premises that do not affect the exterior of the Premises or the mechanical systems or structural components thereof (e.g., changes that require plans from a civil or structural engineer) without the prior consent of Lessor, so long as such modifications or alterations are consistent with the permitted use.

7.4 Title to Alterations and Improvements. Title to all improvements and alterations on the Premises that are owned by Lessee (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 EIGHT (8) business days after Lessor's request therefor, a quitclaim deed or other instrument satisfactory to Lessor and Lessee 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 thereon free of any mechanic or materialmen's liens arising by, through or under Lessee. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within NINETY (90) calendar days of written notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to applicable City of Mesa (the "**City**") building/construction codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City, if any. To the extent required by applicable City building/construction codes, all such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications.

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

7.7.1 replace, repair, restore, modify or improve said Improvements, subject to the provisions of SECTION 7.6, using available insurance proceeds (which shall be paid to Lessee or its Leasehold Mortgagee, as required by Leasehold Mortgagee, or to the Approved Subtenant or its Subleasehold Mortgagee (as defined in the Approved Sublease [as defined in SECTION 9.4.5.]), as required by Subleasehold Mortgagee, if any) together with any additional funds from other available sources; or

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

Notwithstanding the foregoing to the contrary, if any damage or destruction occurs to the Premises during the last five (5) years of the Term or any and the cost to repair the damage exceeds Five Hundred Thousand Dollars ($500,000.00), then, subject to the provisions of Section 22 hereof, Lessee may terminate this Lease upon giving Lessor THIRTY (30) days written notice. In the event Lessee elects to terminate this Lease pursuant to this SECTION, all property insurance proceeds will be allocated between Lessee and Approved Subtenant, on the one hand, and Lessor, on the other hand, with Lessee and Approved Subtenant receiving such proceeds up to the value of the Improvements for the remaining Term (but for the damage and destruction) and Lessor receiving such proceeds up to the residual value of the Improvements after the Term (but for the damage and destruction); provided, however, Lessee's and/or Approved Subtenant's insurance proceeds shall be applied first to the cost of razing the Improvements and returning the Premises to the condition that existed prior to the construction of the Improvements. Each Leasehold Mortgagee and Subleasehold Mortgagee shall have the right to participate in the adjustment of any insurance proceeds for insurance maintained by Lessee or Approved Subtenant. If required by a Leasehold Mortgagee or Subleasehold Mortgagee in the Leasehold Mortgage, Subleasehold Mortgage or other loan documents, the senior most Leasehold Mortgagee or Subleasehold Mortgagee shall have the right to supervise and control the receipt and disbursement of insurance proceeds payable to Lessee or Approved Subtenant pursuant to this Lease and the Approved Sublease for purposes of the restoration and/or repair of the Improvements.

7.8 Condemnation.

7.8.1 Condemnation of Premises. If any portion of the Premises is taken by a government entity exercising the power of eminent domain or sold to a government entity by Lessor under the exercise of said power (final judicial order that permits the taking is herein referred to as "**Condemnation**"), this Lease and the Approved Sublease shall terminate, without any requirement for consent or approval from a Leasehold Mortgagee or Subleasehold Mortgagee, as to the part so taken as of the date the condemning authority takes possession of the condemned portion of the Premises ("**Condemnation Date**"). If so much of the Premises is taken that, in Lessee's business judgment, the Premises is no longer reasonably suitable for Lessee's and/or Approved Subtenant's operations in Lessee's reasonable business judgment, subject to the provisions of SECTION 22.3 hereof, Lessee may terminate this Lease at any time after Lessee receives the Condemnation Notice by giving Lessor

THIRTY (30) days written notice, but not later than SIXTY (60) days following the Condemnation Date. If the entire Premises are condemned, then this Lease shall automatically terminate as of the Condemnation Date. The Party who receives the condemnor's notice of intention to take ("**Condemnation Notice**") shall immediately give a copy of such notice to the other Party.

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

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

(b) Lessor shall be entitled to seek and claim and receive the value of its fee interest in the land constituting the part of the Premises taken and the reversionary interest of Lessor in the Improvements.

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

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

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

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

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

8. MAINTENANCE.

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

8.2 Damage to Premises. Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the satisfaction of Lessor. In lieu of such repair or replacement, where required by Lessor, Lessee shall pay to Lessor an amount sufficient to compensate for the loss sustained by Lessor. Any real or personal property of Lessee damaged or destroyed by Lessor shall be promptly repaired or replaced by Lessor to the satisfaction of Lessee. In lieu of such repair or replacement, where required by Lessee, Lessor shall pay to Lessee an amount sufficient to compensate for the loss sustained by Lessee.

8.3 Trash Removal. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall be responsible for all trash removal from the Premises and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as they occur.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. Except as set forth in SECTION 22.11 to a Leasehold Mortgagee or a purchaser at a foreclosure sale, or in accordance with SECTION 9.4 below, in the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (individually and collectively, "**Transfer**"), or sublet the Premises or any part thereof, Lessee must obtain the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. In connection with Lessee's request for Lessor's approval of a Transfer, Lessee and or the proposed transferee shall provide to Lessor written financial assurances, including, but not limited to financial statements, business plans and other information related to the financial condition and plans of any proposed transferee. Unless otherwise agreed upon in connection with Lessor's approval of a Transfer, or as otherwise expressly provided herein, Lessee shall remain liable under the Lease for all of Lessee's obligations under this Lease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this SECTION 9, may irreparably harm Lessor as the requirements set forth herein are directly related to Lessor's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration. 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 FIFTY PERCENT (50%) 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. For clarity, a change in control of The Boyer Company, L.C., shall not be a Transfer.

9.4 Subletting.

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

(a) Rent for subleased premises shall not be less than fair market value as reasonably determined by Lessee unless otherwise approved in writing by Lessor.

(b) The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

(c) The permitted and prohibited uses of the Premises under any sublease shall not violate Permitted Uses under this Lease. Sublessees shall agree in the sublease not to engage in any prohibited use.

(d) The term of any sublease shall not extend beyond the stated expiration of this Lease.

(e) Except for the payment of a security deposit or amounts related to the construction of any tenant improvements, the sublessee under such sublease shall not pay rent more than ONE (1) month in advance of its due date under the sublease.

9.4.2 Upon request from Lessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement (in form and substance reasonably acceptable to Lessor, Lessee, sublessee and any applicable Leasehold Mortgagee, and during the term of the Approved Sublease, the Approved Subtenant and Subleasehold Mortgagee), which Non-Disturbance and Attornment shall, if requested by Lessee on behalf of Approved Subtenant and its lender, contain provisions in favor of Approved Subtenant and its Subleasehold Mortgagee similar to SECTION 22.2 below with respect to any Subleasehold Mortgage, including any extensions, modifications, amendments, replacements, supplements, renewals, refinancing, and consolidation thereof, so long as (i) the conditions of SECTION 9.4.1 have been met; and (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) either, (x)

Lessor has approved or is deemed to have approved the sublease, or (y) the sublease is on a form previously approved by Lessor. All reasonable legal fees incurred by Lessor in connection with any reasonably necessary legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be reimbursed in advance by Lessee.

9.4.3 Upon receipt of a sublease from Lessor and a request for a Non-Disturbance and Attornment Agreement with respect to such sublease, Lessor shall have TEN (10) business days to either approve or disapprove the same. Lessor agrees that its approval of any sublease shall not be unreasonably withheld, conditioned or delayed. 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 TEN (10)-business-day period the sublease shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval, then Lessee may resubmit a revised sublease for approval in accordance with this SECTION 9.4.3. This cycle will repeat itself until Lessor either approves the sublease or is deemed to have approved the same.

9.4.4 Lessee shall submit a copy of each fully executed sublease to Lessor within Five (5) business days after request.

9.4.5 For purposes of this Lease, "**Approved Subtenant**" means the sublessee approved in writing by Lessor and "**Approved Sublease**" means the form of sublease approved in writing by Lessor.

10. IDENTIFICATION SIGNS.

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

11. DEFAULT; TERMINATION BY LESSOR.

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee (an "**Event of Default**"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 A breach of any covenant or failure to perform any of its other obligations under this Lease or failure to perform any of its obligations (i) as a "Occupant" under the Gateway East Declaration or (ii) as a "Lessee" under the Access and Parking Declaration, as such obligations relate to the Premises, provided that Lessee does not cure such breach or failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; and further provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is commenced within such THIRTY (30) day period and thereafter diligently pursues such cure to completion.

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 NINETY (90) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 Failure to pay its Common Expense Share of any Common Expenses in accordance with the Gateway East Declaration as provided in Section 43 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, but subject to the provisions of SECTIONS 9.4.2 and 22, 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.

In all events, Lessor shall use commercially reasonable efforts to mitigate Lessor's damages upon the occurrence of an uncured Event of Default 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. 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.

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 states in bold letters within the Subject Line (i.e., the Re line): "**Notice of Default**" and is otherwise 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 Lessor'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. INTENTIONALLY DELETED.

13. INDEMNIFICATION.

13.1 Lessee's Indemnity. To the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this SECTION 13.1) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term; (ii) any grossly negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (including, without limitation, Approved Subtenant) (hereinafter referred to collectively as "Lessee" for purposes of this SECTION 13.1) on the Premises or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessor; and/or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor's Indemnity. To the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this SECTION 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessor or its agents, employees, contractors or subcontractors; (ii) any grossly negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this SECTION 13.2) on the Premises, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (iii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

14. ENVIRONMENTAL PROTECTION.

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this SECTION 14.1 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws*. The term "**Environmental Laws**" shall mean any one 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 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.

14.2.3 Lessee shall not install any underground storage tanks on the Premises or elsewhere on the Airport.

14.3 Indemnification.

14.3.1 To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment, the presence of Hazardous Material 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 or Approved Subtenant'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 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 contamination that is known to Lessee is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's gross negligence.

14.3.2 To the fullest extent permitted by applicable law, Lessor shall indemnify, defend (with counsel reasonably acceptable to Lessee), protect and hold harmless Lessee and its employees and agents for, from and against any and all Environmental Damages which are incurred or assessed as a result of any of Lessor's activities or operations on the Premises. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessor's obligations and liabilities under this SECTION 14.3 shall survive the termination of this Lease. The indemnification of Lessee by Lessor as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessee reserves the right to seek injunctive relief as may be permitted under law and equity. This SECTION 14.3 explicitly excludes Lessor's duty, liability or indemnity to Lessee for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is caused by or exacerbated by Lessor or unknown contamination is caused by or exacerbated by Lessor's negligence.

14.4 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any Environmental Laws, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this SECTION 14.4, Lessor is not responsible for directing or managing any remediation action. The term "**Release**" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

14.5 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("**Government**") under the Environmental Laws in connection with Lessee's activities or operations on the Premises. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any Release of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.6 Information Sharing. Lessee shall immediately notify Lessor of any of the following: (i) Lessee's or Approved Subtenant's receipt of any notification from any governmental entity either charging or informing Lessee or Approved Subtenant that Lessee or Approved Subtenant will be charged with a violation of Environmental Laws, and (ii) any significant change in Lessee's or Approved Subtenant's activities on the Premises that is reasonably likely to adversely change Lessee's or Approved Subtenant'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 or Approved Subtenant's activities thereon.

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

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

14.9 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply, and shall cause Approved Subtenant to 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 or Approved Subtenant'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 or Approved Subtenant 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 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.

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.

14.14.1 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 Premises. 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.

14.14.2 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 Premises. 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.

14.15 Reserved.

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

14.17 Surface Disturbances. After construction of Lessee's Improvements on the Premises as provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

14.18 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Premises after the Effective Date that:

(a) (i) were not placed on or introduced to the Premises by Lessee, and (ii) were present on the Premises prior to the Effective Date (collectively, "**Later-Discovered, Pre-Existing Hazmat**"); and

(b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Improvements;

then Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall either:

(1) conduct such investigations and remedial actions as necessary under applicable Environmental Laws and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this SECTION, to promptly investigate and

remediate the detected contamination in accordance with Environmental Laws, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or

(2) obtain approval of any Leasehold Mortgagee, if any, and terminate this Lease upon written notice to Lessor.

15. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the United States Army Corps of Engineers and obtain a permit or waivers under Section 404 of the Clean Water Act (or if such regulatory authority has been delegated to ADEQ, shall obtain the equivalent permit or waivers from ADEQ). For purposes of this SECTION 15, the term, "**new construction**," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. INSURANCE.

16.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

16.1.1 Builder's Risk insurance covering the insured's premises Improvements 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.

16.1.2 Comprehensive General Liability ($5,000,000.00 per occurrence) insurance covering third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "host liquor" and "blanket contractual liabilities."

16.1.3 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.

16.1.4 Property (full value of personal property + improvements) insurance covering all essential personal property (property essential to continued business operations) and all operator improvements made to buildings or facilities on the Airport, including all replacements and/or additions thereto, for their full insurable value (All Risks) on a replacement cost basis, and requires an ISO Special Causes of Loss form or equivalency.

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.

16.1.6 Commercial Automobile Liability ($1,000,000 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. If any hazardous materials are transported within Airport boundaries in conjunction with the operator's business activities, an MSC-90 Endorsement is required. Coverage amounts generally apply to Basic Injury per Person, Basic Injury per Accident and Property Damage.

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 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 or better 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 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, or cause to be procured, 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 Premises.

17.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear, casualty (subject to Lessee's obligations under SECTION 7.7) and condemnation (subject to Lessee's obligations under SECTION 7.8). All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which can be removed without affecting the structure of the Building shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the 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 reasonable cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

17.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required by Lessor, be permanently removed from the Premises by Lessee, at Lessee's expense, within FIVE (5) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade

fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

17.2 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 or its sublessees on the Premises.

19. NOTICES.

19.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses or at such address as either Party may advise the other from time to time:

TO LESSOR:	Mesa Gateway Airport Authority Attn: Business Development Department 5835 South Sossaman Road Mesa, Arizona 85212
TO LESSEE:	Boyer Gateway East Mesa Hotel 1, L.C. c/o The Boyer Company, L.C. 101 South 200 East, Suite 200 Salt Lake City, Utah 84111
With required copy to: (which shall not constitute notice)	Parr Brown Gee & Loveless Attn.: Barton L. Gertsch, Esq. 101 S 200 E, Suite 700 Salt Lake City, Utah 84111

19.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service.

20. SEVERABILITY.

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

21. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

22. LIENS AND MORTGAGES.

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

22.2 Mortgaging of the Leasehold.

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

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

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

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

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

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

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

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

22.7.2 Leasehold Mortgagee shall pay to Lessor at the time of the execution and delivery of the 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 in connection with entering into such new Lease;

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

22.7.4 Leasehold Mortgagee, as replacement Lessee under the 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.

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

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

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

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

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

23. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

24. COMPLIANCE WITH LAWS, RULES AND REGULATIONS.

Lessee shall at all times comply with, and shall cause Approved Subtenant to comply with, all Federal, state and local laws, ordinances, rules, and regulations which are applicable to Lessee's or Approved Subtenant's

activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Premises, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises. Lessee also shall display, or shall cause Approved Subtenant to 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. In executing this Agreement, Lessor represents and warrants to Lessee that Lessor has obtained and been granted the full right, power and authority to enter into this Lease.

26. UTILITY LINES AND SERVICE CHARGES.

26.1.1 Connections and Services. Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested in advance to do so by Lessee, Lessor will grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

26.1.2 Payment. 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.

26.1.3 Continued Use and Repair. Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises and the right to repair the same when necessary in Lessor's reasonable discretion, including but not limited to, any utility easements on the Premises. Lessor agrees to coordinate any entry onto the Premises with Lessee and shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities or the activities of Lessee's employees, agents, contractors, subtenants or invitees (collectively, "**Lessee's Occupants**") thereon.

27. RESERVATIONS TO LESSOR.

The Premises are accepted "as is, where is" by Lessee, subject to the Permitted Exceptions. Lessor reserves the right to grant reasonable easements, 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 or and Lessee's Occupant'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. The location of any such easements, rights-of-way and/or permits 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 Lessee's Occupant'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.

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

28.1 Lessee agrees that in the event Lessee's improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation,* as it may be amended.

28.2 Lessee agrees that: (a) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Premises; (b) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (c) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

28.3 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

28.4 Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance therefrom; provided that the foregoing does not give Lessor the right to develop new landing areas on the Premises.

28.5 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

28.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport.

28.7 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

28.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

28.9 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

28.10 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

28.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §§ 40103(e) and 47107(a)(4).

28.12 This Lease and all of the provisions hereof shall be subject to whatever right the United States government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

29. TITLE VI.

29.1 Lessee agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated or identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("**Title VI**") in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

29.2 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, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

29.2.3 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 Lessor or the FAA 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 Lessor or the FAA 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 FAA may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(b) cancelling, terminating, or suspending the Lease, in whole or in part, in accordance with, but subject to, SECTIONS 11 and 22.

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 Lessor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

29.3 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, and (c) that Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts and Authorities.

29.4 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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087) (2005); and

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et *seq*.).

29.5 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, and shall cause Approved Subtenant to 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 dated April 14, 1998 and recorded in the official records of Maricopa County, Arizona on April 30, 1998 as Entry No. 98-0354787 (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. INTENTIONALLY DELETED.

35. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants or obligations contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly permitted in SECTIONS 7.7, 7.8, and 14.18 of this Lease.

36. BROKERS.

Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessor and Lessee each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party's representation and warranty in this SECTION.

37. SALE BY LESSOR.

Lessee agrees to look solely to Lessor's interest in the Premises and any insurance proceeds, including rents, profits, proceeds and awards for the recovery of any judgment against Lessor, it being agreed that neither Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

38. ESTOPPEL CERTIFICATE.

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (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 Premises as may be reasonably requested. The requesting Party and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

39. UNAVOIDABLE DELAY.

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "**Unavoidable Delay**" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, entitlement approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (s) delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under SECTION 14 (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), or (t) unavailability or shortage of materials or labor that could not be reasonably anticipated, or (u) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) days after the commencement of such Unavoidable Delay.

40. ADDITIONAL PAYMENTS.

40.1 Within FORTY-FIVE (45) days of the end of each calendar quarter occurring during the Term, Lessee shall pay Lessor an amount equal to TEN PERCENT (10%) of Operating Cash Flow (defined below) received by Lessee from the Premises. Operating Cash Flow shall be determined on a cash basis in accordance with accounting standards currently used by The Boyer Company, L.C. and applied on a consistent basis. Because the use of cash basis accounting may cause distortions, certain adjustments may be made including but not limited to the following: (x) Lessee may establish and increase such reserves as it reasonably deems to be required for the proper management, maintenance and operation of the Premises, and (y) Lessee shall make such adjustments as may be reasonably required fairly to present Operating Cash Flow including, but not limited to, matching rents and expenditures and amortizing capital or extraordinary expenditures over more than one year. To the extent reimbursed by a sublessee, the cost of refurbishing or replacing tenant improvements and performing similar work after initial construction of the building shall be treated as an Expenditure in the year(s) in which the sublessee reimburses Lessee for such tenant improvements. If no such itemized reimbursement is made by a sublessee or to the extent the reimbursement is less than the cost incurred, the net cost of refurbishing or replacing tenant improvements and performing similar work shall be treated as an Expenditure by amortizing the cost thereof on a straight-line method over the term of the sublease. For purposes of this Article 40, (i) "**Operating Cash Flow**" means all Rent less all Expenditures; (ii) "**Rent**" means all base annual rents, percentage rents and other rents, revenues and charges actually received by Lessee from sublessees of the Premises, but excluding receipts from loans (including member loans and Refinancing Proceeds (defined below)), Sales Proceeds (defined below), contributions to capital, insurance proceeds, recoveries in connection with eminent domain proceedings or recoveries in connection with other actions (but including as part of Rent recoveries of any unpaid Rent); and (iii) "**Expenditures**" means all costs, expenses and fees incurred by Lessee in connection with the construction, ownership, financing, improvement, operation, leasing, management, maintenance and repair of the Premises and/or horizontal improvements for the Premises (which cost, expenses and fees shall be reasonably allocated to the Premises by Lessee (as so allocated, the "**Applicable Horizontal Expenditures**")) or required by any Leasehold Mortgage including, without limitation, a

management fee of 4% of all Rents, income taxes and repayment of advances made by the owners of Lessee or another lender to pay Expenditures in prior periods and all payments of debt service, preferred returns and equity contributions or repayments of member loans made to Lessee. Any payment or demand for return of an overpayment made to Lessor pursuant to this SECTION 40.1. shall be accompanied by a written statement setting forth in reasonable detail the manner in which Operating Cash Flow was calculated. Each such statement shall be conclusive and binding upon Lessor unless within one (1) year after receipt of such statement Lessor notifies Lessee in writing that Lessor disputes the correctness of such statement, specifying the particular respects in which the statement is claimed to be incorrect. Lessee shall grant to Lessor and to attorneys or independent certified public accountants retained by Lessor, but not on a contingency basis, at Lessor's sole cost and expense, access to Lessee's books and records upon reasonable notice during normal business hours for the purpose of verifying the amounts calculated and paid pursuant to this SECTION 40.1, and whether such payments were reasonable and proper. If, after audit, the Operating Cash Flow in question is determined to have been understated, Lessee shall pay any deficiency to Lessor, and, if the Operating Cash Flow in question is determined to have been overstated, Lessor shall pay any overpayment to Lessee. To assure that Lessor receives the appropriate payment of Operating Cash Flow as set forth in this SECTION, Lessee shall not distribute any Operating Cash Flow unless and until the Lessor receives payment in an amount proportional to the amount of any Operating Cash Flow received by Lessee, provided, the foregoing shall not prevent Lessee or its affiliates from making payments of any Expenditures.

40.2 In addition, upon a refinance of the initial construction loan or a sale of the leasehold interest in the Premises, Lessee shall pay to Lessor an amount equal to TEN PERCENT (10%) of the Refinancing Proceeds (defined below) or Sales Proceeds (defined below), as applicable. For purposes hereof, (i) "**Refinancing Proceeds**" means the actual amount of cash proceeds derived from the refinancing of a construction mortgage with respect to the Premises, less the following to the extent paid or reimbursed from such cash proceeds (A) the cost and expense of the refinancing including, without limitation, commissions and attorneys' fees and costs; (B) all principal, interest, preferred returns or other payments to lenders on the mortgage or other indebtedness of Lessee related to the Premises including, without limitation, loans or advances made by affiliates of Lessee, including member loans to Lessee, (C) all other Expenditures made from such cash proceeds; (D) the cost of any improvements to the Premises and the Applicable Horizontal Expenditures; and (E) such deposits to cash reserves as Lessee determines are required to pay anticipated Expenditures or liabilities and otherwise satisfy obligations related to the Premises or any mortgage including, without limitation, contingent liabilities; and (ii) "**Sale Proceeds**" means the actual amount of cash proceeds derived from the sale or other disposition of all or any part of the leasehold interest in the Premises, less the following to the extent paid or reimbursed from such cash proceeds: (A) the cost and expense incurred in connection with the sale or other disposition of the leasehold interest in the Premises, including, without limitation, commissions and attorneys' fees and costs; (B) all principal, interest, preferred interests or other payments to lenders on indebtedness related to the Premises including, without limitation, loans or advances made by affiliates of Lessee, including member loans to Lessee; (C) all other Expenditures made from such cash proceeds; (D) the cost of any improvements to the Premises and the Applicable Horizontal Expenditures; and (E) such deposits to cash reserves as Lessee determines are required to pay anticipated Expenditures or liabilities and otherwise satisfy obligations related to the Premises or any mortgage including, without limitation, contingent liabilities. To assure that Lessor receives the appropriate payment of Refinancing Proceeds and Sales Proceeds as set forth in this SECTION, Lessee shall not distribute any Refinancing Proceeds or Sales Proceeds unless and until the Lessor receives payment in an amount proportional to the amount of any Refinancing Proceeds or Sales Proceeds received by Lessee, provided, the foregoing shall not prevent Lessee or its affiliates from making payments of any Expenditures.

40.3 The obligations under this Section 40 are personal to the Lessee named herein (or any affiliate to which Lessee transfers this Lease). Without limiting the generality of the foregoing, upon the sale of the leasehold interest in the Premises at or above fair market value as reasonably determined by Lessee to a party that is not an affiliate of Lessee and the payment by Lessee to Lessor of TEN PERCENT (10%) of the Sales Proceeds, or the sale at or a foreclosure or delivery of a deed in lieu of foreclosure or other Enforcement

Action, the provisions of SECTIONS 40.1 and 40.2 automatically shall terminate and be of no further force and effect.

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 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.

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 by persons with full and complete authority to bind the Party.

41.5 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 reasonable attorneys' fees and all 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 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.

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

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

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.

43. DECLARATIONS.

43.1 Subordination. The Premises are subject and subordinate to (a) that certain Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East dated [_____, 2025] and recorded on [_____, 2025] in the Official Records of Maricopa County, Arizona as Instrument No. 2025-_____ ("**Gateway East Declaration**") and (b) the Declaration of Reciprocal Access and Parking Easements dated [_____, 2025] and recorded on [_____, 2025] in the Official Records of Maricopa County, Arizona as Instrument No. 2025-_____ ("**Parking Declaration**"). Lessee hereby agrees to fulfill and comply with the duties and obligations (i) of a "Lessee" and an "Occupant" as defined under the Gateway East Declaration with respect to the Premises and (ii) of a "Lessee" as defined under the Parking Declaration with respect to the Premises.

43.2 Assessments and other Obligations. Lessee shall pay its "Common Expense Share" of "Common Expenses" as defined in and set forth in the Gateway East Declaration. Such payment obligation shall constitute "additional rent" under this Lease. Lessee shall fulfil any other obligations it may have as a "Occupant" in accordance with the Gateway East Declaration with respect to the Premises.

44. 49 CFR PART 23.

Lessee plans that all hotel operations will be conducted by an Approved Subtenant pursuant to an Approved Sublease. In the event the Approved Sublease expires or terminates, Lessee acknowledges that if Lessee conducts any hotel operations pursuant to this Lease, the requirements of 49 CFR Part 23, regulations of the U.S. Department of Transportation, applies to such hotel operations and this Lease. As of the Effective Date, Lessor's overall program goal for ACDBE participation is .03 percent (.03%). If applicable to the Lease, and to the extent required by applicable law, (i) Lessee agrees to make outreach efforts (as defined in 49 CFR Part 23) to carry out this policy through award of subcontracts to disadvantaged business enterprises and other small businesses to the fullest extent practicable and/or the utilization of ACDBE and other small business suppliers where feasible, and (ii) Lessee will maintain such records and submit such reports in connection with ACDBE participation as reasonably required by Lessor consistent with other similarly-situated Airport ACDBE program participants.

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:

MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By:_____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

_____

LESSEE:

BOYER GATEWAY EAST MESA HOTEL 1, L.C., a Utah limited liability company

By: The Boyer Company, L.C., a Utah limited liability company, its Manager

By: _____
Name: _____
Its: Manager

STATE OF UTAH)
) ss.
County of Salt Lake)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 202_, by _____ in his capacity as Manager of The Boyer Company, L.C., a Utah limited liability company, the Manager of Boyer Gateway East Mesa Hotel 1, L.C., a Utah limited liability company, for and on behalf of said limited liability company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A

LEGAL DESCRIPTION AND DEPICTION OF THE PREMISES

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 201

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 222.97 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 440.45 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 74.00 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 31.04 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 214.12 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 32.00 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 60.08 FEET;

THENCE NORTH 82 DEGREES 37 MINUTES 17 SECONDS WEST, A DISTANCE OF 23.20 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF AVIATION WAY;

THENCE UPON AND WITH SAID EASTERLY RIGHT OF WAY LINE, NORTH 07 DEGREES 22 MINUTES 43 SECONDS EAST, A DISTANCE OF 98.98 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, BEING CONCAVE TO THE WEST, WHOSE RADIUS BEARS NORTH 81 DEGREES 37 MINUTES 35 SECONDS WEST, A DISTANCE OF 1217.32 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 45 MINUTES 45 SECONDS, A LENGTH OF 79.94 FEET;

THENCE NORTH 47 DEGREES 13 MINUTES 15 SECONDS EAST, A DISTANCE OF 21.89 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF TEXAS AVENUE;

THENCE ALONG SAID SOUTHERLY RIGHT OF WAY LINE LINE, SOUTH 89 DEGREES 38 MINUTES 14

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

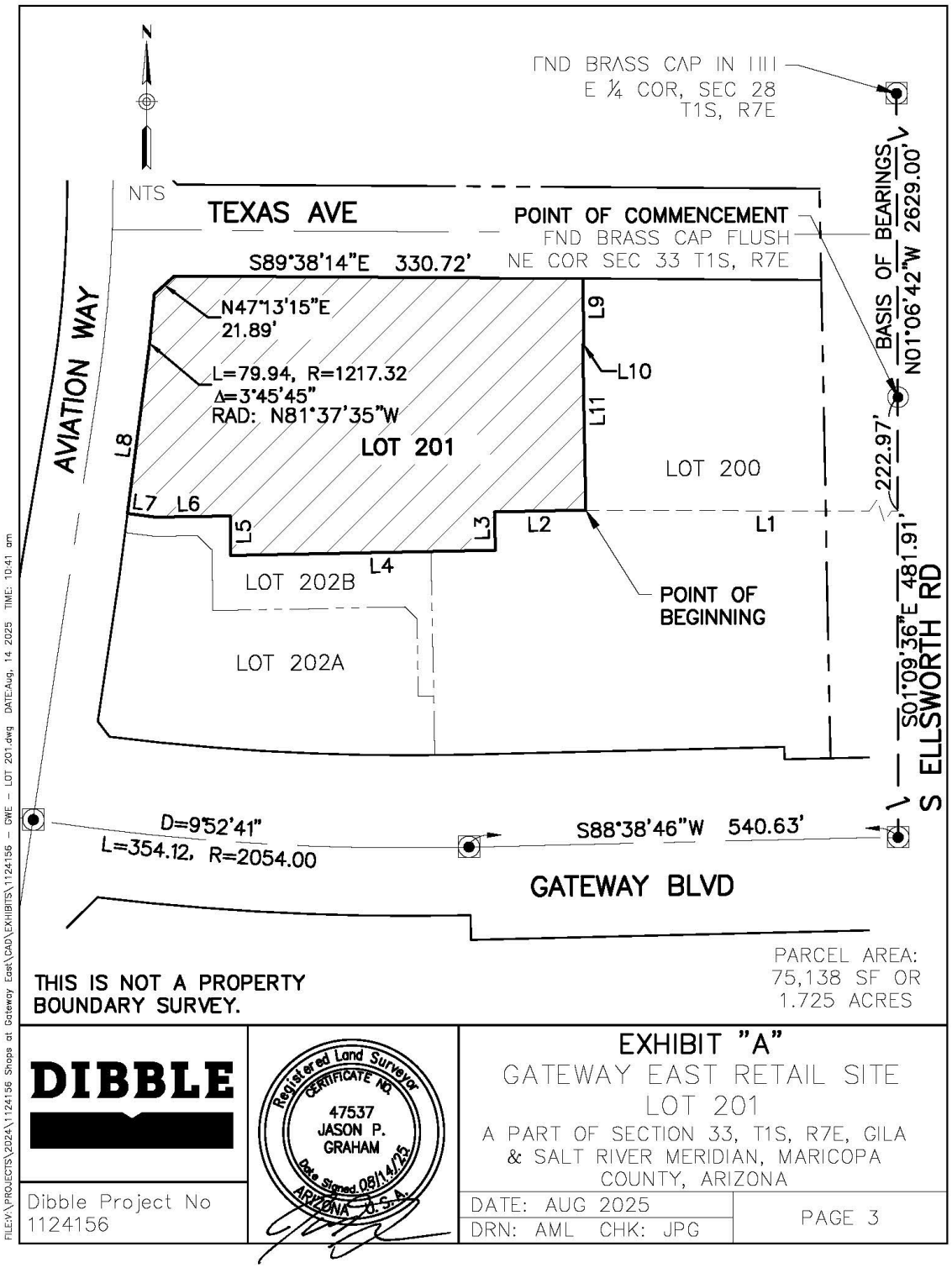
SECONDS EAST, A DISTANCE OF 330.72 FEET;

THENCE DEPARTING SAID SOUTHERLY RIGHT OF WAY LINE, SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 53.37 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 40 SECONDS WEST, A DISTANCE OF 1.00 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 134.19 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 75,138 SQUARE FEET OR 1.725 ACRES OF LAND, MORE OR LESS.




N
NTS
FND BRASS CAP IN HH
E ¼ COR, SEC 28
T1S, R7E
TEXAS AVE
POINT OF COMMENCEMENT
FND BRASS CAP FLUSH
NE COR SEC 33 T1S, R7E
BASIS OF BEARINGS
N01°06'42"W 2629.00'
S89°38'14"E 330.72'
AVIATION WAY
N47°13'15"E
21.89'
L=79.94, R=1217.32
Δ=3°45'45"
RAD: N81°37'35"W
L8
L9
L10
L11
LOT 201
LOT 200
222.97'
L7
L6
L5
L3
L2
L1
L4
LOT 202B
POINT OF
BEGINNING
LOT 202A
S01°09'36"E 481.91'
S ELLSWORTH RD
D=9°52'41"
L=354.12, R=2054.00
S88°38'46"W 540.63'
GATEWAY BLVD
THIS IS NOT A PROPERTY
BOUNDARY SURVEY.
PARCEL AREA:
75,138 SF OR
1.725 ACRES
DIBBLE
Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.
EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 201
A PART OF SECTION 33, T1S, R7E, GILA
& SALT RIVER MERIDIAN, MARICOPA
COUNTY, ARIZONA
Dibble Project No
1124156
DATE: AUG 2025
DRN: AML CHK: JPG
PAGE 3
FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 – GWE – LOT 201.dwg DATE:Aug, 14 2025 TIME: 10:41 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N89°50'58"W	440.45'
L2	S88°53'28"W	74.00'
L3	S01°06'32"E	31.04'
L4	S88°53'28"W	214.12'
L5	N01°06'32"W	32.00'
L6	S88°53'28"W	60.08'
L7	N82°37'17"W	23.20'
L8	N07°22'43"E	98.98'
L9	S01°06'32"E	53.37'
L10	S88°53'40"W	1.00'
L11	S01°06'32"E	134.19'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor CERTIFICATE NO. 47537 JASON P. GRAHAM Date Signed 08/14/25 ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE LOT 201

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: AUG 2025

DRN: AML CHK: JPG

PAGE 4

FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 201.dwg DATE:Aug, 14 2025 TIME: 10:42 am

EXHIBIT B

AIRPORT RATES & CHARGES SCHEDULE

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

AIRPORT FEES, SERVICES AND RENTAL RATES SCHEDULE

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT C

PERMITTED EXCEPTIONS

A. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.

1. Taxes which may be assessed or levied subsequent to the effective date herein, and subsequent years.

2. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2025.

3. 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.

4. Water rights, claims or title to water, whether or not disclosed by the Public Records.

5. Matters shown on record of survey:

Recording No: Book 409 of Maps, page 13

6. 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

7. 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 August 6, 1999, in Recording No. 99-0746645.

8. Electric Facilities Location Survey for Williams Gateway Airport

Recording Date: October 13, 1999
Recording No.: Book 514 of Maps, page 11

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

Purpose: Overhead and underground power and appurtenant facilities
Recording Date: April 12, 2000
Recording No: 20000276837

10. A Notice

For: Map of Williams Gateway Airport Traffic Pattern Airspace
Recording Date: August 18, 2000
Recording No: 2000-0633846; and

Avigation Notice

Recording Date: April 27, 2017
Recording No.: 20170301390

Reference is hereby made to said documents for full particulars.

11. 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.

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

Purpose: Temporary construction
Recording Date: June 7, 2023
Recording No: 20230295697

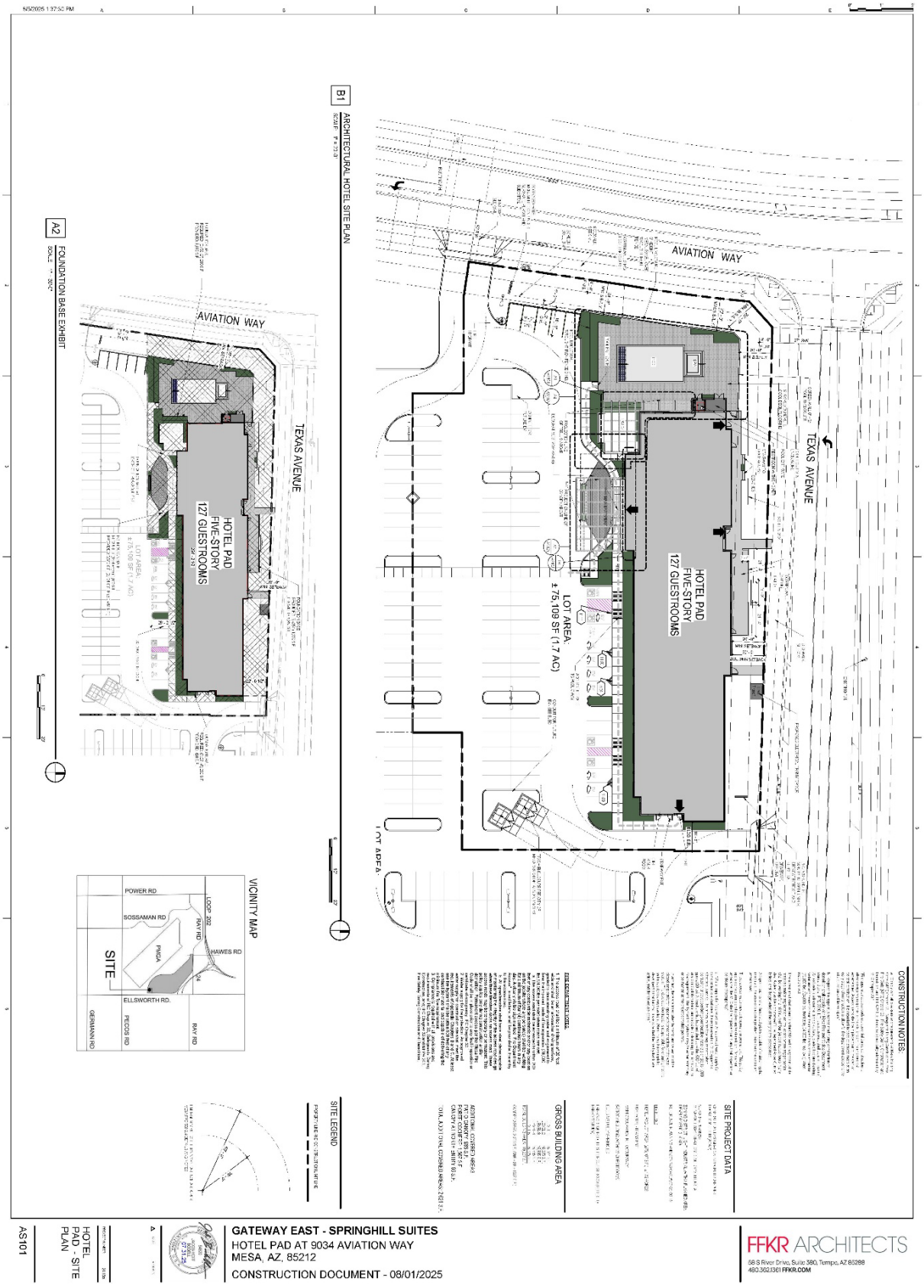
13. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

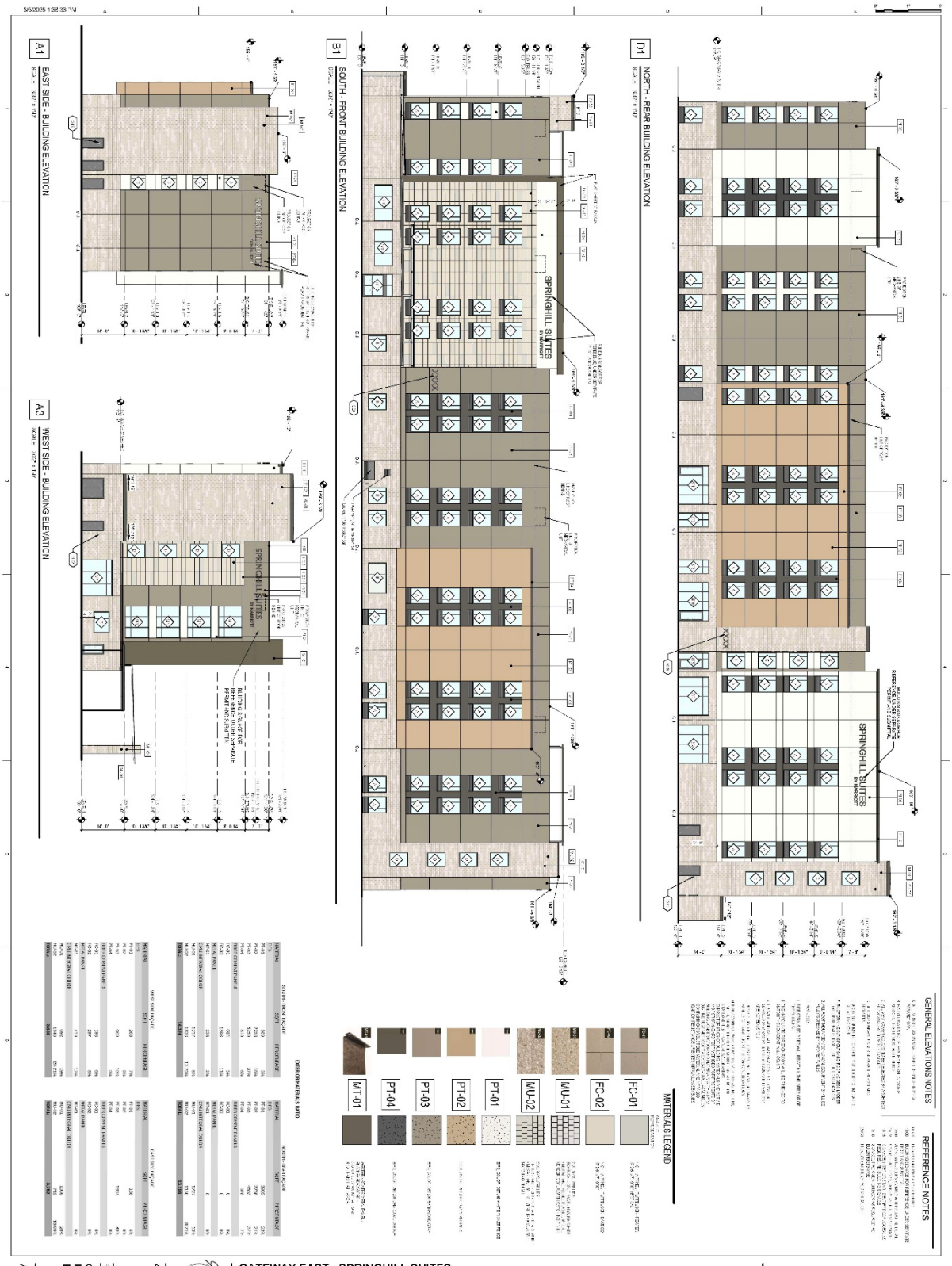
14. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the Public Records.

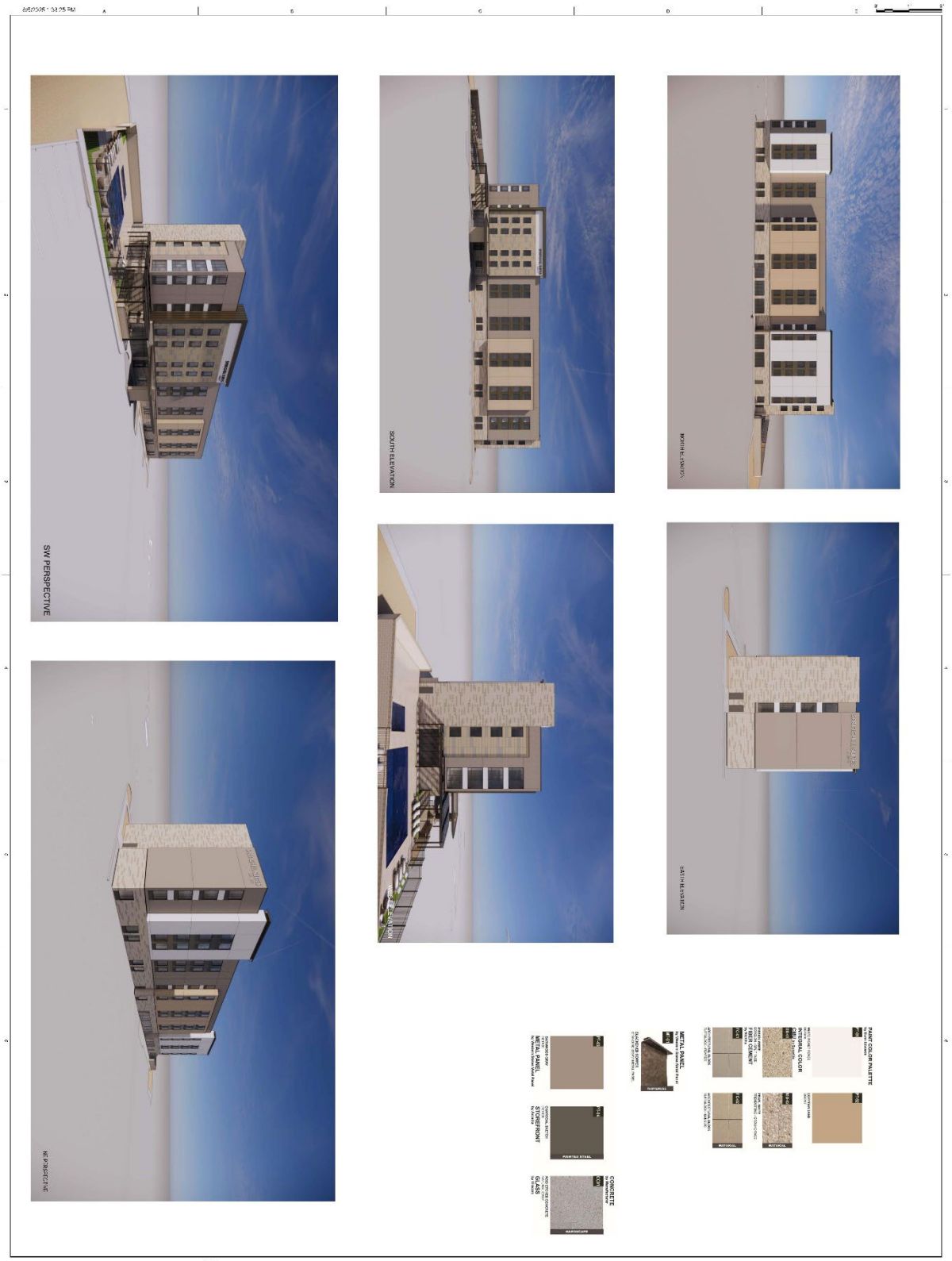
15. Any claims for construction liens that may be recorded by reason of a recent work of improvement under construction and/or completed at the date hereof.

EXHIBIT D

DEPICTION OF PROPOSED IMPROVEMENTS




A1
EAST SIDE - BUILDING ELEVATION
B1
SOUTH - FRONT BUILDING ELEVATION
D1
NORTH - REAR BUILDING ELEVATION
A3
WEST SIDE - BUILDING ELEVATION
SPRINGHILL SUITES
MATERIALS LEGEND
MT-01
PT-04
PT-03
PT-02
PT-01
MU-02
MU-01
FC-02
FC-01
GENERAL ELEVATIONS NOTES
REFERENCE NOTES
GATEWAY EAST - SPRINGHILL SUITES
HOTEL PAD AT 9034 AVIATION WAY
MESA, AZ, 85212
CONSTRUCTION DOCUMENT - 08/01/2025
FFKR ARCHITECTS
A210
OVERALL BUILDING ELEVS



A200

EXTERIOR BUILDING PERSPECTIVES

GATEWAY EAST - SPRINGHILL SUITES
HOTEL PAD AT 9034 AVIATION WAY
MESA, AZ, 85212
CONSTRUCTION DOCUMENT - 08/01/2025

FFKR ARCHITECTS
68 S River Drive, Suite 380, Tempe, AZ 85288
480.362.1361 FFKR.COM

EXHIBIT E

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_____ ("**Effective Date**"), by and between **MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), whose mailing address is Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and _____ ("**Lessee**"), whose mailing address is _____.

1. Lease and Premises. Lessor and Lessee entered into that certain Development Lease dated _____, 20_____ ("**Lease**"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "**Premises**"). Subject to the covenants and conditions contained in the Lease, Lessor has leased to Lessee, and Lessee has leased from Lessor, the Premises.

2. Term. The term of the Lease commenced on _____, 20__, and expires on _____, unless earlier terminated pursuant to the terms of the Lease.

3. Use. Lessee may use and occupy the Premises for the development, construction and operation of a hotel, including, without limitation, for a Springhill Suites Hotel, and other uses related thereto to the extent approved by Lessor, and for no other use.

4. No Modification. This Memorandum shall not, under any circumstances, be deemed to modify or change any provisions of the Lease, the provisions of which shall in all instances prevail.

5. Counterparts. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(*Signatures appear on the following page.*)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LESSOR:

MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By:_____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

LESSEE:

BOYER GATEWAY EAST MESA HOTEL 1, L.C., a Utah limited liability company

By: The Boyer Company, L.C., a Utah limited liability company, its Manager

By: _____
Name: _____
Its: Manager

STATE OF UTAH)
) ss.
County of Salt Lake)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 202_, by _____ in his capacity as Manager of The Boyer Company, L.C., a Utah limited liability company, the Manager of Boyer Gateway East Mesa Hotel 1, L.C., a Utah limited liability company, for and on behalf of said limited liability company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 201

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 222.97 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 440.45 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 74.00 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 31.04 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 214.12 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 32.00 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 60.08 FEET;

THENCE NORTH 82 DEGREES 37 MINUTES 17 SECONDS WEST, A DISTANCE OF 23.20 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF AVIATION WAY;

THENCE UPON AND WITH SAID EASTERLY RIGHT OF WAY LINE, NORTH 07 DEGREES 22 MINUTES 43 SECONDS EAST, A DISTANCE OF 98.98 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, BEING CONCAVE TO THE WEST, WHOSE RADIUS BEARS NORTH 81 DEGREES 37 MINUTES 35 SECONDS WEST, A DISTANCE OF 1217.32 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 45 MINUTES 45 SECONDS, A LENGTH OF 79.94 FEET;

THENCE NORTH 47 DEGREES 13 MINUTES 15 SECONDS EAST, A DISTANCE OF 21.89 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF TEXAS AVENUE;

THENCE ALONG SAID SOUTHERLY RIGHT OF WAY LINE LINE, SOUTH 89 DEGREES 38 MINUTES 14

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

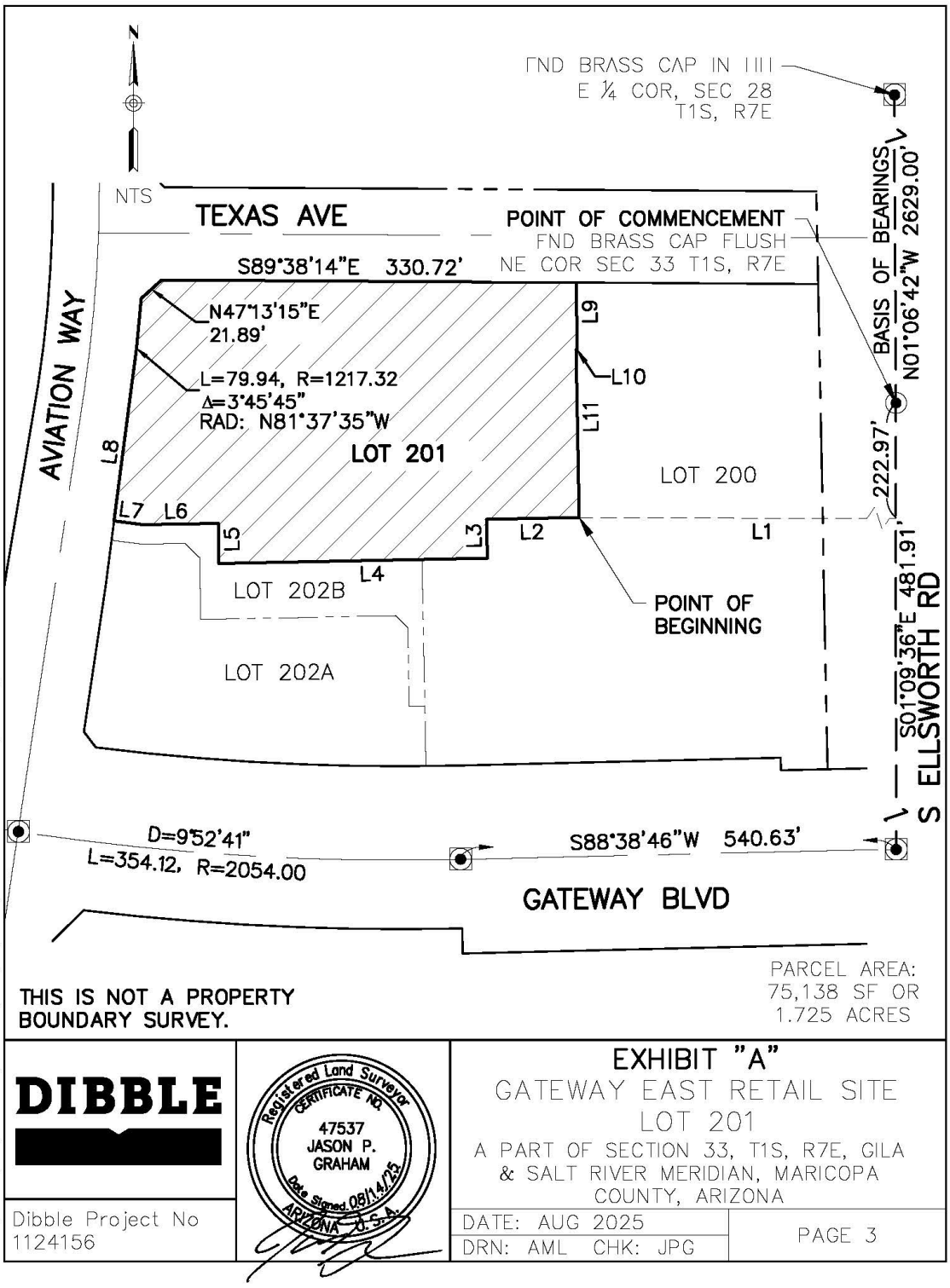
SECONDS EAST, A DISTANCE OF 330.72 FEET;

THENCE DEPARTING SAID SOUTHERLY RIGHT OF WAY LINE, SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 53.37 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 40 SECONDS WEST, A DISTANCE OF 1.00 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 134.19 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 75,138 SQUARE FEET OR 1.725 ACRES OF LAND, MORE OR LESS.




N
NTS
FND BRASS CAP IN HH
E ¼ COR, SEC 28
T1S, R7E
BASIS OF BEARINGS
N01°06'42"W 2629.00'
TEXAS AVE
POINT OF COMMENCEMENT
FND BRASS CAP FLUSH
NE COR SEC 33 T1S, R7E
S89°38'14"E 330.72'
AVIATION WAY
N47°13'15"E
21.89'
L=79.94, R=1217.32
Δ=3°45'45"
RAD: N81°37'35"W
L8
L9
L10
L11
LOT 201
LOT 200
222.97'
L7
L6
L5
L4
L3
L2
L1
LOT 202B
LOT 202A
POINT OF
BEGINNING
S01°09'36"E 481.91'
S ELLSWORTH RD
D=9°52'41"
L=354.12, R=2054.00
S88°38'46"W 540.63'
GATEWAY BLVD
THIS IS NOT A PROPERTY
BOUNDARY SURVEY.
PARCEL AREA:
75,138 SF OR
1.725 ACRES
DIBBLE
Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.
EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 201
A PART OF SECTION 33, T1S, R7E, GILA
& SALT RIVER MERIDIAN, MARICOPA
COUNTY, ARIZONA
Dibble Project No
1124156
DATE: AUG 2025
DRN: AML CHK: JPG
PAGE 3
FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 201.dwg DATE:Aug, 14 2025 TIME: 10:41 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N89°50'58"W	440.45'
L2	S88°53'28"W	74.00'
L3	S01°06'32"E	31.04'
L4	S88°53'28"W	214.12'
L5	N01°06'32"W	32.00'
L6	S88°53'28"W	60.08'
L7	N82°37'17"W	23.20'
L8	N07°22'43"E	98.98'
L9	S01°06'32"E	53.37'
L10	S88°53'40"W	1.00'
L11	S01°06'32"E	134.19'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P. GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 201

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 4

FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 201.dwg DATE:Aug, 14 2025 TIME: 10:42 am

EXHIBIT F

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 Premises is located

SECOND AMENDMENT TO MASTER LEASE AGREEMENT

THIS SECOND AMENDMENT TO MASTER LEASE AGREEMENT ("**Amendment 2**") is made as of the 1st day of October, 2025 by and between **MESA GATEWAY AIRPORT AUTHORITY**, formerly Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **BOYER GATEWAY EAST L.C.**, a Utah limited liability company ("**Lessee**").

RECITALS

A. Lessor and Lessee are parties to that certain Master Lease Agreement dated June 21, 2022 (as amended, "**Lease**"), which Lease as of the date hereof is amended or affected as shown on **SCHEDULE 1** attached hereto and incorporated herein, and which Lease covers certain property commonly known as Gateway East at the Mesa Gateway Airport, which property is more particularly described in the Lease, and referred to in the Lease and in this Amendment 2 as "**Property**."

B. The Parties desire to modify the Lease to, among other things, modify the boundaries for Phase I (as defined in the MDA), and therefore the Property, and to remove a Development Lot 201 from the Property in accordance with Section 2.1 of the Lease, as further set forth herein.

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Recitals. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. Property Adjustment. **EXHIBIT B** to the Lease is deleted in its entirety and the attached **EXHIBIT B** inserted in its place.

3. Declaration/Exhibit F. **EXHIBIT F** to the Lease is hereby deleted in its entirety. Section 42.1 of the Lease is hereby deleted in its entirety and replaced with the following:

> 42.1 Subordination. The Property shall be subject and subordinate to that certain Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East dated [_____, 2025] and recorded on [September ___, 2025] in the Official Records of Maricopa County, Arizona as Instrument No. 2025-_____ ("**Declaration**"). Lessee hereby agrees to fulfill and comply with its duties and obligations of a "Lessee" and an "Occupant" as defined under the Declaration.

4. Miscellaneous.

(a) Capitalized Terms/Definitions. 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.

(b) Continuing Effect. Except as specifically provided in this Amendment 2, 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 2, this Amendment 2 shall control.

(c) Authority. Each person executing this Amendment 2 on behalf of a Party represents and warrants that it has the full power, authority, and legal right to execute and deliver this Amendment 2 on behalf of such Party and that this Amendment 2 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 2, this Amendment 2 may be executed in one or more counterparts as may be convenient or required, and an executed copy of this Amendment 2 delivered electronically by e-mail shall have the effect of an original, executed instrument. All counterparts of this Amendment 2 shall collectively constitute a single instrument; but, in making proof of this Amendment 2 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 2.

[Remainder of Page Left Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment 2 as of the day and year first above written.

LESSOR:

MESA GATEWAY AIRPORT AUTHORITY, formerly 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: _____
Brian Gochnour, Manager

[Remainder of Page Left Intentionally Blank; Exhibit Follows]

EXHIBIT B

Depiction and Legal Description of Property

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST
BOUNDARY

A PARCEL OF LAND SITUATED IN A PART OF THE SOUTHEAST QUARTER OF SECTION 28 AND THE NORTHEAST QUARTER OF SECTION 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 SOUTHEAST CORNER OF SAID SECTION 28, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28, NORTH 89 DEGREES 38 MINUTES 14 SECONDS WEST, A DISTANCE OF 246.11 FEET TO THE POINT OF BEGINNING;

THENCE DEPARTING SAID SOUTH LINE, SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 416.28 FEET;

THENCE NORTH 88 DEGREES 38 MINUTES 46 SECONDS EAST, A DISTANCE OF 181.47 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 3.00 FEET;

THENCE SOUTH 43 DEGREES 44 MINUTES 15 SECONDS WEST, A DISTANCE OF 21.25 FEET;

THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 12.00 FEET;

THENCE SOUTH 01 DEGREES 10 MINUTES 16 SECONDS EAST, A DISTANCE OF 120.00 FEET;

THENCE NORTH 88 DEGREES 38 MINUTES 46 SECONDS EAST, A DISTANCE OF 12.00 FEET;

THENCE SOUTH 46 DEGREES 15 MINUTES 45 SECONDS EAST, A DISTANCE OF 14.12 FEET;

THENCE SOUTH 01 DEGREES 10 MINUTES 16 SECONDS EAST, A DISTANCE OF 8.00 FEET;

THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 470.37 FEET;

THENCE NORTH 01 DEGREES 21 MINUTES 14 SECONDS WEST, A DISTANCE OF 20.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, BEING CONCAVE TO THE NORTH, WHOSE RADIUS BEARS NORTH 01 DEGREES 21 MINUTES 14 SECONDS WEST, WITH A RADIUS OF 2117.00 FEET;

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08 DEGREES 06 MINUTES 51 SECONDS, AN ARC LENGTH OF 299.81 FEET;

THENCE SOUTH 45 DEGREES 11 MINUTES 35 SECONDS WEST, A DISTANCE OF 28.75 FEET;

THENCE NORTH 63 DEGREES 08 MINUTES 29 SECONDS WEST, A DISTANCE OF 8.43 FEET;

THENCE NORTH 81 DEGREES 41 MINUTES 35 SECONDS WEST, A DISTANCE OF 80.00 FEET;

THENCE SOUTH 71 DEGREES 00 MINUTES 40 SECONDS WEST, A DISTANCE OF 9.02 FEET;

THENCE NORTH 46 DEGREES 30 MINUTES 07 SECONDS WEST, A DISTANCE OF 7.97 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHEAST, WHOSE RADIUS BEARS NORTH 09 DEGREES 59 MINUTES 12 SECONDS EAST, WITH A RADIUS OF 2137.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15 DEGREES 13 MINUTES 08 SECONDS, AN ARC LENGTH OF 567.63 FEET;

THENCE NORTH 25 DEGREES 12 MINUTES 20 SECONDS EAST, A DISTANCE OF 20.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHEAST, WHOSE RADIUS BEARS NORTH 25 DEGREES 12 MINUTES 20 SECONDS EAST, WITH A RADIUS OF 2117.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 64 DEGREES 45 MINUTES 35 SECONDS, AN ARC LENGTH OF 2392.78 FEET;

THENCE NORTH 00 DEGREES 02 MINUTES 05 SECONDS WEST, A DISTANCE OF 395.69 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE WEST, WITH A RADIUS OF 1787.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05 DEGREES 23 MINUTES 29 SECONDS, AN ARC LENGTH OF 168.15 FEET;

THENCE NORTH 84 DEGREES 34 MINUTES 26 SECONDS EAST, A DISTANCE OF 126.00 FEET;

THENCE SOUTH 48 DEGREES 06 MINUTES 38 SECONDS EAST, A DISTANCE OF 5.39 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 943.05 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 52 SECONDS WEST, A DISTANCE OF 45.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 717.87 FEET;

THENCE SOUTH 01 DEGREES 34 MINUTES 46 SECONDS EAST, A DISTANCE OF 45.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 74.00 FEET;

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

THENCE NORTH 01 DEGREES 34 MINUTES 46 SECONDS WEST, A DISTANCE OF 55.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 327.27 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 52 SECONDS EAST, A DISTANCE OF 45.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 206.87 FEET;

THENCE SOUTH 01 DEGREES 43 MINUTES 56 SECONDS EAST, A DISTANCE OF 130.01 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 08 SECONDS WEST, A DISTANCE OF 245.51 FEET;

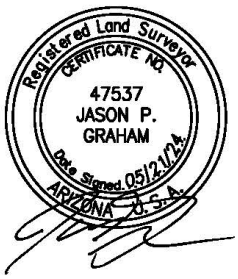
THENCE SOUTH 01 DEGREES 06 MINUTES 52 SECONDS EAST, A DISTANCE OF 45.00 FEET;

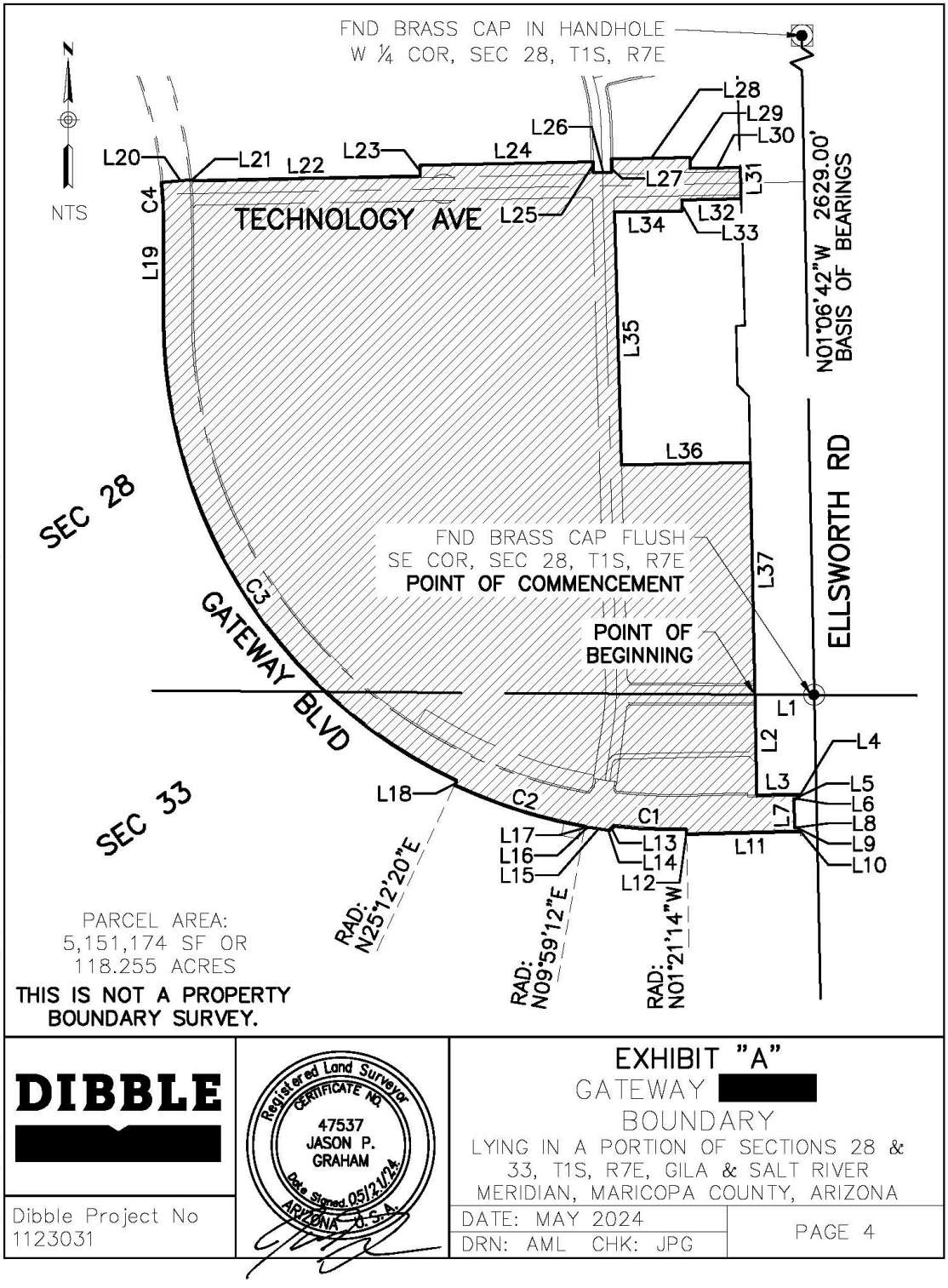
THENCE SOUTH 88 DEGREES 53 MINUTES 08 SECONDS WEST, A DISTANCE OF 280.25 FEET;

THENCE SOUTH 01 DEGREES 34 MINUTES 46 SECONDS EAST, A DISTANCE OF 1047.42 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 07 SECONDS EAST, A DISTANCE OF 533.99 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 960.41 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 5,151,174 SQUARE FEET OR 118.255 ACRES OF LAND, MORE OR LESS.





DIBBLE

[redacted]

Dibble Project No
1123031

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 05/21/24
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY [redacted]

BOUNDARY

LYING IN A PORTION OF SECTIONS 28 & 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: MAY 2024

DRN: AML CHK: JPG

PAGE 4

FILE:V:\PROJECTS\2023\1123031_PMGA XNRGY - Off-Sites\CAD\EXHIBITS\23031-Gateway Boundary.dwg DATE:May, 21 2024 TIME: 12:10 pm

LESS AND EXCEPT THE FOLLOWING (LOT 210):

A PARCEL OF LAND SITUATED IN A PART OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 28, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 28, BEARS SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 2628.85 FEET;

THENCE NORTH 89 DEGREES 35 MINUTES 36 SECONDS WEST, A DISTANCE OF 297.00 FEET TO THE START OF A CURVE;

THENCE UPON AND WITH SAID CURVE, HAVING A RADIUS OF 2000.00 FEET, THROUGH A CENTRAL ANGLE OF 16 DEGREES 23 MINUTES 33 SECONDS, A LENGTH OF 572.20 FEET, TO A POINT ON A NON-TANGENT CURVE, WITH A RADIAL BEARING OF SOUTH 73 DEGREES 59 MINUTES 44 SECONDS WEST;

THENCE UPON AND WITH SAID CURVE, HAVING A RADIUS OF 800.00 FEET, THROUGH A CENTRAL ANGLE OF 14 DEGREES 25 MINUTES 30 SECONDS, A LENGTH OF 201.41 FEET,

THENCE SOUTH 01 DEGREES 34 MINUTES 46 SECONDS EAST, A DISTANCE OF 286.76 FEET,

THENCE SOUTH 88 DEGREES, 25 MINUTES 14 SECONDS WEST, A DISTANCE OF 52.00 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 46 DEGREES 20 MINUTES 49 SECONDS EAST, A DISTANCE OF 21.30 FEET,

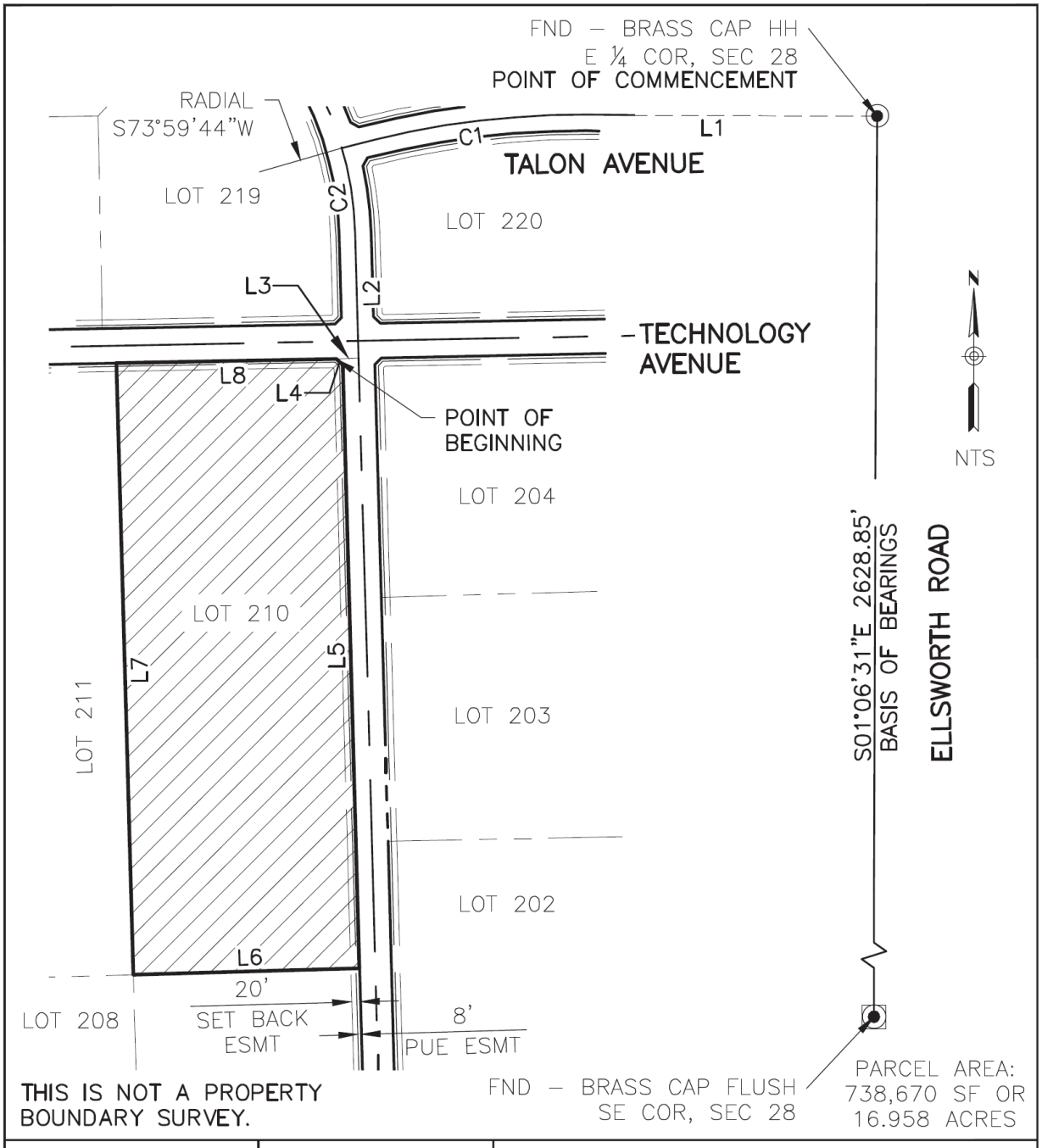
THENCE SOUTH 01 DEGREES 34 MINUTES 46 SECONDS EAST, A DISTANCE OF 1395.53 FEET,

THENCE SOUTH 88 DEGREES 25 MINUTES 14 SECONDS WEST, A DISTANCE OF 523.00 FEET,

THENCE NORTH 01 DEGREES 34 MINUTES 39 SECONDS WEST, A DISTANCE OF 1414.78 FEET,

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 507.97 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 738,670 SQUARE FEET OR 16.958 ACRES OF LAND, MORE OR LESS.





DIBBLE

Dibble Project No
1123031

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 09/08/23
ARIZONA U.S.A.

DEPICTION OF EXHIBIT "A"
LOT 210

A PART OF SECTION 28, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: SEP 2023
DRN: AML CHK: JPG

PAGE 2

4906-0870-9732

LESS AND EXCEPT THE FOLLOWING (LOT 201, REMOVED BY THIS AMENDMENT 2):

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 201

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 222.97 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 440.45 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 74.00 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 31.04 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 214.12 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 32.00 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 60.08 FEET;

THENCE NORTH 82 DEGREES 37 MINUTES 17 SECONDS WEST, A DISTANCE OF 23.20 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF AVIATION WAY;

THENCE UPON AND WITH SAID EASTERLY RIGHT OF WAY LINE, NORTH 07 DEGREES 22 MINUTES 43 SECONDS EAST, A DISTANCE OF 98.98 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, BEING CONCAVE TO THE WEST, WHOSE RADIUS BEARS NORTH 81 DEGREES 37 MINUTES 35 SECONDS WEST, A DISTANCE OF 1217.32 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 45 MINUTES 45 SECONDS, A LENGTH OF 79.94 FEET;

THENCE NORTH 47 DEGREES 13 MINUTES 15 SECONDS EAST, A DISTANCE OF 21.89 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF TEXAS AVENUE;

THENCE ALONG SAID SOUTHERLY RIGHT OF WAY LINE LINE, SOUTH 89 DEGREES 38 MINUTES 14

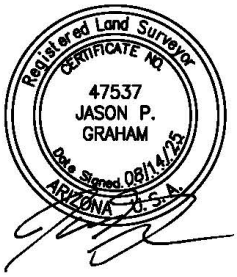
p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

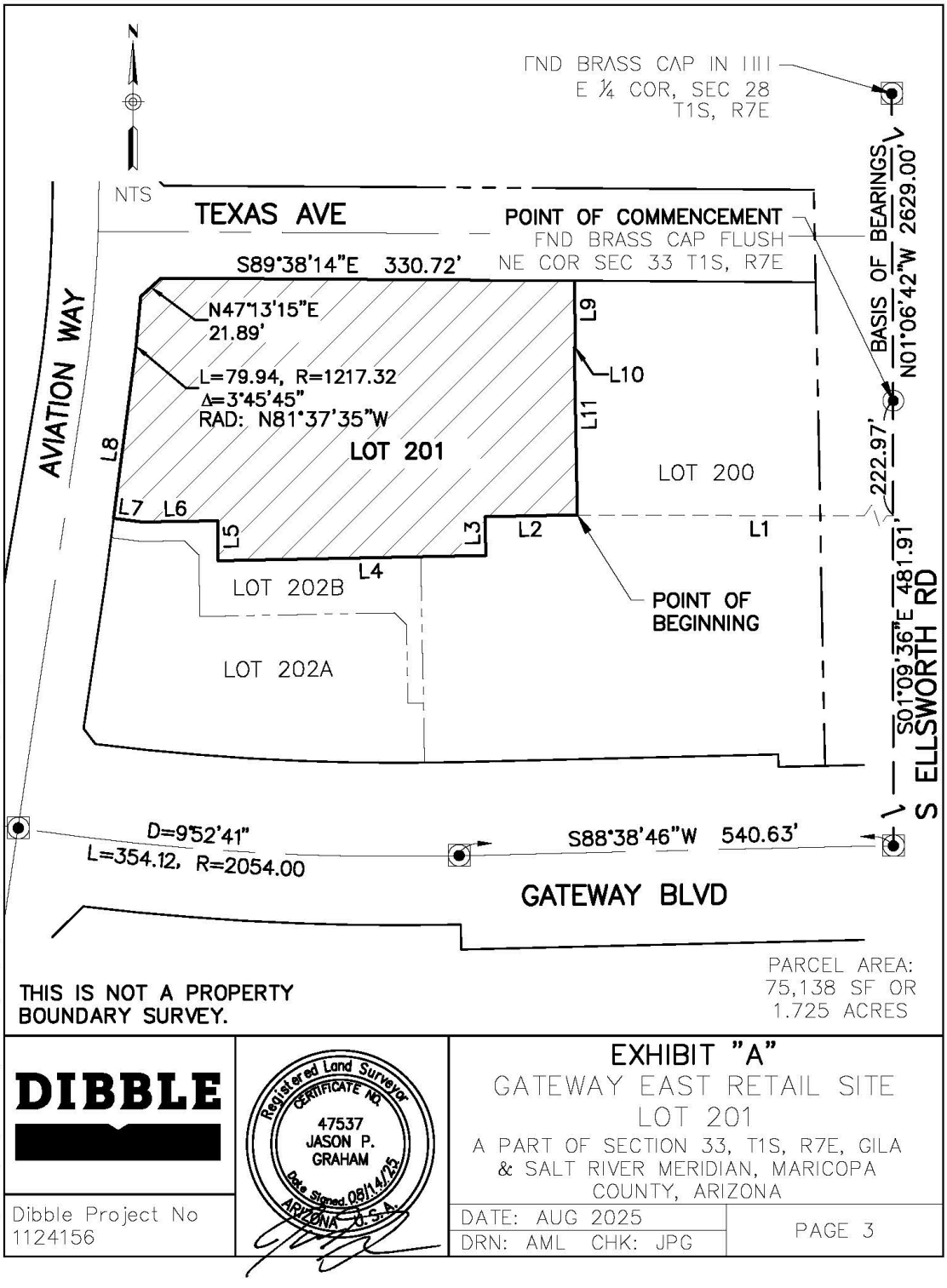
SECONDS EAST, A DISTANCE OF 330.72 FEET;

THENCE DEPARTING SAID SOUTHERLY RIGHT OF WAY LINE, SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 53.37 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 40 SECONDS WEST, A DISTANCE OF 1.00 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 134.19 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 75,138 SQUARE FEET OR 1.725 ACRES OF LAND, MORE OR LESS.





THIS IS NOT A PROPERTY BOUNDARY SURVEY.

PARCEL AREA:
75,138 SF OR
1.725 ACRES

DIBBLE

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 201

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

Dibble Project No
1124156

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 3

FILE:V:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 201.dwg DATE:Aug, 14 2025 TIME: 10:41 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N89°50'58"W	440.45'
L2	S88°53'28"W	74.00'
L3	S01°06'32"E	31.04'
L4	S88°53'28"W	214.12'
L5	N01°06'32"W	32.00'
L6	S88°53'28"W	60.08'
L7	N82°37'17"W	23.20'
L8	N07°22'43"E	98.98'
L9	S01°06'32"E	53.37'
L10	S88°53'40"W	1.00'
L11	S01°06'32"E	134.19'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 201

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 4

FILE:V:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 201.dwg DATE:Aug, 14 2025 TIME: 10:42 am

SCHEDULE 1

Master Lease Agreement Documents

1. Master Lease Agreement dated June 21, 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 ("PMGAA"), as "Lessor," and Boyer Gateway East L.C., a Utah limited liability company ("Boyer"), as "Lessee."

2. First Adjustment Amendment to Master Lease Agreement dated October 1, 2023, by and between PMGAA, as "Lessor," and Boyer, as "Lessee."

DECLARATION OF
RECIPROCAL ACCESS AND PARKING EASEMENTS
(Lots 201, 202, 203)

THIS DECLARATION OF RECIPROCAL ACCESS AND PARKING EASEMENTS (this "Declaration") is made as of the 28th day of August, 2025, by Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("MGAA"), whose address is 5835 S. Sossaman Road, Mesa, Arizona 85212.

RECITALS

A. MGAA is the owner and operator of the Mesa Gateway Airport in Maricopa County, Arizona.

B. MGAA is the fee simple owner of the land located in the City of Mesa, County of Maricopa, Arizona and more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference.

C. MGAA desires to establish and declare hereby a mutual reciprocal easement in favor of the Lots (as defined in Section 1 below), for the purpose of pedestrian and vehicular access, ingress, and egress and vehicular parking in, over, and under a portion of the Lots, in accordance with the terms and conditions set forth herein.

DECLARATION

NOW, THEREFORE, MGAA hereby declares as follows:

1. Definitions. As used in this Declaration, each of the following terms have the meaning indicated:

"Land" means land located in the City of Mesa, County of Maricopa, Arizona and more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference.

"Lessee" means any person or entity having a leasehold interest in a Lot pursuant to a lease between such lessee and MGAA.

"Lots" means development lots within the Land and shown on **Exhibit B**. "Lot" means any of the Lots.

"Vehicular and Pedestrian Areas" means all areas located on the Lots at the time concerned that are designed to be used for the parking of motor vehicles or for vehicular movement, including, without limitation, parking areas, roads, driveways, walkways, and pedestrian access thereto.

2. Creation of Easement. MGAA does hereby reserve, grant and declare a perpetual, nonexclusive reciprocal easement in, over, and under the Vehicular and Pedestrian Areas for the purpose of pedestrian and vehicular ingress and egress and vehicular parking ("**Access and Parking Easement**"). The Access and Parking Easement is created for the benefit of and may be used by the Lessees and their respective employees, customers, contractors, subtenants, agents, invitees, subtenants, successors and assigns ("**Permittees**").

3. Modifications of Vehicular and Pedestrian Areas. Once constructed, no Vehicular and Pedestrian Areas may be reconfigured so as to eliminate or substantially impair Access and Parking Easement in a manner that would cause any of the Lots to have access to (taking into account this Declaration) less than the number parking spaces required under applicable zoning ordinances, development codes or other municipal requirements for all buildings on such Lot.

4. Maintenance. Each Lessee is responsible, at its sole costs and expense, to maintain, inspect, repair and replace (if necessary), or cause to be to maintained, inspected, repaired and replaced (if necessary), the Vehicular and Pedestrian Areas on its Lot consistent with a Class A business park in the Phoenix-Metropolitan area. All maintenance must comply with the requirements of this Declaration and the applicable law then in effect, including all applicable procedures regarding safety and minimizing any inconvenience to the public. The foregoing must include keeping all improvements in a neat and clean condition and in good order, condition and repair, including without limitation the patching of pavement, resurfacing, sweeping and removing trash and debris, and maintaining any drainage system.

5. Barriers; Obstructions. Any fence, wall, or other barrier or structure of any kind on the Vehicular and Pedestrian Areas which would prevent, obstruct or impair the passage of pedestrian and vehicular traffic over and across the Vehicular and Pedestrian Areas to and from the Lots is prohibited.

6. Damage or Destruction.

6.1 *By Fire or Other Casualty*. If all or any part of the Vehicular and Pedestrian Areas is damaged or destroyed through casualty, the Lessee of each Lot must, at its expense, as soon as reasonably possible, rebuild and restore the same to substantially the same condition as existed prior to the damage or destruction concerned.

6.2 B*y Act of the Lessees or Permittees*. In the event any portion of the Vehicular and Pedestrian Areas, or any improvement located thereon, is damaged or destroyed by a willful or grossly negligent act of a Lessee or its Permittees, such Lessee will be responsible for the entire cost of repairing all damage resulting from such act.

7. No Public Dedication; Running of Benefits and Burdens; No Merger. The provisions of this Declaration are not intended to and do not constitute a dedication for public use of any portion of the Vehicular and Pedestrian Areas. All provisions of this Declaration, including the benefits and burdens, run with the land, and are binding upon and will inure to the benefit of the successors and assigns of MGAA. The common ownership of all or any portion of the Lots will not extinguish or merge the interests created under this Declaration at any time unless the then-current owner(s) of all the Lots, and each Lessee, records an instrument in the records of Maricopa County, Arizona terminating this Declaration.

8. Amendment and Termination. MGAA may amend, modify or revoke this Declaration at any time in its sole discretion, by recording in the office of the Recorder of Maricopa County, Arizona an instrument in writing reciting such revocation or amendment, and executed by MGAA and each Lessee.

9. Attorneys' Fees. In the event of any action to enforce the provisions of this instrument, the prevailing party will be entitled to receive reimbursement for reasonable costs and attorneys' fees, in an amount determined by the court and not by a jury.

10. Release on Transfer. On and after the date a Lessee transfers (other than merely for purposes of security) or is otherwise divested of such Lessee's interest in any Lot, such Lessee will be

relieved of all liabilities and obligations under this Declaration related to such Lot, except for such liabilities or obligations as may have accrued as of the date of such transfer or divestiture.

11. Applicable Law. This Declaration must be construed and interpreted under, and governed and enforced according to, the laws of the State of Arizona.

12. Headings and Counterparts. The headings of this Declaration are for purposes of reference only and will not limit or define the meaning of any provision of this Declaration. This Declaration may be executed in any number of counterparts, each of which will be an original but all of which will constitute one and the same instrument.

MGAA:

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

By:_____
Name: J. Brian O'Neill
Title: Executive Director/CEO

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by J. Brian O'Neill, as Executive Director/CEO of Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona, on behalf of the company.

_____
Notary Public

My Commission Expires:

_____

Exhibit A

Legal Description of the Land

Lots 200, 201, 202A and 202B as described below:

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 200

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 423.38 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 246.54 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF GATEWAY BOULEVARD, ALSO BEING THE POINT OF BEGINNING;

THENCE UPON AND WITH SAID NORTHERLY RIGHT OF WAY LINE, SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 37.20 FEET;

THENCE NORTH 01 DEGREES 21 MINUTES 14 SECONDS WEST, A DISTANCE OF 10.00 FEET;

THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 257.16 FEET TO THE BEGINNING OF A TANGENT CURVE, BEING CONCAVE TO THE NORTH, WITH A RADIUS OF 1979.00 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 44 MINUTES 51 SECONDS, A LENGTH OF 25.82 FEET;

THENCE DEPARTING THE AFORESAID NORTHERLY RIGHT OF WAY LINE, NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 164.83 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 52.14 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 31.04 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 74.00 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 134.19 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 40 SECONDS EAST, A DISTANCE OF 1.00 FEET;

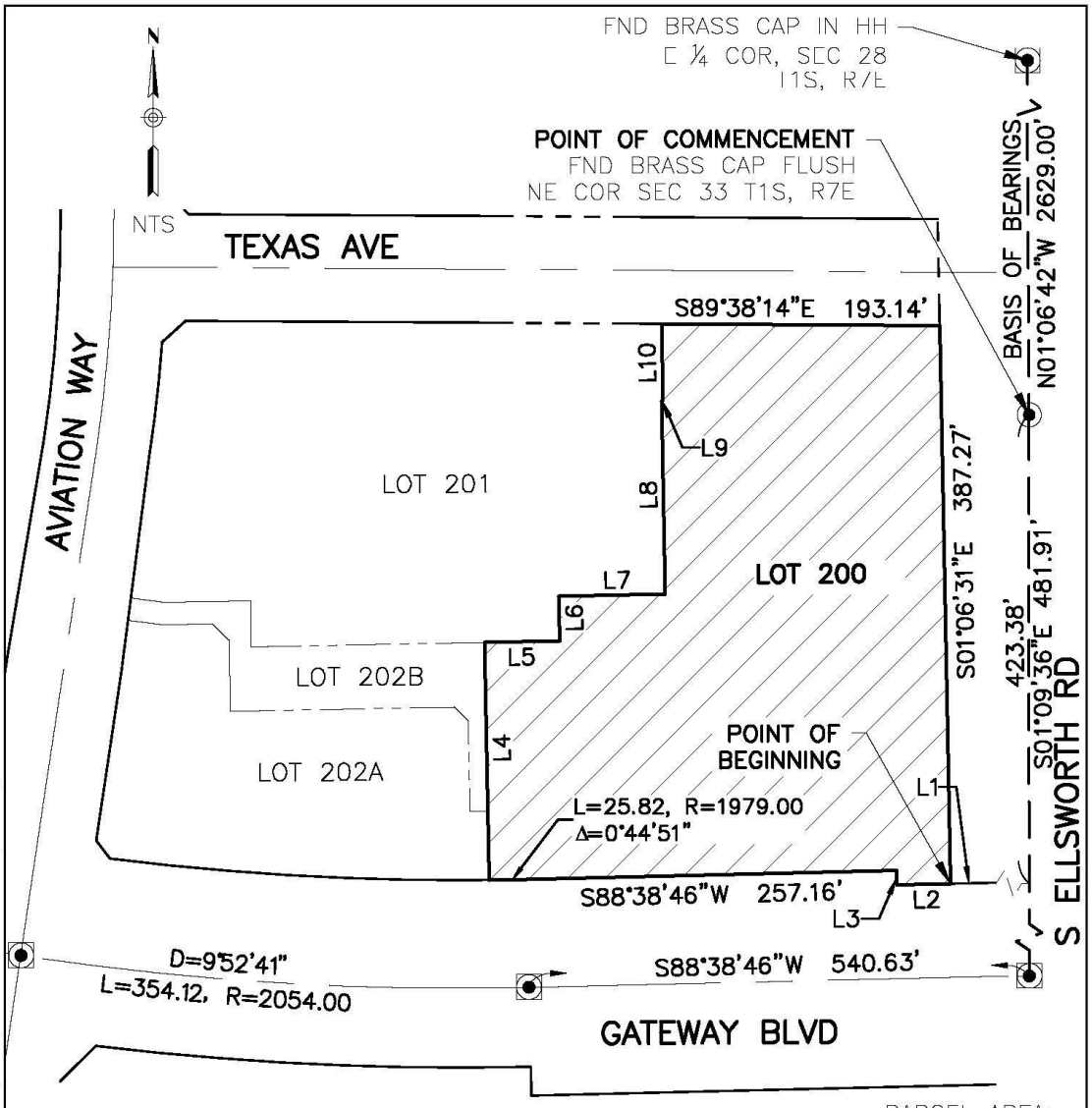
p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 53.37 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF TEXAS AVENUE;

THENCE UPON AND WITH SAID SOUTHERLY RIGHT OF WAY LINE, SOUTH 89 DEGREES 38 MINUTES 14 SECONDS EAST, A DISTANCE OF 193.14 FEET;

THENCE DEPARTING SAID SOUTHERLY RIGHT OF WAY LINE, SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 387.27 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 97,177 SQUARE FEET OR 2.231 ACRES OF LAND, MORE OR LESS.





THIS IS NOT A PROPERTY BOUNDARY SURVEY.

PARCEL AREA:
97,177 SF OR
2.231 ACRES

DIBBLE

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 200

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

Dibble Project No
1124156

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 3

FILE:V:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 200.dwg DATE:Aug, 14 2025 TIME: 10:04 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N89°50'58"W	246.54'
L2	S88°38'46"W	37.20'
L3	N01°21'14"W	10.00'
L4	N01°06'32"W	164.83'
L5	N88°53'28"E	52.14'
L6	N01°06'32"W	31.04'
L7	N88°53'28"E	74.00'
L8	N01°06'32"W	134.19'
L9	N88°53'40"E	1.00'
L10	N01°06'32"W	53.37'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P. GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 200

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 4

FILE:V:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 200.dwg DATE:Aug, 14 2025 TIME: 10:05 am

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 201

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 222.97 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 440.45 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 74.00 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 31.04 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 214.12 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 32.00 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 60.08 FEET;

THENCE NORTH 82 DEGREES 37 MINUTES 17 SECONDS WEST, A DISTANCE OF 23.20 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF AVIATION WAY;

THENCE UPON AND WITH SAID EASTERLY RIGHT OF WAY LINE, NORTH 07 DEGREES 22 MINUTES 43 SECONDS EAST, A DISTANCE OF 98.98 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, BEING CONCAVE TO THE WEST, WHOSE RADIUS BEARS NORTH 81 DEGREES 37 MINUTES 35 SECONDS WEST, A DISTANCE OF 1217.32 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 45 MINUTES 45 SECONDS, A LENGTH OF 79.94 FEET;

THENCE NORTH 47 DEGREES 13 MINUTES 15 SECONDS EAST, A DISTANCE OF 21.89 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF TEXAS AVENUE;

THENCE ALONG SAID SOUTHERLY RIGHT OF WAY LINE LINE, SOUTH 89 DEGREES 38 MINUTES 14

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

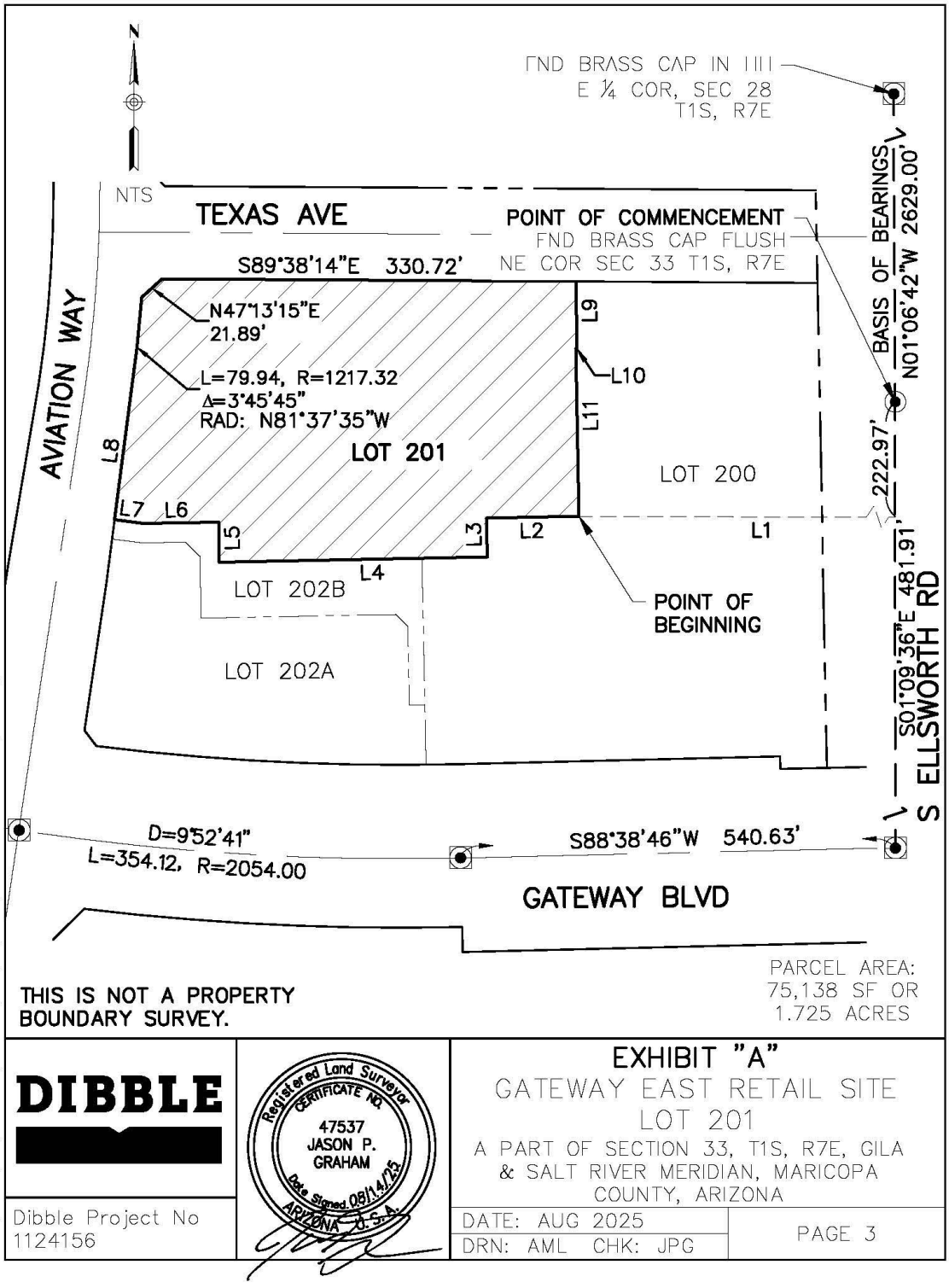
SECONDS EAST, A DISTANCE OF 330.72 FEET;

THENCE DEPARTING SAID SOUTHERLY RIGHT OF WAY LINE, SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 53.37 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 40 SECONDS WEST, A DISTANCE OF 1.00 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 134.19 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 75,138 SQUARE FEET OR 1.725 ACRES OF LAND, MORE OR LESS.





THIS IS NOT A PROPERTY BOUNDARY SURVEY.

PARCEL AREA:
75,138 SF OR
1.725 ACRES

DIBBLE

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 201

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

Dibble Project No
1124156

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 3

FILE:W:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 – DWE – LOT 201.dwg DATE:Aug, 14 2025 TIME: 10:41 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N89°50'58"W	440.45'
L2	S88°53'28"W	74.00'
L3	S01°06'32"E	31.04'
L4	S88°53'28"W	214.12'
L5	N01°06'32"W	32.00'
L6	S88°53'28"W	60.08'
L7	N82°37'17"W	23.20'
L8	N07°22'43"E	98.98'
L9	S01°06'32"E	53.37'
L10	S88°53'40"W	1.00'
L11	S01°06'32"E	134.19'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 201

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 4

FILE:W:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 – DWE – LOT 201.dwg DATE:Aug, 14 2025 TIME: 10:42 am

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 202A

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 373.75 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 566.79 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 47.87 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF GATEWAY BOULEVARD, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, BEING CONCAVE TO THE NORTH WHOSE RADIUS BEARS NORTH 00 DEGREES 36 MINUTES 22 SECONDS WEST, A DISTANCE OF 1979.00 FEET;

THENCE UPON AND WITH SAID NORTHERLY RIGHT OF WAY LINE, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 07 DEGREES 38 MINUTES 36 SECONDS, A LENGTH OF 264.00 FEET;

THENCE NORTH 37 DEGREES 15 MINUTES 08 SECONDS WEST, A DISTANCE OF 15.86 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF AVIATION WAY;

THENCE UPON AND WITH SAID EASTERLY RIGHT OF WAY LINE, NORTH 08 DEGREES 31 MINUTES 28 SECONDS EAST, A DISTANCE OF 118.74 FEET;

THENCE NORTH 07 DEGREES 22 MINUTES 43 SECONDS EAST, A DISTANCE OF 35.54 FEET;

THENCE DEPARTING THE AFORESAID EASTERLY RIGHT OF WAY LINE, SOUTH 82 DEGREES 37 MINUTES 17 SECONDS EAST, A DISTANCE OF 24.35 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 34.23 FEET;

THENCE SOUTH 46 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 16.26 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 49.46 FEET;

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

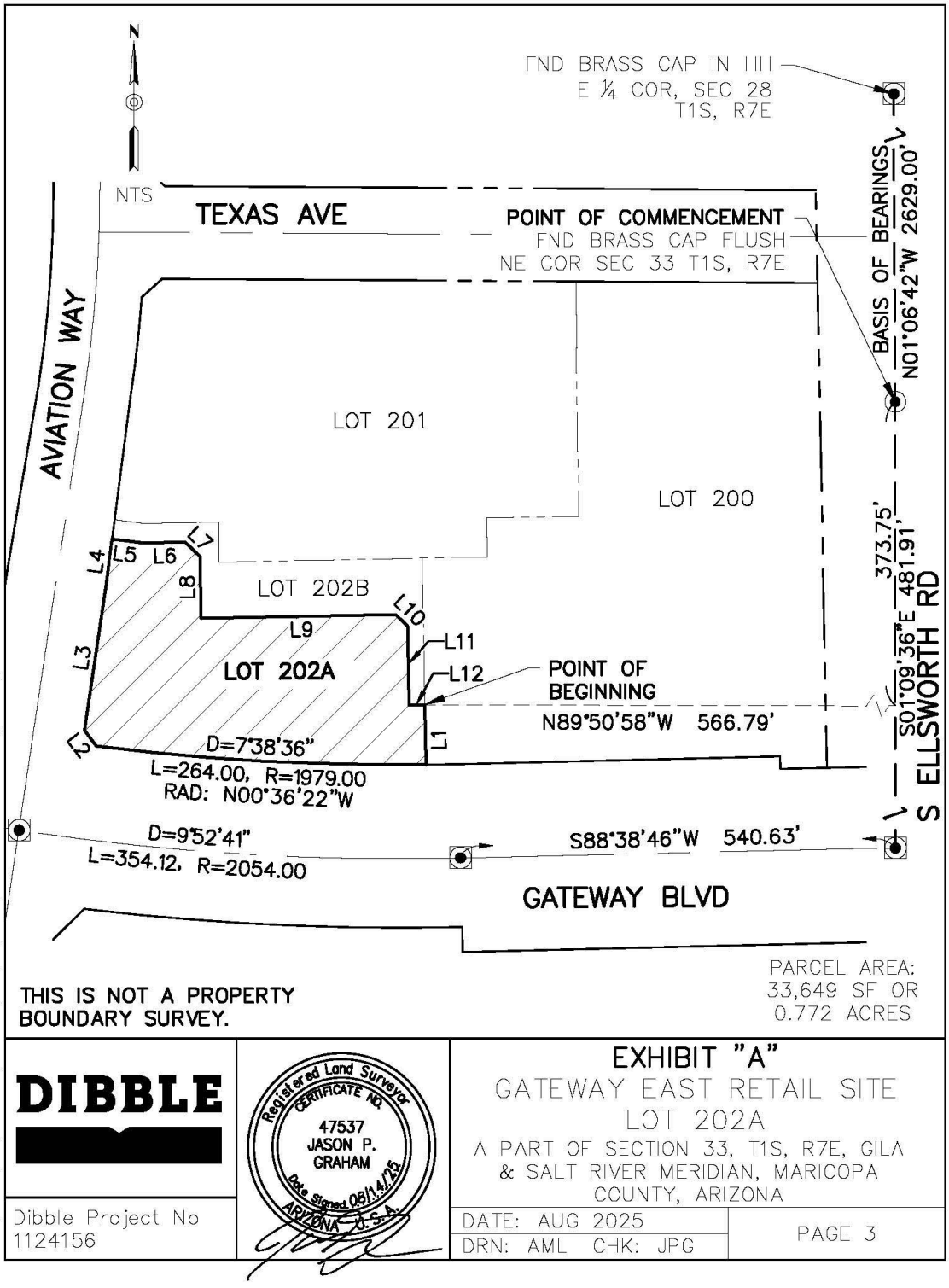
THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 155.48 FEET;

THENCE SOUTH 46 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 13.44 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 63.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 29 SECONDS EAST, A DISTANCE OF 12.50 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 33,649 SQUARE FEET OR 0.772 ACRES OF LAND, MORE OR LESS.





FILE:W:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 – DWE – LOT 202A.dwg DATE:Aug, 14 2025 TIME: 09:30 am

DIBBLE

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 202A

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

Dibble Project No
1124156

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 3

4897-8540-5273

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	S01°06'32"E	47.87'
L2	N37°15'08"W	15.86'
L3	N08°31'28"E	118.74'
L4	N07°22'43"E	35.54'
L5	S82°37'17"E	24.35'
L6	N88°53'28"E	34.23'
L7	S46°06'32"E	16.26'
L8	S01°06'32"E	49.46'
L9	N88°53'28"E	155.48'
L10	S46°06'32"E	13.44'
L11	S01°06'32"E	63.00'
L12	N88°53'29"E	12.50'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 202A

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 4

FILE:W:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 – DWE – LOT 202A.dwg DATE:Aug, 14 2025 TIME: 09:30 am

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 202B

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 256.79 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 566.66 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 116.96 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 29 SECONDS WEST, A DISTANCE OF 12.50 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 63.00 FEET;

THENCE NORTH 46 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 13.44 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 155.48 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 49.46 FEET;

THENCE NORTH 46 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 16.26 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 34.23 FEET;

THENCE NORTH 82 DEGREES 37 MINUTES 17 SECONDS WEST, A DISTANCE OF 24.35 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF AVIATION WAY;

THENCE UPON AND WITH SAID EASTERLY RIGHT OF WAY LINE, NORTH 07 DEGREES 22 MINUTES 43 SECONDS EAST, A DISTANCE OF 15.50 FEET;

THENCE DEPARTING SAID EASTERLY RIGHT OF WAY LINE, SOUTH 82 DEGREES 37 MINUTES 17 SECONDS EAST, A DISTANCE OF 23.20 FEET;

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

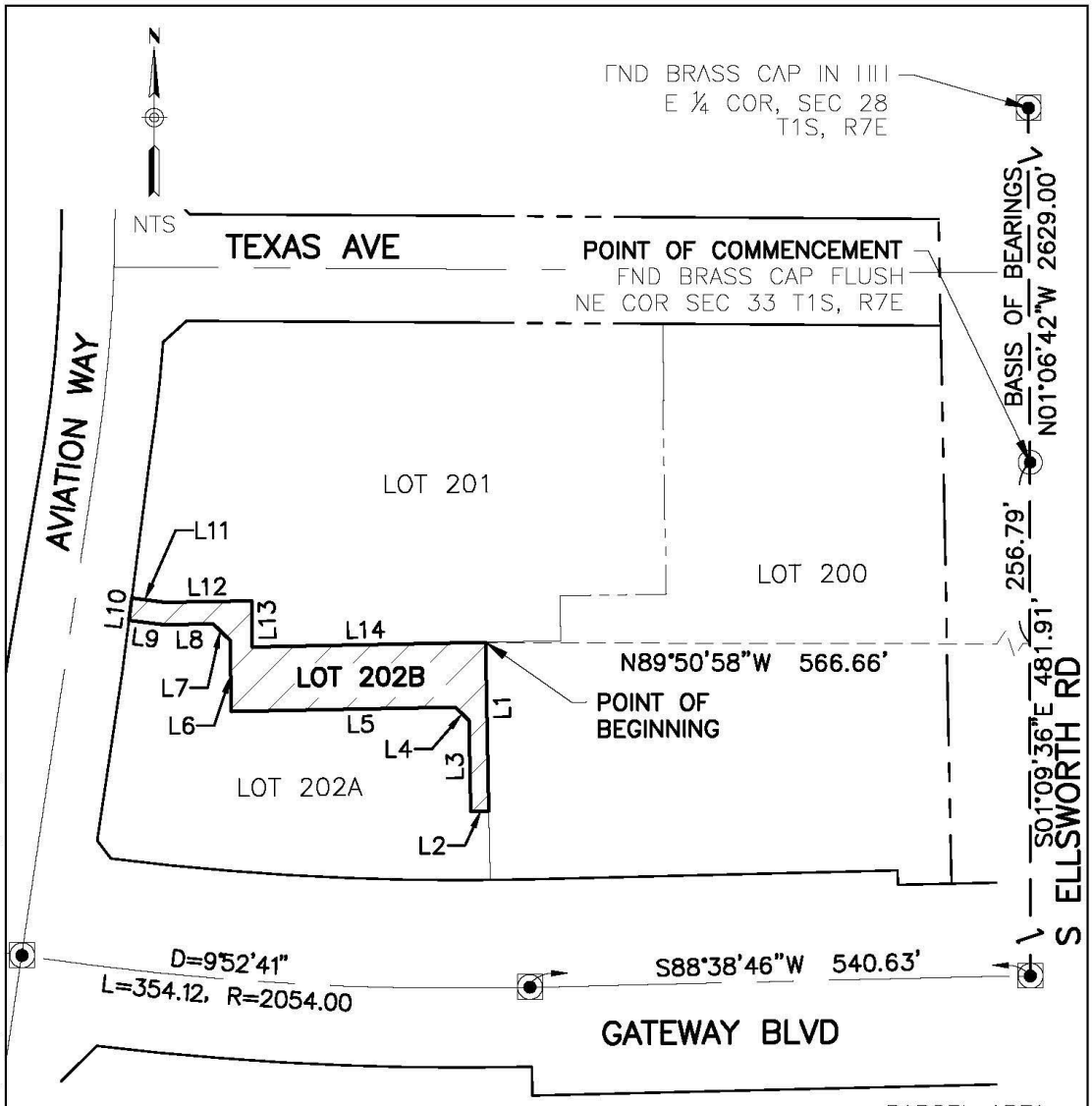
THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 60.08 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 32.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 161.98 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 10,473 SQUARE FEET OR 0.240 ACRES OF LAND, MORE OR LESS.



4897-8540-5273



THIS IS NOT A PROPERTY BOUNDARY SURVEY.

PARCEL AREA:
10,473 SF OR
0.240 ACRES

DIBBLE

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

Dibble Project No
1124156

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 202B

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 3

FILE:W:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 – DWE – LOT 202B.dwg DATE:Aug, 14 2025 TIME: 09:54 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	S01°06'32"E	116.96'
L2	S88°53'29"W	12.50'
L3	N01°06'32"W	63.00'
L4	N46°06'32"W	13.44'
L5	S88°53'28"W	155.48'
L6	N01°06'32"W	49.46'
L7	N46°06'32"W	16.26'
L8	S88°53'28"W	34.23'
L9	N82°37'17"W	24.35'
L10	N07°22'43"E	15.50'
L11	S82°37'17"E	23.20'
L12	N88°53'28"E	60.08'
L13	S01°06'32"E	32.00'
L14	N88°53'28"E	161.98'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 08/14/25
ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY EAST RETAIL SITE
LOT 202B

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

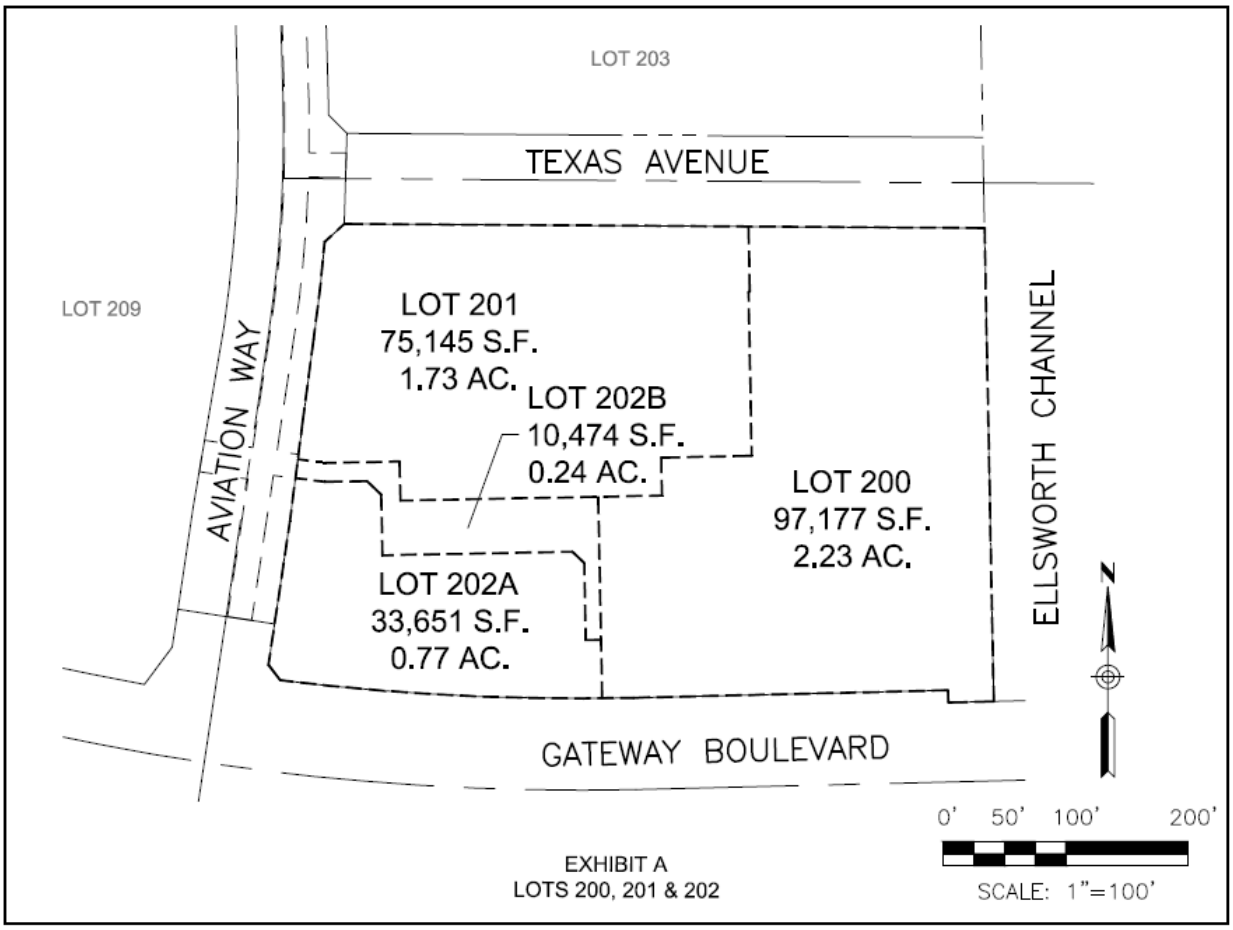
DATE: AUG 2025
DRN: AML CHK: JPG

PAGE 4

FILE:W:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 – DWE – LOT 202B.dwg DATE:Aug, 14 2025 TIME: 09:54 am

Exhibit B

Depiction of the Lots



FILE:H:\2024\1124156 PMGA_Shops at Gateway East\CAD\Exhibit\Boyer Exhibits\EXBT-A Lots.dwg DATE:8/14/2025)

DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

for

GATEWAY EAST

Dated as of August 28, 2025

TABLE OF CONTENTS
(continued)

Page

1. DEFINITIONS 1

2. PROPERTY BOUND. 5

2.1 General Declaration 5
2.2 Declarant's Disclaimer of Representations 5

3. MANAGER. 5

3.1 Appointment of Manager 5
3.2 Professional Management Company 6
3.3 Indemnification 6

4. IMPROVEMENTS. 6

4.1 Use 6
4.2 Improvements 7

5. COMMON AREA EASEMENTS. 7

5.1 Access Easement 7
5.2 Utility Easement 7
5.3 Common Areas 7
5.4 No Obstruction 7

6. MANAGER'S DUTIES REGARDING COMMON AREA AND GATEWAY EAST MAINTAINED IMPROVEMENTS. 8

6.1 Generally 8
6.2 Maintenance of Common Area 8
6.3 Maintenance of Gateway East Maintained Improvements 8
6.4 Insurance on Common Area 8
6.5 Damage of Common Area 9

7. COMMON EXPENSES. 9

7.1 Obligation to Pay Common Expense Share 9
7.2 Collection 9
7.3 Default 10
7.4 Certain Obligations and Rights 10

8. MORTGAGEE PROTECTION. 10

8.1 Obligations of Mortgagee 10
8.2 Notices; Right to Cure 10
8.3 Performance 11
8.4 Recognition 11

TABLE OF CONTENTS
(continued)

Page

9. ANNEXATION AND DE-ANNEXATION. 11

9.1 Annexation of Annexable Property 11
9.2 De-Annexation of Covered Property 11

10. COVENANTS TO RUN WITH LAND 12

11. AMENDMENT 12

12. ATTORNEYS' FEES 12

13. RELEASE ON TRANSFER 12

14. NO MERGER 12

15. FORCE MAJEURE 12

16. EFFECTIVE DATES AND DURATION 12

17. NOTICES 13

18. GENERAL PROVISIONS 13

DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
[Gateway East]

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS (**Declaration**") is made as of the 28th day of August, 2025, by Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("**Declarant**"), whose address is 5835 S. Sossaman Road, Mesa, Arizona 85212.

RECITALS

A. Declarant is the fee simple owner of the Land (as defined below).

B. Declarant desires and intends that the Development (as defined below) be operated as a first-class business park supporting a mix of uses to be called Gateway East and to impose upon the Development and all Lots (as defined below) from time to time created within the Development, mutual and beneficial restrictions, covenants, agreements, easements, conditions and charges as hereinafter set forth, under a general plan for the benefit of all of the Development.

DECLARATION

NOW, THEREFORE, the Declarant hereby declares, for and on behalf of itself, and all current and subsequent Lessees (as hereinafter defined), that the Lots and all portions thereof are now held and shall from and after the date hereof be acquired, held, encumbered, leased, used, occupied and improved subject to the following easements, covenants, conditions, restrictions, reservations, servitudes, assessments, liens, charges and development standards, all of which are declared to be in furtherance of a plan for the mutual and reciprocal benefit, common use and enjoyment, improvement and lease of the Lots and all portions thereof, and which are established for the purpose of enhancing and protecting the value of the Development as a whole, as follows:

1. Definitions. As used in this Declaration, each of the following terms shall have the meaning indicated:

"**Annexable Property**" shall mean any real property adjacent to the Development not yet annexed or made a portion of the Development in accordance with the provisions hereof.

"**Boyer**" shall mean Boyer Gateway East, L.C., a Utah limited liability company.

"**Buildings**" means all buildings located in the Development at any time that are intended for permanent use or occupancy, including the area directly below such buildings, all projections and extensions of, and additions to, such buildings and all areas used exclusively by the Lessee or Occupants of such buildings, including, without limitation, drive-through areas, trash enclosures, playgrounds and platforms, ramps, docks and signage affixed to the outside of such buildings. "**Building**" means any of the Buildings.

"**City**" means the City of Mesa, an Arizona municipal corporation.

"**Common Area**" means all property within the Development intended for the common use and enjoyment of all of the Lots, including, but not limited to, (a) the Common Landscape and Signage Areas, (b) the Common Vehicular and Pedestrian Areas, (c) the Common Utility Facilities and the Common Utility Easement Area, (d) any amenities which may now or hereafter be established by Declarant for the common use and enjoyment of all Lots, (e) all land or right-of-way easements within the Development which are dedicated to the public or to the City, but which the City or other governmental agency requires the Declarant to maintain; and (f) any other areas with respect to which the Declarant has assumed in writing administrative or maintenance responsibilities. Common Area shall not include public right of way (except to the extent covered by (e) or (f) above), or Lots.

"**Common Expense Percentage**" for any particular Lot is calculated as follows: (a) divide the total gross square footage of the Lot concerned by the total gross square footage of all Lots located in the Development; (b) multiply the resulting quotient by 100 and round to the third (3rd) decimal place; and (c) express the resulting product as a percentage. The Common Expense Percentages of the Lots shall be adjusted from time to time by written notice given by the Manager to each Lessee and Declarant as of the date on which one or more Lots are annexed to the Development.

"**Common Expense Share**" means the product obtained by multiplying the Common Expenses for the relevant period by the Common Expense Percentage for the Lot concerned.

"**Common Expenses**" means the following:

(a) reasonable costs, expenses, fees, charges and other amounts (including appropriate reasonable reserves) paid or incurred by the Manager in connection with the improvement (excluding the initial improvement and development), operation, management, maintenance, repair and replacement of the Common Area and the Gateway East Maintained Improvements and the performance of the Manager's duties and rights under Paragraphs 6 or 7 or any other provision of this Declaration, including, without limitation, all reasonable costs, expenses, fees and other amounts (including, without limitation, those that are properly capitalized under generally accepted accounting principles) relating to utilities, cleaning, sweeping, rubbish removal, landscaping, resurfacing, re-striping, replacing damaged or worn-out Improvements (including lighting and signage) located on the Common Area, taxes imposed on the Common Area, insurance, signage, licenses and permits, supplies, traffic regulation and control, security services, personnel (other than managerial personnel) necessary to perform any of the foregoing and depreciation allowance on any machinery or equipment owned by the Manager and used exclusively in connection with such matters;

(b) managerial, clerical and overhead costs, expenses, fees and other amounts, all of which shall be deemed to be equal to fifteen percent (15%) of the total of all other Common Expenses; and

(c) Common Expenses due but not paid to the Manager, which are determined by the Manager not to be legally or practicably recoverable after the Manager has exercised its commercially reasonable efforts to collect the same from the Lessee and has

determined that all reasonable remedies for collection have been exhausted, together with all interest on, and costs and attorneys' fees incurred in connection with, such unpaid Common Expenses; provided, however, that if such unpaid Common Expenses are later received by the Manager from or on behalf of the Lessee, any amounts previously paid by any other Lessees pursuant to the preceding portion of this sentence shall be refunded pro rata to such other Lessees.

"**Common Landscape and Signage Areas**" means any Landscaping installed by Declarant or Manager for the general benefit of the Development (and not for the benefit of just one Lot), and any monument or other signage advertising the entire Development (as distinguished from signage advertising particular Building(s) or its Occupant(s) in the Development). The Common Landscape and Signage Areas shall be used for the purposes set forth in Paragraph 5.3 and, subject to reimbursement in accordance with Paragraph 7, shall be maintained by the Manager pursuant to Paragraph 6. Declarant and Manager may, but are not obligated to, designate the Common Landscape and Signage Areas and/or additional or different Common Landscape and Signage Areas from time to time.

"**Common Utility Easement Area**" means the Common Vehicular and Pedestrian Areas together with all Improvements on such land, and any real property defined as an additional part of the Common Utility Easement Area from time to time. The Common Utility Easement Area shall be used for the purposes set forth in Paragraph 5.2 and, subject to reimbursement by the Lessees in accordance with Paragraph 7, shall be maintained by the Manager pursuant to Paragraph 6. Declarant and Manager may, but are not obligated to, designate the Common Utility Easement Areas and/or additional or different Common Utility Easement Areas from time to time.

"**Common Utility Facilities**" means all pipes, lines, wires, conduits and related facilities and improvements for electricity, natural gas, other fuels or power sources, telephone, data, video, telecommunication and similar uses, sewer, storm drainage (including retention ponds) and all types of water that are intended, designed or used for the benefit of the Common Area or more than one Lot. The Common Utility Facilities shall be used for the purposes set forth in Paragraph 5.2 and, subject to reimbursement by the Lessees in accordance with Paragraph 7, shall be maintained by the Manager pursuant to Paragraph 6.

"**Common Vehicular and Pedestrian Areas**" means all Common Areas from time to time designed to be used for pedestrian or vehicular movement, including, without limitation, roads, driveways, walkways, sidewalks, trails and paths that are installed by or at the direction of Manager and serving more than one Lot. The Common Vehicular and Pedestrian Areas shall be used for the purposes set forth in Paragraph 5.1 and, subject to reimbursement by the Lessees in accordance with Paragraph 7, shall be maintained by the Manager pursuant to Paragraph 6. Declarant and Manager may, but are not obligated to, designate Common Vehicular and Pedestrian Areas and/or additional or different Common Vehicular and Pedestrian Areas from time to time.

"**Design Guidelines**" means the standards, requirements and restrictions set forth in Design Guidelines and the Planned Area Development (PAD) for the Development, each approved by the Mesa City Council on June 19, 2023, as may be amended by the City from time to time to the extent approved by Declarant and the Manager.

"**Development**" means the Land, together with all Improvements located on such Land, and any portions of the Annexable Property annexed pursuant to this Declaration, together with all Improvements located on the Lot or Common Area or such additional real property.

"**Gateway East Maintained Improvements**" shall mean the following improvements, landscaping, hardscaping, irrigation, and streetlights which were installed by the City within the Land, within or adjacent to the City's right-of-way for Gateway Boulevard that are east of the centerline of Gateway Boulevard:

Trees
Shrubs, ground cover, accent plants, and other vegetation
12v landscape lighting
Battered stone walls and columns
Metal screen panels and bridge rails
Streetlights (6) not conforming to city standards
Landscape irrigation system
Steel landscape header
Rip rap
Decomposed granite
Monuments and signage
Hardscapes other than sidewalk

"**Improvements**" means all Buildings, Common Utility Facilities, Landscaping, hardscaping, irrigation, parking areas, roads, driveways, walkways, curbs, gutters, medians, flower boxes, sidewalks, trails, paths, exterior lighting (including, without limitation, streetlights and lights for traffic control or pedestrian safety), fences, walls, signs, utility systems and facilities, trash enclosures, bike racks, and other improvements located on the realty concerned. "Improvement" means any of the Improvements.

"**Land**" means land located in the City of Mesa, County of Maricopa, Arizona and more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference, and any real property defined as an additional part of the Land in any amendment to this Declaration executed and recorded pursuant to Paragraph 11.

"**Landscaping**" means all outdoor areas in the Development landscaped with lawn, flowers, ground cover, shrubbery, trees, storm water retention areas, ponds, fountains, gardens, berms or similar improvements.

"**Lessee**" means any person or entity (including, without limitation, Manager if applicable) having a leasehold interest in a Lot, excluding any Mortgagee unless and until such Mortgagee is in actual possession of any Lot by foreclosure or otherwise, and including any person or entity taking the leasehold interest from any such Mortgagee.

"**Lots**" means development lots within the Land and shown on that certain Master Plan for the Development approved by Declarant, the current version of which is located at https://www.gatewayairport.com/documents/documentlibrary/current%20planning%20studies/gatewayeastmasterplan.pdf?Uniqueifier=MwBSPex7v1 as such Master Plan may be amended from

time to time, or as otherwise approved in writing by Declarant and, so long as the Manager is Boyer, the Manager. "Lot" means any of the Lots.

"**Manager**" means a manager designated by the Declarant in accordance with Paragraph 3. As of the date of this Declaration, the Manager is Boyer.

"**Mortgage**" means a mortgage or a deed of trust recorded in the Official Records.

"**Mortgagee**" means the mortgagee or beneficiary under a Mortgage.

"**Occupant**" shall mean anyone occupying or using a Lot under or through a Lessee, including, without limitation, any Lessee, licensee, subtenant, user or their employees, agents, contractors, licensees, customers, guests, or invitees.

"**Official Records**" means the official records of the Maricopa County, Arizona Recorder.

"**Qualified Mortgagee**" means a Mortgagee of which Manager and Declarant have been given written notice, including such Mortgagee's name and address.

2. Property Bound.

2.1 General Declaration. Declarant hereby declares that the Development is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred, in whole or in part, subject to this Declaration, as the same may be amended or modified from time to time. This Declaration shall run with the Development for all purposes and shall be binding upon and inure to the benefit of Declarant, and all Lessees, and their respective successors in interest and assigns. All of the covenants, conditions, and restrictions provided in this Declaration shall also be binding upon all Occupants of the Development, as well as their respective successors-in-interest and assigns.

2.2 Declarant's Disclaimer of Representations. Notwithstanding anything to the contrary herein, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development the Development can or will be carried out, or that the Land is or will be committed to or developed for a particular (or any) use, or that if such real property is once used for a particular use, such use will continue in effect. While Declarant has no reason to believe that any of the restrictive covenants contained in this Declaration are or may be invalid or unenforceable, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Lessee entering into a lease in reliance on one or more of such restrictive covenants agrees that it will not challenge the validity or enforceability thereof; but such Lessee assumes all risks of the validity and enforceability thereof and by accepting a lease to a Lot agrees that Declarant shall have no liability with respect thereto.

3. Manager.

3.1 Appointment of Manager. Declarant shall appoint a Manager from time to time and shall have the right to revoke any designation and designate a different Manager at any

time. Declarant may appoint itself as Manager. Declarant hereby designates Boyer Gateway East, L.C., a Utah limited liability company, as the initial Manager.

3.2 Professional Management Company. The Manager shall have the right, but not the obligation, to enter into a management agreement with a professional property management company to perform the functions of Manager. As used herein, "**professional property management company**" shall mean a person or entity (i) that is considered within the community to be primarily involved in the management of real property similar to the Development (ii) whose primary business consists of the management of real property similar to the Development and (iii) that has had their primary source of income derived from the management of real property similar to the Development for not less than the three (3) years immediately preceding the execution of a property management agreement for the Development. All costs associated with the management agreement and property manager, including without limitation a commercially reasonably property management fee, shall be included in Common Expenses. Any professional property management company employed by the Manager shall be required to maintain with an insurer lawfully authorized to do business in the State of Arizona with a Best Rating of not less than A-VIII commercially reasonable insurance policies covering professional liability and general commercial liability.

3.3 Indemnification. To the fullest extent not prohibited by law, Manager hereby agrees to defend, indemnify and hold harmless the City and Declarant, any of its departments, agencies, officers or employees (collectively referred to in this paragraph as "**Indemnitee**") from and al 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 or damage to any property or for injuries to or death of an person, to the extent caused in whole or in part by, arising out of or contributed to, by reason of any alleged act, omission, professional error, fault, mistake or negligence of Manager, its employees, officers, directors, agents, representatives or contractors, their employees, agents or representatives in connection with or arising from the failure of Manager to maintain and repair the Gateway East Maintained Improvements as required by this Agreement. Manager's obligations under this paragraph shall not extend to any Claims to the extent caused by the acts or omissions of an Indemnitee. The obligations under this paragraph shall survive the termination of this Declaration.

4. Improvements.

4.1 Use. No part of the Development may be used or occupied for any use that violates any applicable law, ordinance, rule or regulation or that is inconsistent with this Declaration. Buildings shall be used only for commercial purposes, including, without limitation, retail, hospitality, manufacturing and office uses. All Buildings shall be:

(a) first-class buildings of the type and quality typically found in first-class, high-quality commercial developments;

(b) architecturally and aesthetically compatible with all other then-existing Buildings; and

(c) constructed in compliance with all applicable state, county and municipal subdivision, building, zoning, sign and other laws, ordinances, rules and regulations and the Design Guidelines.

4.2 Improvements. All Improvements in the Development shall be in compliance with the Design Guidelines.

5. Common Area Easements.

5.1 Access Easement. Each Lot shall have appurtenant thereto and be benefited by, and the Common Vehicular and Pedestrian Areas shall be subject to and be burdened by, a perpetual, nonexclusive right-of-way and easement for vehicular and pedestrian ingress and egress (without charge) on, over and across those areas designed for such use.

5.2 Utility Easement. Each Lot shall have appurtenant thereto and be benefited by, and the Common Utility Easement Areas shall be subject to and be burdened by, a perpetual, nonexclusive right-of-way and easement for the laying, construction, installation, operation, inspection, servicing, maintenance, repair, removal, alteration, enlargement, relocation and replacement of underground utility pipes, lines, wires, conduits and related facilities (including, without limitation, any underground Common Utility Facilities and, whether or not the same are part of the Common Utility Facilities, underground pipes, lines, wires, conduits and related facilities for electricity, natural gas, other fuels or power sources, telephone, data, video, telecommunication and similar uses, sewer, storm drainage [including retention ponds] and all types of water) under, through and across the Common Utility Easement Area. Prior to installation, the location of such pipes, lines, wires, conduits and related facilities must be approved by the Manager and Declarant, such approval not to be unreasonably withheld. If the rights provided for in this Paragraph 5.2 are exercised, the Lessee intended to be served by the easement concerned shall pay the cost involved with such exercise and, at such Lessee's sole cost, restore to their previous condition any Improvements that may be damaged as a result of such exercise. Each utility pipe, line, wire, conduit and related facility located in the Development shall be located underground to the extent reasonably possible.

5.3 Common Areas. The Common Areas shall be subject to and be burdened by a perpetual, nonexclusive easement for maintenance and repair by the Manager pursuant to Paragraph 6.

5.4 No Obstruction. No Lessee or Occupant shall permit to be constructed or placed on any portion of the Common Area any fence, wall, barricade or other obstruction, whether temporary or permanent in nature, which materially limits or impairs vehicular and pedestrian traffic over any part of the Development, or shall otherwise obstruct or interfere with the free flow of such traffic, except as may be reasonably necessary or appropriate during periods that construction activities are ongoing or to the extent that the Manager reasonably deems it necessary to do so temporarily to prevent a public dedication of, or the accrual of any rights of the public in, the Common Area. Any obstruction or interference permitted under this Paragraph 5.4 shall be done in a manner reasonably calculated to minimize its impact on businesses in the Development.

6. Manager's Duties Regarding Common Area and Gateway East Maintained Improvements.

6.1 Generally. The Manager shall timely perform or cause to be performed (for example, through subcontractors, including affiliates of the Manager) the duties set forth in this Paragraph 6.

6.2 Maintenance of Common Area. After the Common Area is initially improved and developed, the Manager shall keep the Common Area in a clean condition and in good order, condition and repair consistent with a Class A business park in the Phoenix-Metropolitan area (except that as regards the Common Utility Facilities, the Manager shall be obligated to accomplish the foregoing only to the extent that such matters are not the responsibility of or accomplished by the respective utility companies involved or the City). All maintenance required or permitted to be performed by Manager must comply with the requirements of this Declaration and the applicable law then in effect, including all applicable procedures regarding safety and minimizing any inconvenience to the public. The foregoing shall include, without limitation, inspection, servicing, maintenance, repair and replacement, as necessary and appropriate, of all Landscaping and other Improvements located on the Common Area, including, without limitation, maintaining, repairing and replacing asphalt, and keeping the Common Vehicular and Pedestrian Areas free of snow, ice and rubbish.

6.3 Maintenance of Gateway East Maintained Improvements. The Manager shall keep the Gateway East Maintained Improvements in a clean condition and in good order, condition and repair consistent with a Class A business park in the Phoenix-Metropolitan area. All maintenance required or permitted to be performed by Manager must comply with the requirements of this Declaration and the applicable law then in effect, including all applicable procedures regarding safety and minimizing any inconvenience to the public, including the Mesa Temporary Traffic Control Manual. Manager shall also store at least one replacement streetlight pole and luminaire at all times to ensure expeditious repair in case of damage. Permits may be required for maintenance activities, including repair and replacement or use of barricades, occurring within the City's right-of-way for Gateway Boulevard, as outlined in the Mesa Temporary Traffic Control Manual.

The City is an intended third-party beneficiary of this Section 6.3. This Section 6.3 and the definition of Gateway East Maintained Improvements shall not be amended without the City's prior consent and approval.

6.4 Insurance on Common Area. The Manager shall maintain at all times, commercial general liability insurance and/or property insurance insuring Manager and any employees or agents of Manager as Manager may designate against all claims for bodily injury, death or property damage occurring on the Common Area, and such other insurance on the Common Areas as reasonably determined by Manager. Such policy(-ies) shall provide, at minimum, $3,000,000/$3,000,000 (per occurrence/aggregate) in general liability coverage from insurance companies authorized to do business in the state of Arizona. Declarant shall be named as an additional insured to any liability insurance policy and as an additional loss payee (to the extent of its interest therein) on any property insurance acquired in accordance with this Paragraph 6.3.

6.5 Damage of Common Area. If all or any part of the Common Area is damaged or destroyed through casualty, the Manager shall, as soon as reasonably possible, rebuild and restore the same to substantially the same condition as existed prior to the damage or destruction concerned. Prior to such rebuilding and restoration, each Lessee shall, within thirty (30) days after notice of the amount due, contribute an amount equal to the product obtained by multiplying the Common Expense Percentage of such Lessee by the projected cost of such rebuilding and restoration (net of any insurance proceeds or recoveries from persons or entities causing such damage actually received by the Manager). Appropriate additional payments by, or refunds to, each Lessee shall be made on completion of such rebuilding or restoration. Alternatively, the Manager may collect the actual or projected cost of such rebuilding or restoration following commencement or completion of such rebuilding or restoration.

7. Common Expenses.

7.1 Obligation to Pay Common Expense Share. Each Lessee, by entering into a lease for any Lot, whether or not it shall be so expressed in such lease, agrees and is deemed to covenant and agree to pay to the Manager its Common Expense Share duly imposed pursuant to this Declaration, such Common Expense Share to be established and collected as provided herein.

7.2 Collection. The Manager is expressly authorized to incur all costs, expenses, fees and other amounts included within the definition of "**Common Expenses**" set forth in Paragraph 1, and each Lessee shall contribute such Lessee's Common Expense Share in the manner described in this Paragraph 7. The Manager shall make reasonable, good faith efforts to collect from each Lessee such Lessee's Common Expense Share and may, at its option, do either of the following: (a) invoice each Lessee for such Lessee's Common Expense Share on a monthly, quarterly or other periodic basis as the actual amount of the Common Expense Share becomes known (in which event the Common Expense Share shall be due and payable within thirty (30) days after the delivery of such invoice); or (b) invoice each Lessee in advance based on the Manager's reasonable estimate of the Common Expense Share for the period concerned, which estimate shall be provided to each Lessee at least annually. If the Manager adopts the second alternative, each Lessee shall pay such Lessee's Common Expense Share in equal installments on the first day of each month, and within ninety (90) days after the end of each calendar year, the Manager shall furnish each Lessee with a reasonably detailed final statement of the actual amount of such Lessee's Common Expense Share for such calendar year. If such final statement reveals that the monthly installments made by a Lessee aggregate less than such Lessee's Common Expense Share for such calendar year, such Lessee shall pay the amount owing to the Manager within thirty (30) days after such final statement is furnished. If such final statement reveals that a Lessee's payments aggregate more than such Lessee's Common Expense Share for such calendar year, the excess amount shall, at the option of the Manager, either be returned to such Lessee or be applied by the Manager to amounts next due from such Lessee under this Paragraph 7. Any amount required to be paid under this Paragraph 7 that is not timely paid shall accrue interest on and after the date due until paid in full, before and after judgment, at the rate of eighteen percent (18%) per annum. In addition, a late charge of five percent (5%) of such payment may be charged by the Manager for any payment not made on the date when due. Such late charge is payable not as a penalty, but in order to compensate the Manager for the additional expense involved in handling the delinquent payment. The acceptance by the Manager of any payment that is less than the entire amount then due shall be on account only and shall not constitute a waiver of the

obligation to pay such entire amount. All records and accounts maintained by the Manager that relate to the Common Expenses shall be open to examination and audit by any Lessee on at least ten (10) days' prior written notice to the Manager.

7.3 Default. If any Lessee fails to perform any obligation under this Declaration (other than the payment of money) and such failure continues for a period of thirty (30) days after written notice of such failure is given to such Lessee by the Manager, or if the performance of such obligation would reasonably require more than thirty (30) days, if such Lessee fails to commence such performance within such thirty (30) day period or thereafter diligently prosecute such performance to completion, the Manager may, on written notice to such Lessee, perform such obligation in the stead of such Lessee, or exercise any other right or remedy existing at law or in equity. The Manager shall be reimbursed by such Lessee on demand for all costs and expenses (including attorneys' fees) incurred in connection with such performance, with interest on such costs and expenses, both before and after judgment, at the rate of eighteen percent (18%) per annum. The Manager shall send to Declarant a duplicate copy of any notice given under this Paragraph 7.3.

7.4 Certain Obligations and Rights. The obligations of each Lessee under Paragraph 7.1 and all other provisions of this Declaration are the personal obligations of such Lessee and may be enforced by the Manager or Declarant. No Lessee may avoid or diminish the personal nature of such obligations by waiver of the use and enjoyment of the Common Area, by abandonment of such Lessee's interest in its Lot or any Improvements on such Lot or by waiver of any of the services or amenities provided for in this Declaration. All remedies set forth in this Paragraph 7 are cumulative and are in addition to any remedies otherwise available at law or in equity, which shall include the right to restrain by injunction any violation or threatened violation of this Declaration and to compel by decree specific performance, it being agreed that the remedy at law for any breach may be inadequate.

8. Mortgagee Protection.

8.1 Obligations of Mortgagee. Unless and until it enters into possession or acquires title pursuant to foreclosure or any arrangement or proceeding in lieu of foreclosure, any Mortgagee interested under any Mortgage affecting any part of the Development shall have no obligation to take any action to comply with, and may not be compelled to take any action to comply with, this Declaration.

8.2 Notices; Right to Cure. Manager, on delivering to any Lessee any notice, demand or other communication pursuant to the provisions of this Declaration, shall at the same time deliver by certified mail, return receipt requested, copies of such notice to each Qualified Mortgagee of such Lessee at the latest address provided to the notifying Manager by such Lessee or such Qualified Mortgagee. Although otherwise effective with respect to the Lessee receiving such notice, no notice delivered to any Lessee shall affect any rights or remedies of any Qualified Mortgagee unless a copy of such notice has been delivered to such Qualified Mortgagee in accordance with the immediately preceding sentence. Each Qualified Mortgagee shall have the right to remedy a default, or cause the same to be remedied within the time allowed to the defaulting Lessee plus, in the case of monetary defaults, an additional fifteen (15) days and, in the case of non-monetary defaults, an additional thirty (30) days; provided, however, that if a non-

monetary default reasonably requires more than thirty (30) days to cure, each Qualified Mortgagee shall have the right to remedy such default if such Qualified Mortgagee commences such cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion. Notwithstanding the foregoing, in no event shall the time period for a Qualified Mortgagee to remedy a default exceed ninety (90) days from the commencement of the time period during which such Qualified Mortgagee may cure or remedy a default in accordance with this Paragraph 8.2.

8.3 Performance. Each Qualified Mortgagee shall have the right to act for and in the place of the Lessee of the Lot covered by its Mortgage, to the extent permitted by the applicable Mortgage or otherwise agreed to by such Lessee in writing. Manager shall accept performance by or on behalf of any Qualified Mortgagee as if the same had been performed by the other Lessee. Each Qualified Mortgagee shall have the right, to the extent the Lessee of the Lot covered by the Mortgage concerned agrees in writing, to appear in a legal action or proceeding on behalf of such Lessee in connection with such Lot and the obligation under this Declaration.

8.4 Recognition. On request, the Manager agrees to execute, acknowledge and deliver to any Qualified Mortgagee an instrument prepared by the Qualified Mortgagee concerned, acknowledging that such Qualified Mortgagee is a "**Qualified Mortgagee**" entitled to the benefits of this Paragraph 8.

9. Annexation and De-Annexation.

9.1 Annexation of Annexable Property. Declarant may at any time and from time to time, annex to the Development any Annexable Property (or the applicable portion or portions thereof). To effect such annexation, a Declaration of Annexation covering the Annexable Property (or the applicable portion or portions thereof) to be annexed shall be executed and recorded by Declarant, which instrument may contain additional covenants, conditions, restrictions, or other terms. A Declaration of Annexation may contain such complementary additions to and modifications of this Declaration as may be necessary to reflect the different character, if any, of the Annexable Property (or the applicable portion or portions thereof) or other property to be annexed. In no event, however, shall any such Declaration of Annexation revoke or conflict with this Declaration except to the extent specifically permitted hereby. Upon annexation, all of the provisions of this Declaration shall apply to or encumber such Annexable Property (or the applicable portion or portions thereof). So long as Manager is Boyer, the annexation of any Annexable Property shall also require the written consent of Manager.

9.2 De-Annexation of Covered Property. Declarant may at any time and from time to time up to the date which is 30 years after the date this Declaration is recorded, de-annex or withdraw from the Development any portion or portions thereof (subject to the written consent of any Lessee of the portion or portions to be de-annexed or withdrawn). So long as the Manager is Boyer, any de-annexation or withdrawal shall also require the written consent of Manager. To effect such de-annexation or withdrawal, Declarant shall execute and record a Declaration of De-Annexation setting forth the legal description of the portion or portions of the Development to be de-annexed or withdrawn, and such Declaration of De-Annexation shall be executed by (a) Declarant, (b) the Lessee, if any, of the land to be withdrawn, and (c) so long as the Manager is Boyer, the Manager. The land to be withdrawn may include any portion of the Development, including Lots and Common Area. Recording such Declaration of De-Annexation shall constitute

and effectuate the de-annexation and withdrawal of the applicable portion or portions of the Development described therein, and such property and the Lessees and Occupants thereof shall no longer be subject to, or benefitted by, this Declaration.

10. Covenants to Run with Land. Each provision of this Declaration shall constitute a covenant running with the land. This Declaration shall be binding on each part of the Development, and all interests in any part of the Development shall be subject to this Declaration. The interests in and rights concerning any portion of the Lots held by or vested in Declarant or any other person or entity on or after the date of this Declaration shall be subject to this Declaration.

11. Amendment. This Declaration may be modified only by the recordation, in the Official Records, of an agreement or document of modification executed by Declarant; provided, however so long as Boyer is Manager, any amendment shall require the written consent of Boyer.

12. Attorneys' Fees. If any action is brought because of a default under or to enforce or interpret this Declaration, in addition to the relief to which such party is entitled, the party prevailing in such action shall be entitled to recover from the unsuccessful party reasonable attorneys' fees (including those incurred in connection with any appeal), the amount of which shall be fixed by the court and made a part of any judgment rendered.

13. Release on Transfer. On and after the date a Lessee transfers (other than merely for purposes of security) or is otherwise divested of such Lessee's interest in any Lot, such Lessee shall be relieved of all liabilities and obligations under this Declaration related to such Lot, except for such liabilities or obligations as may have accrued as of the date of such transfer or divestiture.

14. No Merger. The easements, covenants, restrictions and other provisions contained in this Declaration shall remain in full force and effect despite the fact that all or a part of the Development may be owned by the same person or entity from time to time, it being the intention of Declarant to create a common scheme for the development and operation of the Development that will not be terminated by the doctrine of merger or otherwise, unless this Declaration is terminated in accordance with Paragraph 16.

15. Force Majeure. The Manager and any Lessee or other person or entity obligated under this Declaration shall be excused from performing any obligation set forth in this Declaration, except the payment of money, for so long as (but only for so long as) the performance of such obligation is prevented or delayed by an act of God, weather, avalanche, fire, earthquake, flood, explosion, act of the elements, war, terrorism, invasion, insurrection, riot, malicious mischief, vandalism, larceny, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, order of government or civil defense authorities or any other cause reasonably beyond the control of the Manager, the Lessee or other person or entity prevented or delayed.

16. Effective Dates and Duration. This Declaration and any amendment to this Declaration shall take effect as of the date on which they are recorded in the Official Records. This Declaration shall remain effective until terminated and extinguished by an instrument recorded in the Official Records and executed by Declarant. So long as the Manager is Boyer, any termination shall also require the written consent of Manager.

17. Notices. Any notice or demand required or appropriate hereunder shall be given in writing by personal service, fax (provided that a hard copy of any such notice has been dispatched by one of the other means for giving notice within twenty-four (24) hours after faxing), express mail, Federal Express, DHL or any other similar form of courier or delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested. All notices sent by mail as aforesaid shall be addressed as follows:

If to Declarant:	Mesa Gateway Airport Authority Attn: Business Development Department 5835 South Sossaman Road Mesa, Arizona 85212
If to any other Lessee or Occupant:	To such address as such Lessee or Occupant shall designate in writing to Declarant and Manager, or to the Lessee's or Occupant's address in the Development, if no other address is designated.
If to Manager (if Boyer is the Manager):	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
If to the Manager (if Boyer is not the Manager):	To the address of the current principal office of the Manager.

Any party may change the address at which it desires to receive notice by written notice of such change to the Manager and Declarant. Any notice or demand given under this Declaration shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change that was not properly communicated shall not defeat or delay the giving of a notice.

18. General Provisions. Titles and headings of Paragraphs of this Declaration are for convenience of reference only and shall not affect the construction of any provision of this Declaration. This Declaration shall be governed by, and construed and interpreted in accordance with, the laws (excluding the choice of laws rules) of the state of Arizona. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be valid under applicable law; but, if any provision of this Declaration shall be invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Declaration. Except as otherwise provided in this Declaration, no remedy provided in this Declaration shall be exclusive of any other remedy at law or in equity (whether existing on or created after the date of this Declaration), and all remedies under this Declaration may be exercised concurrently, independently or successively from time to time. The failure on the part of any

person or entity to promptly enforce any right under this Declaration shall not operate as a waiver of such right, and the waiver of any default shall not constitute a waiver of any subsequent or other default.

[*Signature Page Follows*]

DECLARANT:

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

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by J. Brian O'Neill, A.A.E, as Executive Director/CEO of Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona, on behalf of the company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A

Legal Description of Land

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST
BOUNDARY

A PARCEL OF LAND SITUATED IN A PART OF THE SOUTHEAST QUARTER OF SECTION 28 AND THE NORTHEAST QUARTER OF SECTION 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 SOUTHEAST CORNER OF SAID SECTION 28, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28, NORTH 89 DEGREES 38 MINUTES 14 SECONDS WEST, A DISTANCE OF 246.11 FEET TO THE POINT OF BEGINNING;

THENCE DEPARTING SAID SOUTH LINE, SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 416.28 FEET;

THENCE NORTH 88 DEGREES 38 MINUTES 46 SECONDS EAST, A DISTANCE OF 181.47 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 3.00 FEET;

THENCE SOUTH 43 DEGREES 44 MINUTES 15 SECONDS WEST, A DISTANCE OF 21.25 FEET;

THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 12.00 FEET;

THENCE SOUTH 01 DEGREES 10 MINUTES 16 SECONDS EAST, A DISTANCE OF 120.00 FEET;

THENCE NORTH 88 DEGREES 38 MINUTES 46 SECONDS EAST, A DISTANCE OF 12.00 FEET;

THENCE SOUTH 46 DEGREES 15 MINUTES 45 SECONDS EAST, A DISTANCE OF 14.12 FEET;

THENCE SOUTH 01 DEGREES 10 MINUTES 16 SECONDS EAST, A DISTANCE OF 8.00 FEET;

THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 470.37 FEET;

THENCE NORTH 01 DEGREES 21 MINUTES 14 SECONDS WEST, A DISTANCE OF 20.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, BEING CONCAVE TO THE NORTH, WHOSE RADIUS BEARS NORTH 01 DEGREES 21 MINUTES 14 SECONDS WEST, WITH A RADIUS OF 2117.00 FEET;

EXHIBIT A

Legal Description of Land

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08 DEGREES 06 MINUTES 51 SECONDS, AN ARC LENGTH OF 299.81 FEET;

THENCE SOUTH 45 DEGREES 11 MINUTES 35 SECONDS WEST, A DISTANCE OF 28.75 FEET;

THENCE NORTH 63 DEGREES 08 MINUTES 29 SECONDS WEST, A DISTANCE OF 8.43 FEET;

THENCE NORTH 81 DEGREES 41 MINUTES 35 SECONDS WEST, A DISTANCE OF 80.00 FEET;

THENCE SOUTH 71 DEGREES 00 MINUTES 40 SECONDS WEST, A DISTANCE OF 9.02 FEET;

THENCE NORTH 46 DEGREES 30 MINUTES 07 SECONDS WEST, A DISTANCE OF 7.97 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHEAST, WHOSE RADIUS BEARS NORTH 09 DEGREES 59 MINUTES 12 SECONDS EAST, WITH A RADIUS OF 2137.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15 DEGREES 13 MINUTES 08 SECONDS, AN ARC LENGTH OF 567.63 FEET;

THENCE NORTH 25 DEGREES 12 MINUTES 20 SECONDS EAST, A DISTANCE OF 20.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHEAST, WHOSE RADIUS BEARS NORTH 25 DEGREES 12 MINUTES 20 SECONDS EAST, WITH A RADIUS OF 2117.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 64 DEGREES 45 MINUTES 35 SECONDS, AN ARC LENGTH OF 2392.78 FEET;

THENCE NORTH 00 DEGREES 02 MINUTES 05 SECONDS WEST, A DISTANCE OF 395.69 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE WEST, WITH A RADIUS OF 1787.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05 DEGREES 23 MINUTES 29 SECONDS, AN ARC LENGTH OF 168.15 FEET;

THENCE NORTH 84 DEGREES 34 MINUTES 26 SECONDS EAST, A DISTANCE OF 126.00 FEET;

THENCE SOUTH 48 DEGREES 06 MINUTES 38 SECONDS EAST, A DISTANCE OF 5.39 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 943.05 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 52 SECONDS WEST, A DISTANCE OF 45.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 717.87 FEET;

THENCE SOUTH 01 DEGREES 34 MINUTES 46 SECONDS EAST, A DISTANCE OF 45.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 74.00 FEET;

EXHIBIT A

Legal Description of Land

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

THENCE NORTH 01 DEGREES 34 MINUTES 46 SECONDS WEST, A DISTANCE OF 55.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 327.27 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 52 SECONDS EAST, A DISTANCE OF 45.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 08 SECONDS EAST, A DISTANCE OF 206.87 FEET;

THENCE SOUTH 01 DEGREES 43 MINUTES 56 SECONDS EAST, A DISTANCE OF 130.01 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 08 SECONDS WEST, A DISTANCE OF 245.51 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 52 SECONDS EAST, A DISTANCE OF 45.00 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 08 SECONDS WEST, A DISTANCE OF 280.25 FEET;

THENCE SOUTH 01 DEGREES 34 MINUTES 46 SECONDS EAST, A DISTANCE OF 1047.42 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 07 SECONDS EAST, A DISTANCE OF 533.99 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 960.41 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 5,151,174 SQUARE FEET OR 118.255 ACRES OF LAND, MORE OR LESS.

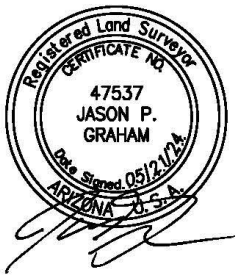


EXHIBIT A

Legal Description of Land

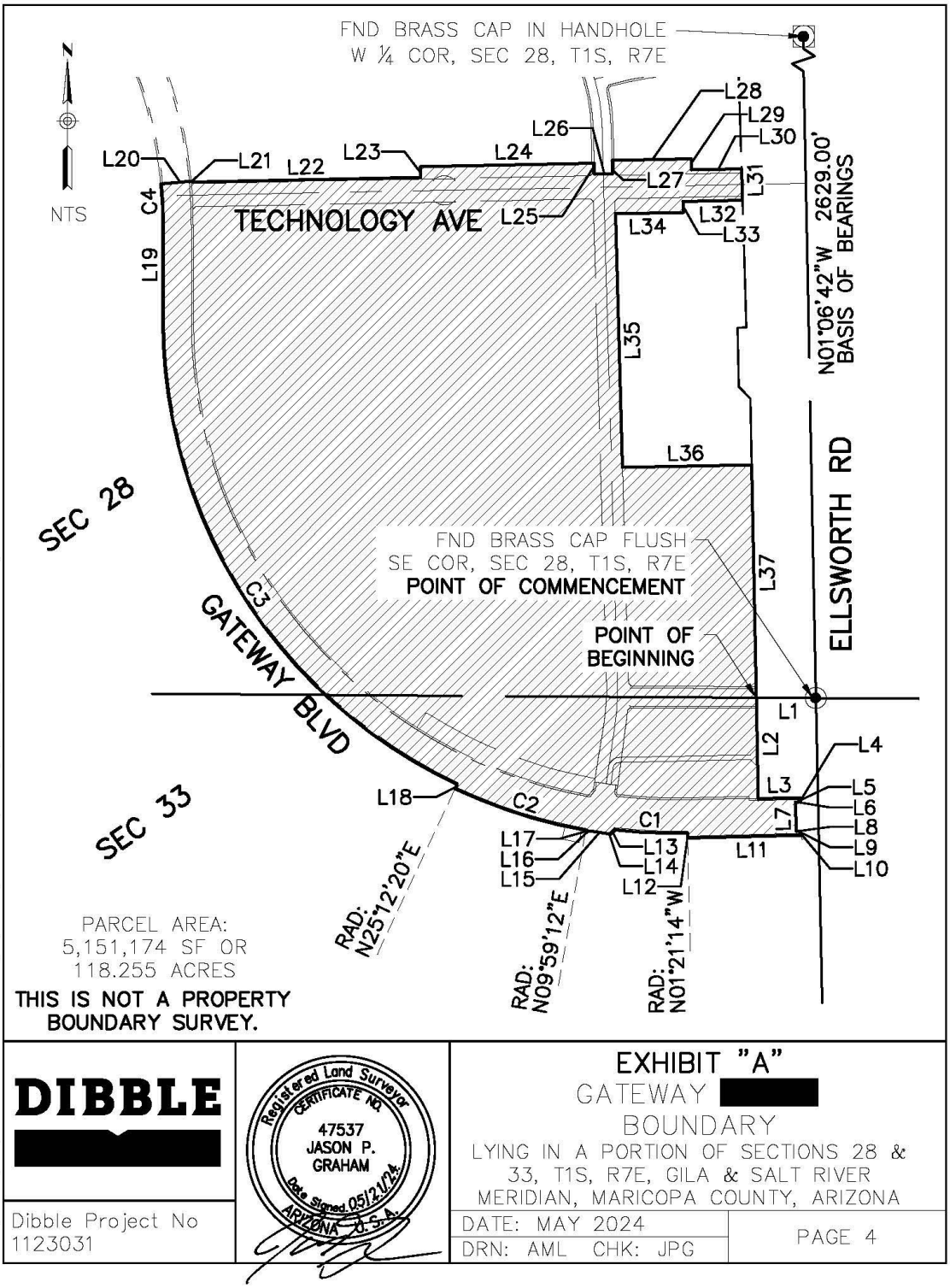


EXHIBIT A

Legal Description of Land

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N89°38'14"W	246.11'
L2	S01°06'31"E	416.28'
L3	N88°38'46"E	181.47'
L4	S01°10'27"E	3.00'
L5	S43°44'15"W	21.25'
L6	S88°38'46"W	12.00'
L7	S01°10'16"E	120.00'
L8	N88°38'46"E	12.00'
L9	S46°15'45"E	14.12'
L10	S01°10'16"E	8.00'
L11	S88°38'46"W	470.37'
L12	N01°21'14"W	20.00'
L13	S45°11'35"W	28.75'
L14	N63°08'29"W	8.43'
L15	N81°41'35"W	80.00'
L16	S71°00'40"W	9.02'
L17	N46°30'07"W	7.97'
L18	N25°12'20"E	20.00'
L19	N00°02'05"W	395.69'

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L20	N84°34'26"E	126.00'
L21	S48°06'38"E	5.39'
L22	N88°53'08"E	943.05'
L23	N01°06'52"W	45.00'
L24	N88°53'08"E	717.87'
L25	S01°34'46"E	45.00'
L26	N88°53'08"E	74.00'
L27	N01°34'46"W	55.00'
L28	N88°53'08"E	327.27'
L29	S01°06'52"E	45.00'
L30	N88°53'08"E	206.87'
L31	S01°43'56"E	130.01'
L32	S88°53'08"W	245.51'
L33	S01°06'52"E	45.00'
L34	S88°53'08"W	280.25'
L35	S01°34'46"E	1047.42'
L36	N88°53'07"E	533.99'
L37	S01°06'31"E	960.41'

FILE:V:\PROJECTS\2023\1123031_PMGA XNRGY - Off-Sites\CAD\EXHIBITS\23031-Gateway Boundary.dwg DATE:May, 21 2024 TIME: 12:10 pm

DIBBLE [redacted]

Dibble Project No 1123031

Registered Land Surveyor CERTIFICATE NO. 47537 JASON P. GRAHAM Date signed 05/21/24 ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY [redacted]

BOUNDARY

LYING IN A PORTION OF SECTIONS 28 & 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: MAY 2024

DRN: AML CHK: JPG

PAGE 5

EXHIBIT A

Legal Description of Land

CURVE DATA TABLE				
CURVE	LENGTH	RADIUS	DELTA	CHORD
C1	299.81'	2117.00'	8°06'51"	S87°17'48"E 299.56'
C2	567.63'	2137.00'	15°13'08"	S72°24'14"E 565.96'
C3	2392.78'	2117.00'	64°45'35"	S32°24'53"E 2267.43'
C4	168.15'	1787.00'	5°23'29"	N02°43'50"W 168.09'

FILE:V:\PROJECTS\2023\1123031_PMGA XNRGY - Off-Sites\CAD\EXHIBITS\23031-Gateway Boundary.dwg DATE:May, 21 2024 TIME: 11:30 am

DIBBLE [redacted]

Dibble Project No 1123031

Registered Land Surveyor CERTIFICATE NO. 47537 JASON P. GRAHAM Date Signed 05/21/24 ARIZONA U.S.A.

EXHIBIT "A"

GATEWAY [redacted]

BOUNDARY

LYING IN A PORTION OF SECTIONS 28 & 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: MAY 2024

DRN: AML CHK: JPG

PAGE 6

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 2025 Financials**
Date: **September 16, 2025**

Attached is the monthly Financials Report for July 2025.

Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
July, 2025

	Month of July 2025				Y-T-D as of July 2025			
	July FY25 Actual	July FY26 Actual	YOY Variance	B/(W)	YTD FY25 Actual	YTD FY26 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	34,250	40,613	6,363	19%	34,250	40,613	6,363	19%
Fuel Flowage Fees	57,859	64,208	6,349	11%	57,859	64,208	6,349	11%
Landing Fees	159,423	173,662	14,239	9%	159,423	173,662	14,239	9%
Lease Income Aero	440,264	514,312	74,048	17%	440,264	514,312	74,048	17%
Fuel Sales	712,002	1,247,240	535,238	75%	712,002	1,247,240	535,238	75%
Services Sold - Aero	545,630	475,550	(70,080)	-13%	545,630	475,550	(70,080)	-13%
Sub-total Aero Operating Revenues	1,949,428	2,515,585	566,157	29%	1,949,428	2,515,585	566,157	29%
Non-Aeronautical Operating Revenues								
Concessions	136,579	127,634	(8,945)	-7%	136,579	127,634	(8,945)	-7%
Lease Income Non-Aero	109,574	135,488	25,914	24%	109,574	135,488	25,914	24%
Parking	683,071	681,106	(1,964)	0%	683,071	681,106	(1,964)	0%
Rental Car Fees	165,420	176,810	11,390	7%	165,420	176,810	11,390	7%
Svcs Sold - Non Aero	6,175	20,205	14,030	227%	6,175	20,205	14,030	227%
Sub-total Non-Aero Operating Revenues	1,100,819	1,141,243	40,424	4%	1,100,819	1,141,243	40,424	4%
Total Operating Revenues	**3,050,247**	**3,656,828**	**606,581**	**20%**	**3,050,247**	**3,656,828**	**606,581**	**20%**
Operating Expenses								
Cost of Goods Sold	445,396	895,235	(449,839)	-101%	445,396	895,235	(449,839)	-101%
Personnel	866,005	872,113	(6,108)	-1%	866,005	872,113	(6,108)	-1%
Comm & Utilities	135,679	140,993	(5,314)	-4%	135,679	140,993	(5,314)	-4%
Contractual Services	589,403	634,480	(45,077)	-8%	589,403	634,480	(45,077)	-8%
Insurance	57,395	47,531	9,864	17%	57,395	47,531	9,864	17%
Other	35,465	40,047	(4,582)	-13%	35,465	40,047	(4,582)	-13%
Repair & Maintenance	34,254	56,177	(21,923)	-64%	34,254	56,177	(21,923)	-64%
Supplies & Materials	75,786	80,725	(4,939)	-7%	75,786	80,725	(4,939)	-7%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,239,383**	**2,767,301**	**(527,918)**	-24%	**2,239,383**	**2,767,301**	**(527,918)**	-24%
Operating Income (Loss) Before Depreciation	**810,864**	**889,527**	**78,663**	10%	**810,864**	**889,527**	**78,663**	10%
	26.6%	24.3%			26.6%	24.3%		
Depreciation		1,376,089				1,376,089		

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 16, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	September 2025
Invitation for Bid	2026-001-IFB	Power Washing Services	September 2025
Invitation for Bid	2026-002-IFB	Passenger Boarding Ramps	October 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	October 2025

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2026-003-IFB	Baggage Tractor	September 2025	November 2025
Request for Qualifications	2026-004-RFQ	Website Redesign Services	October 2025	January 2026

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $4,122.

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 MESA GATEWAY AIRPORT AUTHORITY BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, October 21, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Lt. Governor Regina Antone, Chair)
   Members of the Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Pledge of Allegiance**

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

4. **Audited Financials Report** – Jean Dietrich, Principal CliftonLarsonAllen

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

6. **AmpliFLY Mesa Gateway Presentation** – Jimmy Lindblom

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **September 16, 2025**.

   b) **Resolution No. 25-44 –** Authorizing a purchase with **CDW Government LLC** for annual Microsoft licensing renewals, for three (3) years in an amount not to exceed $235,408.94.

   c) **Resolution No. 25-45 –** Authorizing Mesa Gateway Airport Authority'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, 2026 through December 31, 2026 with an estimated plan cost of $1,478,565 for the calendar year.

   d) **Resolution No. 25-46 –** Authorizing the purchase of two ADA Passenger Boarding Ramps from **Timberline GSE, Inc.** in an amount not to exceed $173,198.80.

   e) **Resolution No. 25-47 –** Authorizing an Amendment of the **FY26 Capital Budget** to provide $1,089,040.95 in funding, for the Design of the Taxiway G Rehabilitation and Realignment**.**

f) **Resolution No. 25-48 –** Authorizing an Authorization of Services with **Kimley-Horn & Associates** to Design the Taxiway G Rehabilitation and Realignment Project in an amount not to exceed $1,089,040.95.

g) **Resolution No. 25-49 –** Authorizing a modification to the Memorandum of Agreement with **U.S. Customs and Border Protections** changing the minimum staffing assigned to the Gateway User Fee Facility from one officer to two officers.

h) **Resolution No. 25-50 –** Authorizing an Authorization of Services to provide Engineering Design Services with **Kimley-Horn & Associates** for the expansion of the Covered Parking in the Ray Road Economy Lot, in an amount not to exceed $58,391.47.

Consideration and Approval of:

8. **Resolution No. 25-51 –** Authorizing a Land Lease Agreement with **AmpliFLY Mesa Gateway, LLC** for 9.634 acres (419,652 SF) located near the intersection of Velocity Way and Taxiway Circle. The lease term is forty (40) years with the option to extend the term for two (2) additional periods of five (5) years each. The initial Base Rent is $230,808.60 annually, payable in equal monthly installments of $19,234.05 plus applicable taxes.

9. **Board Member Comments/Announcements**

10. **Next Meeting: Tuesday, November 18, 2025 at 9:00 a.m.**

11. **Adjournment**

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

Mesa Gateway Airport

- Gateway Airport Sets New Air Cargo Activity Record in August 2025
- Gateway Airport Hosts 2nd Annual Airport Business Executives Breakfast
- Virgin Galactic Manufacturing Six-Passenger Delta Class Spaceships at Gateway Airport
- MGAA Board Approves Springhill Suites by Marriott Hotel in Gateway East
- Gateway Airport and FAA Identify FY25 - FY31 Airport Capital Improvement Projects
- Gateway Airport Social Media Metrics Soar in 2025
- MGAA Staff to Meet with Prospective Tenants at NBAA-BACE in Las Vegas

Executive Director's Report
October 2025



Rendering of New Springhill Suites by Marriott Hotel being Built in Gateway East

Financial Snapshot

OPERATING INCOME	August		Month Variance	FYTD Comparison		FYTD Variance
	2024	2025		FY25	FY26	
Revenues	$2,349,504	$3,063,385	**$713,881**	$5,399,747	$6,720,212	**$1,320,465**
Less Expenses	$2,176,926	$2,707,101	**$530,175**	$4,416,310	$5,474,402	**$1,058,092**
Operating Income *(Before Depreciation)*	**$172,578**	**$356,284**	**$183,706**	**$983,437**	**$1,245,810**	**$262,373**

Investment Fund Balances: As of August, the Local Governmental Investment Pool (LGIP) 700 = $3,791,540; Wells Fargo; Collateralized Money Market = $12,870,811 and Commercial/Paper Brokered CD's = $57,364,780; Total $74,027,131. MGAA invests in fixed rate instruments.

Finance and Accounting

Mesa Gateway Airport Authority (MGAA, Authority) is reporting a net operating income of $356,284 for August 2025. This represents the second-best financial performance for the month of August in the history of Mesa Gateway Airport (Airport, Gateway Airport). Fiscal-Year-To-Date 2026 (FYTD26), the Authority is reporting a net operating income of $1,245,810, a $262,373 increase over the same time period last fiscal year.

August aeronautical revenues increased by 46% and non-aeronautical revenues increased by 3% on a year-over-year monthly comparison. The aeronautical revenue increase was generated by fuel flowage fees (53%), landing fees (42%), lease income (23%), and fuel sales (66%). The increase in non-aeronautical revenues was generated by concessions (12%) and vehicle parking revenue (7%).

Operating expenditures for August increased by 24% and totaled $2,707,101. The increase was due to an increase in fuel-related cost-of-goods-sold due to increased sales volume.

FYTD26 operating expenditures are $764,096 over budget, due to the increased fuel cost-of-goods sold.

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2026-002-IFB	Passenger Boarding Ramps	October 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	October 2025
Request for Qualifications	2026-004-RFQ	Website Redesign Services	January 2026

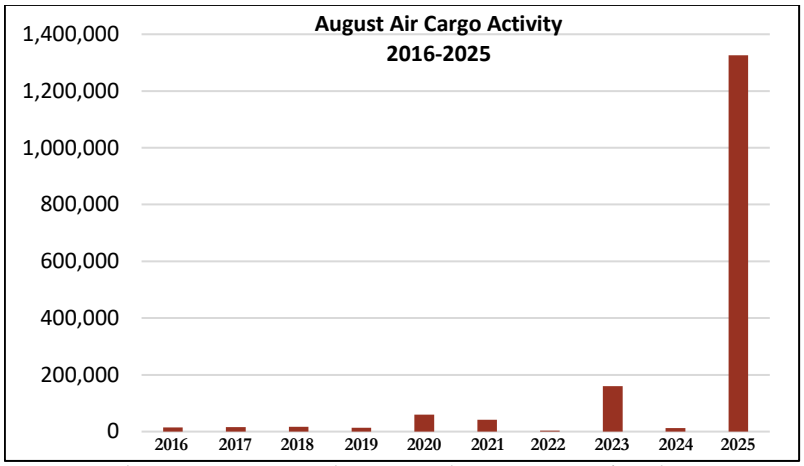
Future Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2026-003-IFB	Baggage Tug	December 2025
Request for Qualifications	2026-005-RFQ	Taxiway Golf Realignment	March 2026

Airport Operations

Gateway Airport Sets New Air Cargo Activity Record in August 2025

The phenomenal growth of DSV, a leading global logistics company, at Gateway Airport represents a major opportunity for Arizona businesses. Whether you're a chip manufacturer, medical device company, or other Arizona-based entity importing from or exporting to Asia or Europe, DSV's Mesa operation can help facilitate efficient and cost-effective air transportation options.



Gateway Airport Set a New Air Cargo Activity Record in August 2025

DSV's success has led to a sharp increase in air cargo activity at Gateway Airport. In FY25, the Airport welcomed more than 7,000,000 pounds of cargo, fueling manufacturing growth across the State. In August 2025 alone, the Airport reported 1,326,288 pounds of cargo, more than the past decade of Augusts combined!

PASSENGERS AND AIR CARGO		August		% Change	FYTD		% Change
		2024	2025		FY25	FY26	
Passengers	TOTAL	122,066	121,717	0%	288,335	291,446	1%
	Deplaned	61,389	61,439	0%	146,825	148,625	1%
	Enplaned	60,677	60,278	-1%	141,510	142,821	1%
Allegiant		121,908	121,277	-1%	288,177	290,618	1%
Sun Country		158	440	178%	158	828	424%
Air Cargo (lbs.)		12,964	1,326,288	10,131%	131,682	3,097,233	2,252%

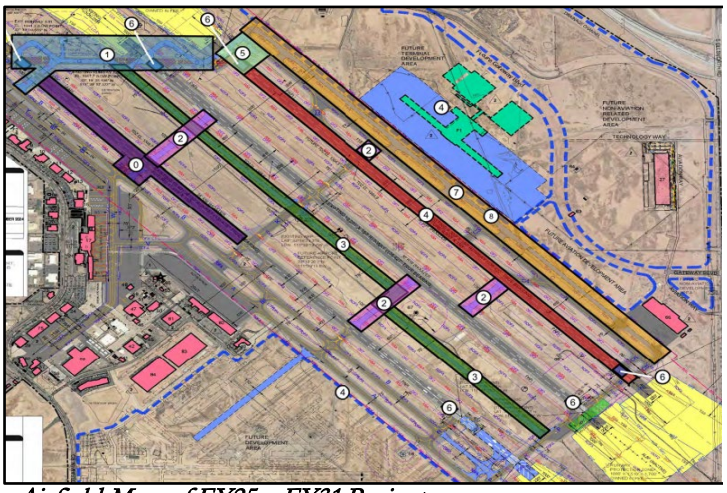
OPERATIONS	August		% Change	FYTD		% Change
	2024	2025		FY25	FY26	
Air Carrier	1,036	1.028	-1%	2,482	1,232	-10%
Military	79	264	234%	180	430	139%
General Aviation	23,866	21,209	-11%	45,739	45,729	0%
TOTAL	**24,981**	**22,501**	**-10%**	**48,401**	**48,388**	**0%**

Engineering, Planning, and Facilities

Gateway Airport and FAA Identify FY25 - FY31 Airport Capital Improvement Projects

MGAA is very fortunate to have strong working relationships with the Federal Aviation Administration's (FAA) Phoenix Airport District Office (ADO), Western-Pacific Regional Office, and Headquarters in Washington, DC. Together, the Airport and the FAA identify priority airport facility and infrastructure projects that could possibly be funded and completed during each five-year planning horizon.

During the past several years, MGAA has focused on airport facility improvements – a new air traffic control tower, a 5-gate 30,000 sq. ft. terminal addition, and an enclosed pedestrian walkway connecting the ticketing terminal to the TSA security screening checkpoint. The next several years will focus on much-needed airfield improvements. Below is a summary of the projects Gateway Airport and the FAA have identified as a priority from FY25 – FY31.



Airfield Map of FY25 – FY31 Projects

FY25 – FY31 Projects and Cost Estimates		
FY25	Runway 12R/30L Reconstruction – Phase II	$28.6MM
FY26	Taxiway Golf Reconstruction	$16.5MM
FY27	Lighting Vault Replacement	$15.4MM
FY28	Midfield Connectors	$13.2MM
FY29	Parallel Taxiway – Runway 12C/30C	$27.5MM
FY30	Extend 12L/30R & Bypass Taxiway	$5.3MM
FY31	Taxiway Delta & Connectors Construction	$24.2MM
Total Design and Construction Costs		**$130.0MM**

FY25 – FY31 Airfield Project Cost Estimates

Business Development

Virgin Galactic Manufacturing Six-Passenger Delta Class Spaceships at Gateway Airport

Spaceships are being built at Gateway Airport,
Spaceships are being built at Gateway Airport,
Spaceships are being built at Gateway Airport!



Inside Virgin Galactic's Spaceship Manufacturing Facility

Better get used to saying it, because spaceships are being built at Gateway Airport! Virgin Galactic, the industry leader in space tourism, has begun manufacturing the first six-passenger Delta Class suborbital spaceship at Gateway Airport. Once completed, the spaceships will be attached to the mothership, Eve, and transported to New Mexico for inclusion in Virgin Galactic's evolving space tourism program.

MGAA Staff to Meet with Prospective Tenants at NBAA-BACE in Las Vegas

The National Business Aviation Association – Business Aviation Convention & Exposition (NBAA-BACE) is one of the premier annual events for connecting airports with aviation-related companies. Thousands of visionaries and industry representatives from around the globe gather for three days of learning, relationship building, and deal-making.



MGAA Team Members Ready to Go!

Each year, a talented team of savvy business professionals representing Gateway Airport, Gateway Aviation Services, and select private development partners controlling property at the Airport establishes a stronghold in the exposition hall at NBAA-BACE with the mission of introducing aeronautical development opportunities and high-quality aviation services at Gateway Airport to the world.

Best of luck to the Gateway Team - Alex, Matthew, Matt, and Ray – and our partners at SkyBridge Arizona, and Amplifly.

NBAA
NATIONAL BUSINESS AVIATION ASSOCIATION

Gateway Airport Hosts 2nd Annual Airport Business Executives Breakfast

More than sixty aeronautical and nonaeronautical businesses call Gateway Airport home. Many are so busy within their own sphere of influence that they don't have the opportunity to meet and talk with other businesses around Gateway Airport.


2025 Airport Business Executives Breakfast

Two years ago, the MGAA Business Development Team hosted a breakfast and invited the top local representatives from many of the Airport businesses. The breakfast was a huge success, with executives exchanging contact information and sharing ideas on how they might work together in the future. The event was so popular, that attendees encouraged the Airport to hold one every year.

The 2025 Airport Business Executives Breakfast was held on September 10th and featured industry leaders including, but not limited to, Boeing, Gulfstream, Virgin Galactic, Able Aerospace – A Textron Company, Allegiant, Sun Country, APS, U.S. Forest Service, Chandler Gilbert Community College, JetNEXA, UND Aerospace Foundation, and the City of Mesa Police Department. Thank you to all that attended. By all accounts, this year's breakfast was another big success.

Gateway Aviation Services

Gateway Aviation Services, the Airport Authority owned and operated Fixed Base Operator (FBO), pumped 1,408,721 gallons of aviation fuel during the month of August 2025, a 16% increase compared to last August. In FY25, Gateway Aviation Services (GAS) pumped a record-breaking 20,000,000+ gallons of aviation fuel during the year. Great job GAS team!

FUEL (Gallons)	August			FYTD		
	2024	2025	% Change	FY25	FY26	% Change
AvGas	46,105	35,800	-22%	88,630	83,605	-6%
Retail Jet A	68,230	236,384	246%	148,585	476,975	221%
Contract	228,784	250,726	10%	589,009	447,186	-24%
Commercial	865,738	845,904	-2%	2,128,704	2,012,911	-5%
Cargo	2,485	39,907	1,506%	2,485	104,223	4,094%
TOTAL	**1,211,342**	**1,408,721**	**16%**	**2,957,413**	**3,124,900**	**6%**

Community Noise Report

CALLERS	August		FYTD	
	2024	2025	FY25	FY26
Total	5	6	12	20

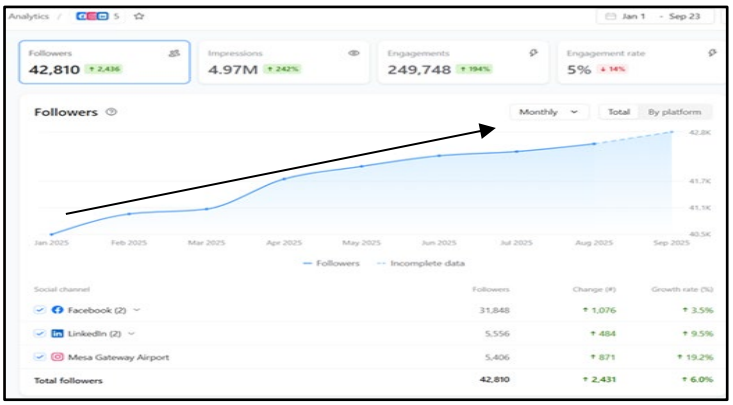
AIRCRAFT TYPE	August		FYTD	
	2024	2025	FY25	FY26
	Callers	Callers	Callers	Callers
Commercial	1	3	4	14
GA Total	4	3	8	6
Helicopter	0	0	0	0
Military	0	0	0	0
Total	5	6	12	20

MGAA received communications from a total of six individuals regarding aircraft noise issues during the month of August 2025, compared to five individuals last August.

LOCATION	August		FYTD	
	2024	2025	FY25	FY26
Mesa	1	3	3	12
Gilbert	3	1	4	4
Gold Canyon	0	0	0	0
Queen Creek	0	2	1	4
Queen Valley	1	0	2	0
Apache Junction	0	0	0	0
San Tan Valley	0	0	1	0
Chandler	0	0	0	0
Florence	0	0	1	0
Goodyear	0	0	0	0
Phoenix	0	0	0	0
Tempe	0	0	0	0
TOTAL	5	6	12	20

Community and Government Relations

Gateway Airport Social Media Metrics Soar in 2025



Social Media Statistics for 2025

Kudos to the MGAA Communications and Government Relations Team for crushing it with social media this year. Our impressions are way up with close to five million so far this year! Our engagements are way up with 250,000 and climbing!

Great job to Ryan, Tiffany, Kaylie, Abby, and Misty for keeping Gateway Airport in the spotlight. Keep up the good work!

MGAA Team Member Spotlight

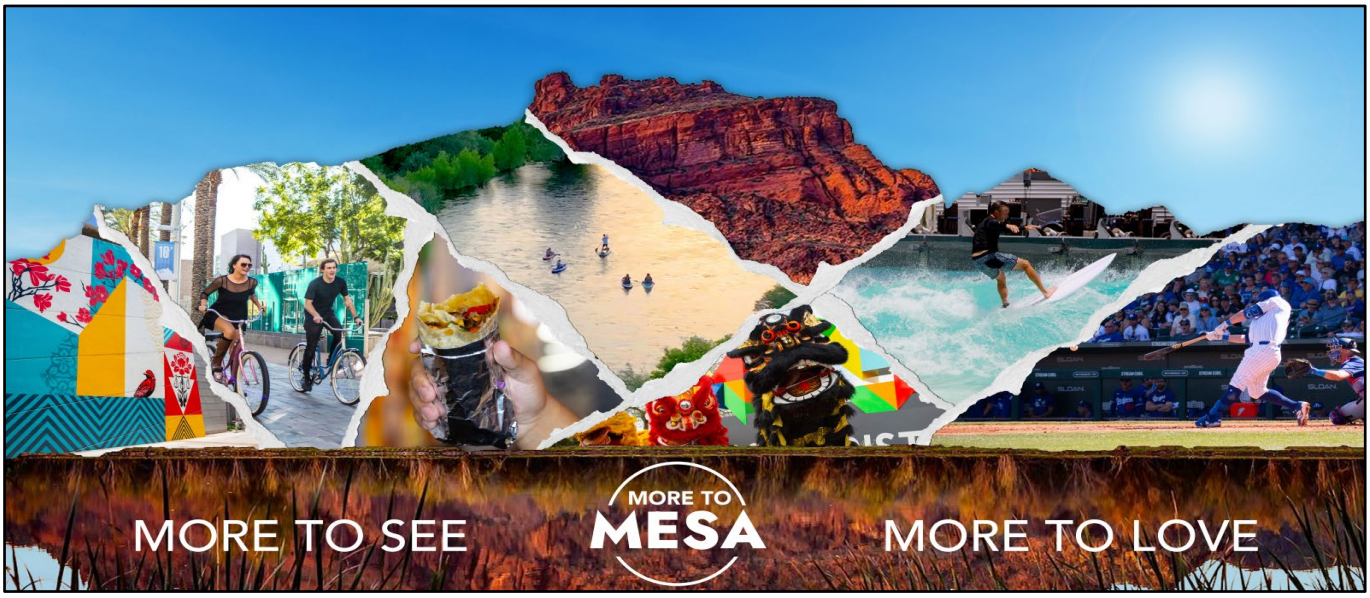


Employee Name: **Abby Snyder**
Employee Title: **Human Resources Business Partner II**
MGAA Department: **Human Resources**
Years with MGAA: **3**

What are your job responsibilities for MGAA? I serve as the Benefits Administrator, Engagement and Wellness Committee Champion, Training and Development Leader, Leave Administrator, Rewards and Recognition Specialist, and Workers' Compensation Coordinator. I keep up to date with evolving HR trends and compliance requirements, in addition to ensuring employees feel recognized, appreciated, and engaged in their work with the airport.

What is your most memorable Gateway Airport moment? I really enjoyed when we held the Halloween canopy decoration competition in Hangar 46. Our HR team went all out with a circus theme—complete with popcorn—and it was such a creative, fun way to build engagement. I'll never forget conducting a second interview during that time while dressed as a clown. Luckily, it didn't scare him off—he accepted the job and is still part of our team today!

What is something people may not know about you? I'm a well-rounded Midwesterner, complete with my love for "pop" and relish trays. But what you might not know about me is that I have a motorcycle license, once raced snowmobiles, and even tumbled off the side of a cliff during a radio stunt. Every summer, I spend 10 days fishing and trapshooting in Minnesota, and I also enjoy dressing up and mingling with executives at chamber of commerce events.



CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors
Mesa Gateway Airport Authority
Mesa, Arizona

We have audited the financial statements of the business-type activities of Mesa Gateway Airport Authority (MGAA) as of and for the year ended June 30, 2025, and have issued our report thereon dated September 24, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated April 24, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MGAA are described in Note 1 to the financial statements.

As described in Note 1, the entity changed accounting policies related to the recognition and measurement for the liabilities for compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, in 2025. The cumulative effect of the accounting change was not material to the financial statements as a whole.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify, and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify, and we did not notify them of any financial statement misstatements.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in a separate management representation letter dated September 24, 2025.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the MGAA's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the MGAA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other matters

The single audit and required reports have not yet been completed due to a delay in the issuance of the Compliance Supplement Addendum. We expect to issue the single audit and required reports shortly after the issuance of the Compliance Supplement Addendum.

Required Supplementary Information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of passenger facility charges (PFC) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the schedule of expenditures of PFC to determine that the schedule of expenditures of PFC complies with the requirements of *Passenger Facility Charge Audit Guide for Public* Agencies, the method of preparing it has not changed from the prior period or the reasons for such changes, and the schedule of expenditures of PFC is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the schedule of expenditures of PFC to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated September 24, 2025.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of schedule of revenues and expenditures (budgetary basis). Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

This communication is intended solely for the information and use of the board of directors and management of MGAA and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
September 24, 2025

MESA GATEWAY AIRPORT AUTHORITY

PASSENGER FACILITY CHARGE PROGRAM REPORTS

FISCAL YEAR ENDED JUNE 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

MESA GATEWAY AIRPORT AUTHORITY
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Mesa Gateway Airport Authority
Mesa, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Mesa Gateway Airport Authority (MGAA), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise MGAA's basic financial statements, and have issued our report thereon dated September 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MGAA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MGAA's internal control. Accordingly, we do not express an opinion on the effectiveness of MGAA's internal control.

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of MGAA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer

Board of Directors
Mesa Gateway Airport Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MGAA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MGAA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MGAA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
September 24, 2025

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Mesa Gateway Airport Authority
Mesa, Arizona

Report on Compliance for the Passenger Facility Charge Program

Opinion on Compliance for the Passenger Facility Charge Program

We have audited Mesa Gateway Airport Authority's (MGAA) compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2025.

In our opinion, MGAA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended June 30, 2025.

Basis for Opinion on Compliance for the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of MGAA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of MGAA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to MGAA's passenger facility charge program.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MGAA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about MGAA's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding MGAA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of MGAA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of MGAA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charges on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charges will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charges that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Revenues and Expenditures of Passenger Facility Charges

We have audited the financial statements of MGAA as of and for the year ended June 30, 2025, and issued our report thereon dated September 24, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of revenues and expenditures of passenger facility charges is presented for purposes of additional analysis as required by the *Passenger Facility Charge Audit Guide for Public Agencies* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues and expenditures of passenger facility charges is fairly stated, in all material respects, in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
September 24, 2025

MESA GATEWAY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2025

CURRENT YEAR FINDINGS
None.

SCHEDULE OF PRIOR FINDINGS
None.

MESA GATEWAY AIRPORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES OF PASSENGER FACILITY CHARGES
FISCAL YEAR ENDED JUNE 30, 2025

	September 30	December 31	March 31	June 30	Totals
Revenues					
Collections	$ 948,691	$ 1,027,804	$ 1,767,872	$ 1,113,654	$ 4,858,021
Interest	-	-	-	-	-
Total	$ 948,691	$ 1,027,804	$ 1,767,872	$ 1,113,654	$ 4,858,021
Disbursements					
21-07-C-00-IWA:					
07-006 Air Traffic Control Tower					
Construction	$ -	$ 14,294	$ -	$ (14,294)	$ -
21-07-C-00-IWA Total	-	14,294	-	(14,294)	-
Total	$ -	$ 14,294	$ -	$ (14,294)	$ -

The accompanying Schedule of Revenues and Expenditures of Passenger Facility Charges (PFC) (Schedule) presents the revenues received from the PFC and expenditures incurred on approved projects. The Schedule has been prepared on the cash basis of accounting under which revenues are recognized when received and expenditures are recognized when paid. PFC revenues collections represent cash collected through the end of the month subsequent to the quarter-end as reported to the Federal Aviation Administration (FAA) in accordance with 14 CFR Part 158. The interest recognized represents the actual interest collected on the unexpended PFC cash collected during the periods reported.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

MESA GATEWAY AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025

THIS PAGE BLANK

MESA GATEWAY AIRPORT AUTHORITY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT 1

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) 4

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION – PROPRIETARY FUND 11

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION – PROPRIETARY FUND 12

STATEMENT OF CASH FLOWS – PROPRIETARY FUND 13

NOTES TO BASIC FINANCIAL STATEMENTS 15

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SCHEDULE OF MGAA’S PROPORTIONATE SHARE OF NET PENSION/OPEB LIABILITY – COST-SHARING PLANS 40

SCHEDULE OF MGAA’S PENSION/OPEB CONTRIBUTIONS 42

OTHER INFORMATION

SCHEDULE OF REVENUES AND EXPENDITURES – BUDGETARY-BASIS 44

THIS PAGE BLANK

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mesa Gateway Airport Authority
Mesa, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Mesa Gateway Airport Authority (MGAA), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise MGAA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of MGAA, as of June 30, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MGAA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MGAA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MGAA's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MGAA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of MGAA's proportionate share of the net pension and OPEB liability and contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of revenues and expenditures (budgetary basis) but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2025, on our consideration of MGAA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MGAA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MGAA's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
September 24, 2025

THIS PAGE BLANK

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE BLANK

MESA GATEWAY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

The management of Mesa Gateway Airport Authority (MGAA) offers readers this overview and analysis of MGAA's financial statements and activities for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of MGAA exceeded the liabilities and deferred inflows of resources at the close of the most recent fiscal year by $415.0 million (net position). Total net position increased by $26.5 million during the fiscal year.
- MGAA's operating revenues increased $5.7 million (18.2%) from the prior fiscal year.
- During the current year, member governments contributed $2.8 million to MGAA. These contributions were utilized to fund capital projects at MGAA.
- Capital Grants and Contributions increased $4.6 million from the previous year as MGAA began several new major grant-funded projects.
- Net income from fueling operations exceeded $9 million, and income from leases increased $2.1 million as a result of increased operations and activity.
- MGAA's operating loss narrowed to $9.7 million in the current year, a decreased of $1.9 million from the previous fiscal year. This loss is attributable to non-cash depreciation expense on assets. These assets were contributed by the federal government, acquired with the aid of grants, or constructed using contributions from MGAA's member governments or MGAA's own operating reserves.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to MGAA's basic financial statements. MGAA's basic financial statements are divided into four sections:

1. Fund financial statements.
2. Notes to the basic financial statements.
3. Required supplementary information other than MD&A.
4. Other information.

As MGAA presents only one fund type, separate government-wide financial statements have not been prepared.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, MGAA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Unlike most other governments, which have multiple funds, all MGAA's activities are business-type activities and are accounted for in a single proprietary fund.

Proprietary funds. MGAA maintains its accounting records in a single enterprise fund. An enterprise fund is a type of proprietary fund used to report business-type activities.

The proprietary fund financial statements can be found on pages 11 - 14 of this report.

The *statement of net position* presents information on MGAA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being shown as net position.

The *statement of revenues, expenses and change in net position* presents information on how MGAA's net position changed during the fiscal year.

All changes in net position are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The *statement of cash flows* presents MGAA's cash flow (sources and uses) related to operating activities, non-capital financing activities, capital financing activities, and investing activities during the year.

Notes to Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to basic financial statements can be found on pages 15 - 39 of this report.

Required Supplementary Information other than MD&A

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to MGAA's pension plan as required by the GASB to supplement information found in the notes to the basic financial statements. These schedules are included on pages 40 - 43 of this report.

Other Information

MGAA annually prepares a full capital and operating budget, which is submitted to the Board of Directors for approval during the spring of each year. Although the budget is not legally binding, it is an important management tool used throughout the fiscal year. During the fiscal year, actual activity is compared to the budget on a monthly basis to assess operating results.

Budget to actual results for the full year, presented on a budgetary basis, are included as other information on page 44 of this report.

FINANCIAL ANALYSIS

Net position represents the accrued results of a government's operations and, over time, increases or decreases in net position may serve as a useful indicator of whether MGAA's financial position is improving or deteriorating. At the end of the fiscal year, MGAA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $415.0 million.

Airports are capital-intensive enterprises. 82.0% of MGAA's net position is invested in capital assets (net of any outstanding debt used to acquire those assets).

MGAA uses these assets to provide aviation access and services to the flying public and the surrounding communities, consequently these assets are not available for future spending. Although MGAA's investment in its capital assets is reported net of related debt, the resources needed to pay such debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Certain of MGAA's funding sources impose external restrictions upon the use of funds. In the event that MGAA has unspent restricted resources, this balance is reported as restricted net position and is not available for use to meet ongoing obligations. MGAA ended the current year with no unspent restricted resources, and therefore reports no restricted net position.

The remaining balance of unrestricted net position (18.0%) may be used to meet MGAA's ongoing obligations.

The table below presents a summary of MGAA's net position for the fiscal years ended June 30, 2025 and 2024 respectively.

	Business-Type Activities	
	2025	2024
ASSETS		
Current and Other Assets	$ 90,600,741	$ 79,220,426
Noncurrent Assets	372,835,189	353,745,444
Total Assets	463,435,930	432,965,870
DEFERRED OUTFLOWS OF RESOURCES	2,225,611	1,357,764
LIABILITIES		
Current and Other Liabilities	7,215,598	6,095,969
Long-Term Liabilities	24,155,738	24,238,313
Total Liabilities	31,371,336	30,334,282
DEFERRED INFLOWS OF RESOURCES	19,330,077	15,533,480
NET POSITION		
Net Investment in Captial Assets	340,160,706	324,839,831
Unrestricted	74,799,422	63,616,041
Total Net Position	$ 414,960,128	$ 388,455,872

Total net position increased by $26.5 million (6.8%) as a result of changes in net investment in capital assets and unrestricted net position.

Net investment in capital assets increased $15.3 million from the prior year as the acquisition of new assets exceeded depreciation in the current year and MGAA continued to pay down debt.

Unrestricted net position increased $11.2 million from the prior year as the growth in operating revenues exceeded the growth in expenses as detailed below.

The table below presents the significant elements of revenue and expenses for MGAA comparatively for the current and prior fiscal year.

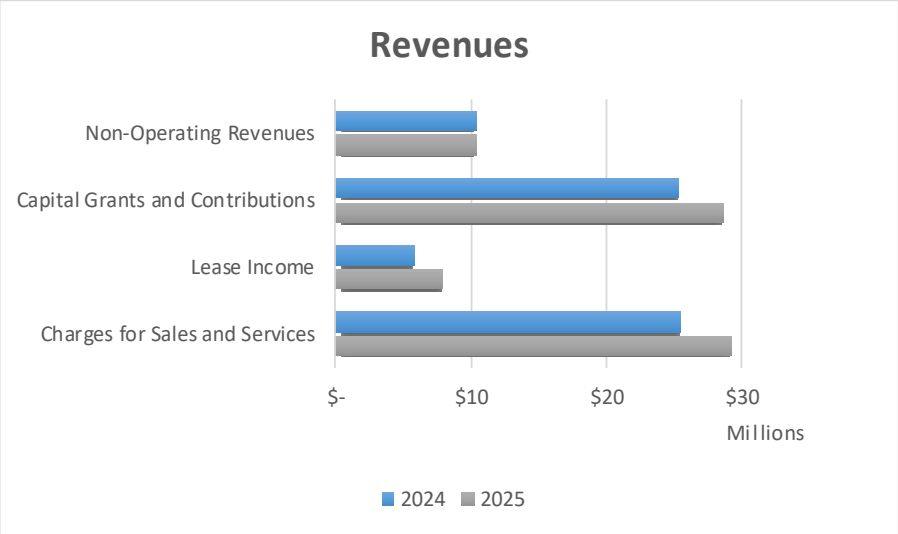
	Business-Type Activities	
	2025	2024
REVENUES		
Charges for Sales and Services	$ 29,186,925	$ 25,530,606
Lease Income	7,859,721	5,800,508
Capital Grants and Contributions	28,722,374	25,375,473
Non-Operating Revenues	10,402,511	10,364,661
Total Revenues	76,171,531	67,071,248
EXPENSES		
Cost of Sales	6,747,084	5,343,774
Other Operating Expenses	23,552,338	22,092,210
Depreciation	16,475,632	15,513,965
Non-Operating Expenses	2,892,221	1,475,623
Total Expenses	49,667,275	44,425,572
CHANGE IN NET POSITION	26,504,256	22,645,676
Net Position - Beginning of Year	388,455,872	365,810,196
NET POSITION - END OF YEAR	$ 414,960,128	$ 388,455,872

Revenues

Overall revenues increased $9.1 million from the previous fiscal year. This increase in revenues was driven by substantial increases in revenue from fueling operations ($2.2 million), lease income ($2.1 million) and airport usage fees ($1.4 million).

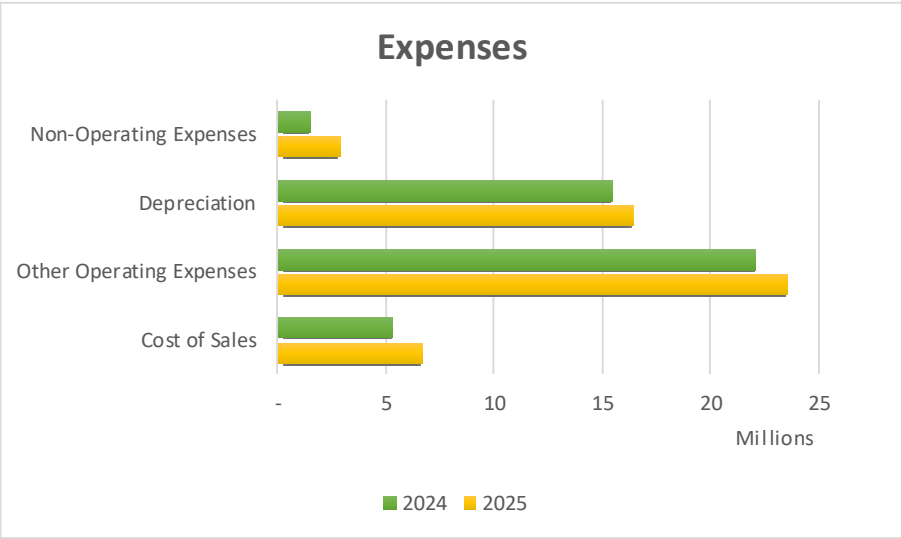
Increases in airport usage fees ($1.4 million) and fueling operations ($2.2 million), were driven by robust growth in both commercial and private as well as military user activity at the airport as MGAA saw over 2 million passengers for the first time in 2025 along with record breaking cargo activity.

Strong growth in lease income ($2.1 million) is the result of several of the long-term leases entered into by MGAA in previous years coming online and beginning to make payments as well as growth in percentage rent payment from airport concessionaires as overall activity has increased.



Expenses

MGAA's operating expenses excluding depreciation increased $2.9 million (10.4%) over the prior year, with significant increases in personnel costs, professional services, and fueling operations cost of goods sold. Increases in professional services ($0.7 million), were driven by higher costs for services. Increases in personnel costs ($0.7 million) reflect market driven pay increases to remain competitive and retain talent as well as growth of 7.5 full-time equivalents (FTEs) to support increased operations. By far the largest increase was seen in cost of goods sold for the fueling operations which increased $1.5 million (27.7%) over the prior year. Costs of goods sold for the fueling operation are directly correlated to increased revenues from fueling operations and were driven higher by both higher average fuel costs, as well as increased fueling activity during the year. MGAA's overall expenses increased $3.8 million (8.9%), with an increase in depreciation ($1.0 million) reflecting the increase in new assets built or acquired by MGAA from prior year.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

At June 30, 2025, MGAA's capital assets totaled $354.7 million (net of accumulated depreciation). Capital assets include land; runways, taxiways, and apron areas; buildings; improvements; machinery, vehicles, equipment, and software. A large majority of these assets were contributed to MGAA directly or were purchased with the aid of federal and state grants.

The table below summarizes MGAA's capital assets (net of accumulated depreciation) by major asset class as of June 30, 2025 and 2024, respectively:

	Business-Type Activities	
	2025	2024
Land	$ 91,188,500	$ 91,188,500
Construction in Progress	23,757,961	10,584,822
Buildings & Improvements	95,856,209	99,097,319
Infrastructure	134,997,506	128,761,219
Machinery & Equipment	8,909,195	9,358,388
	$ 354,709,371	$ 338,990,248

Major capital asset events during the current fiscal year included the following:

- Reconstruction of Runway 12R/30L Phase 1 ($19.1 million)
- Reconstruction of Runway 12C/30C Asphalt ($4.5 million)
- Reconstruction of Taxiway Whiskey ($2.1 million)
- New Ray Road Entrance Monuments ($0.9 million)
- Common Use Passenger Processing System Replacement ($1.2 million)

Additional information on MGAA's capital assets may be found in the notes to the basic financial statements in Note 3.A.4 and 3.B.

Long-term debt

At the end of the current fiscal year, MGAA had total bond principal outstanding of $13.7 million. Payments on MGAA's outstanding special facilities revenue bonds are funded through lease payments from the City of Mesa, Arizona, and secured via pledged excise tax revenue by the City of Mesa through its lease and financing agreement with MGAA.

Overall, MGAA's outstanding debt decreased $0.6 million from the prior fiscal year due to regularly scheduled principal payments.

The following schedule shows the outstanding debt of MGAA as of June 30, 2025 and 2024.

Additional information on MGAA's long-term debt may be found in the notes to the basic financial statements in Note 3.C.

	Business-Type Activities	
	2025	2024
Special Facility Revenue Bonds	$ 13,735,000	$ 14,340,000
Unamortized Premium on Bonds	339,887	366,032
	$ 14,074,887	$ 14,706,032

ECONOMIC FACTORS

MGAA depends on annual contributions from its member governments to cover some of its capital costs. This makes MGAA susceptible to downturns in the economy and changes in authority membership which could affect member governments' abilities to provide this annual funding. However, member government support of this kind has been largely consistent over the last several years.

With MGAA's largest fueling customers being the government and commercial airlines, a significant portion of fueling revenue depends on continuation of military activity and commercial passenger operations.

MGAA also depends on capital grants, mostly from the FAA and the Arizona Department of Transportation (ADOT), to continue its current level of capital improvement and renewal programs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of MGAA's finances for all those who are interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Mesa Gateway Airport Authority, 5835 S. Sossaman Road, Mesa, AZ 85212.

THIS PAGE BLANK

BASIC FINANCIAL STATEMENTS

THIS PAGE BLANK

MESA GATEWAY AIRPORT AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Business-Type Activities Proprietary Fund
ASSETS	
Current Assets:	
Cash and Investments	$ 81,934,232
Accounts Receivable, Net	1,678,178
Due from Other Governments	950,990
Lease Receivable	1,284,981
Prepaid Costs	513,337
Inventory	206,894
Restricted Assets:	
Cash with Fiscal Agent	983,298
Cash with Trustee	1,322,000
Customer Deposits	1,726,831
Total Current Assets	90,600,741
Noncurrent Assets:	
Lease Receivable	17,739,414
Net OPEB Asset	386,404
Capital Assets:	
Non-Depreciable	114,946,461
Depreciable, Net	239,762,910
Total Noncurrent Assets	372,835,189
Total Assets	463,435,930
DEFERRED OUTFLOWS OF RESOURCES	
Pension and OPEB	2,225,611
Total Deferred Outflow of Resources	2,225,611
LIABILITIES	
Current Liabilities:	
Accounts Payable	3,075,991
Accrued Liabilities	582,221
Unearned Revenue	112,557
Current Liabilities Payable from Restricted Assets:	
Customer Deposits	1,726,831
Interest Payable	343,375
Current Portion of Long-Term Liabilities:	
Bonds and Loans Payable	635,000
Compensated Absences	739,623
Total Current Liabilities	7,215,598
Noncurrent Liabilities:	
Bonds and Loans Payable	13,439,887
Compensated Absences	506,825
Net Pension and OPEB Liability	10,209,026
Total Noncurrent Liabilities	24,155,738
Total Liabilities	31,371,336
DEFERRED INFLOWS OF RESOURCES	
Pension and OPEB	838,057
Leases	18,492,020
Total Deferred Outflow of Resources	19,330,077
NET POSITION	
Net Investment in Capital Assets	340,160,706
Unrestricted	74,799,422
Total Net Position	$ 414,960,128

See accompanying Notes to Basic Financial Statements.

THIS PAGE BLANK

MESA GATEWAY AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Business-Type Activities Proprietary Fund
OPERATING REVENUES	
Fueling Operations	$ 15,813,796
Lease Income	7,859,721
Maintenance Services	424,414
Airport Usage Fees	12,948,715
Total Operating Revenues	37,046,646
OPERATING EXPENSES	
Personnel Costs	12,115,595
Professional Services	7,567,677
Cost of Goods Sold - Fueling Operations	6,728,144
Cost of Goods Sold - Maintenance Services	18,940
Repair and Maintenance	649,330
Utilities	1,194,720
Insurance	698,388
Other Expense	1,326,628
Depreciation	16,475,632
Total Operating Expenses	46,775,054
Operating Loss	(9,728,408)
NONOPERATING REVENUE (EXPENSES)	
Investment Income	3,509,824
Lease Interest Income	456,853
PFC Income	4,520,956
CFC Income	1,568,063
Other Income	346,815
Loss from Disposition of Assets	(2,231,616)
Interest Expense	(660,605)
Total Nonoperating Revenues (Expenses)	7,510,290
Income Before Capital Grants and Contributions	(2,218,118)
Capital Grants and Contributions	25,962,374
Capital Contributions from Member Governments	2,760,000
Total Capital Grants and Contributions	28,722,374
Change in Net Position	26,504,256
Total Net Position - Beginning of Year	388,455,872
TOTAL NET POSITION - END OF YEAR	$ 414,960,128

See accompanying Notes to Basic Financial Statements.

MESA GATEWAY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Business-Type Activities Proprietary Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Providing Services	$ 37,723,362
Payments to Employees	(12,065,452)
Payments to Suppliers	(18,067,488)
Customer Deposits and Prepayments	(117,879)
Net Cash Flows Provided by Operating Activities	7,472,543
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Lease Interest Income	456,853
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Construction and Acquisition of Capital Assets	(33,583,704)
Capital Contributions from Member Governments	2,760,000
Capital Grants from Other Governments	27,262,548
Passenger Facility Charges received	4,520,956
Customer Facility Charges received	1,560,174
Proceeds from Sale of Equipment	181,786
Principal Paid on Capital Debt	(605,000)
Interest Paid on Capital Debt	(701,875)
Net Cash Flows Provided by Capital and Related Financing Activities	1,394,885
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	3,509,824
Other Income (Expense)	346,815
Net Cash Flows Provided by Investing Activities	3,856,639
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,180,920
Cash and Cash Equivalents - Beginning of Year	72,785,441
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 85,966,361
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and Investments	$ 81,934,232
Restricted cash	4,032,129
Total Cash and Cash Equivalents	$ 85,966,361

(Continued)

See accompanying Notes to Basic Financial Statements.

MESA GATEWAY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Business-Type Activities Proprietary Fund
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (9,728,408)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	16,475,632
Change in Assets, Deferred Outflows, Liabilities and Deferred Inflows:	
Accounts Receivable	390,314
Lease Receivable	(3,350,507)
Prepaid Costs	176,640
Inventories	(11,334)
Net OPEB Asset	(67,415)
Accounts Payable and Accrued Liabilities	7,528
Unearned Revenue	111,529
Customer Deposits	(117,879)
Deferred Outflows Related to Pension and OPEB	(867,847)
Deferred Inflows Related to Pension and OPEB	271,217
Deferred Inflows Related to Leases	3,525,380
Net Pension and OPEB Liability	644,534
Compensated Absences	13,159
Net Cash Provided by Operating Activities	$ 7,472,543
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Loss on Disposal of Capital Assets	$ (2,413,402)
Amortization of Bond Issue Premium	26,145
Net Non-Cash Investing, Capital, and Financing Activities	$ (2,387,257)

(Concluded)

See accompanying Notes to Basic Financial Statements.

THIS PAGE BLANK

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Mesa Gateway Airport Authority (MGAA) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of MGAA's more significant accounting policies follows.

A. Reporting Entity

Mesa Gateway Airport Authority was established on May 19, 1994 as a joint powers' airport authority pursuant to Arizona Revised Statutes Title 28, Chapter 25, Article 8. Originally incorporated as Williams Gateway Airport Authority, MGAA's name was officially changed to Phoenix-Mesa Gateway Airport Authority on July 1, 2007 ahead of the City of Phoenix joining the board. With the departure of the City of Phoenix from the MGAA board effective June 30, 2024, the Phoenix-Mesa Gateway Airport Authority board voted to officially change the name of the authority to Mesa Gateway Airport Authority on December 17, 2024. MGAA operates 3,042 acres as Mesa Gateway Airport.

MGAA is overseen by a five-person board consisting of representatives from each of MGAA's member governments. Membership in MGAA is comprised of the Gila River Indian Community; Town of Gilbert, Arizona; City of Mesa, Arizona; Town of Queen Creek, Arizona; and City of Apache Junction, Arizona.

MGAA is further governed by a variety of federal, state, and local laws, agreements and regulations. The Federal Aviation Administration (FAA) has jurisdiction over airport operations, including aircraft, personnel, facilities, and many technical issues, including noise limits and reasonableness of fees. Under federal law and the FAA's regulations and grant agreements, MGAA cannot legally transfer revenues to its member governments except in exchange for fair value received.

MGAA is legally separate from other state and local governments. There are no component units combined with MGAA for financial statement presentation purposes and MGAA is not included in any other governmental reporting entity. Consequently, these financial statements present the financial position and activities of MGAA, for which its governing board is financially accountable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

MGAA earns revenue from aeronautical and non-aeronautical activities. Fees received for use of the airport include, but are not limited to, landing fees, tie down fees, terminal usage fees, fuel flowage fees, parking fees, rental car fees, and concession fees. MGAA also owns and operates a fixed base fueling operation, leases land and facilities to various tenants, and contracts with tenants and users of the facilities within the airport area to provide maintenance services. Major expenses include salaries and fringe benefits; professional services for fire, police protection, and parking services; legal and development consulting; maintenance, and utilities.

B. Basis of Presentation

MGAA engages solely in business-type activities and presents only a single enterprise fund for external reporting purposes. Accordingly, MGAA does not present government-wide financial statements, and the statements of net position, of revenues, expenses and changes in net position and the statement of cash flows report information for that single enterprise fund only.

C. Basis of Accounting

1. Measurement Focus, Basis Accounting, and Financial Statement Presentation

The statement of net position and statement of revenues, expenses and changes in net position are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Such revenue is subject to review by the funding agency, which may result in disallowance in subsequent periods.

Proprietary, or, enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

2. Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act (Act), which authorized domestic airports to impose a Passenger Facility Charge (PFC) on enplaning passengers. In May 1991, the Federal Aviation Administration issued the regulations for the use and reporting of PFCs. PFCs may be used for airport projects that meet at least one of the following criteria: (1) preserve or enhance safety, security, or capacity of the national transportation system; (2) reduce noise or mitigate noise impacts resulting from an airport; or (3) furnish opportunities for enhanced competition between or among carriers.

MGAA was granted permission to begin collection of a $4.50 per passenger PFC beginning with MGAA's first application effective November 1, 2008. This authority continues with each successive application approved by the FAA for MGAA's collection of PFCs, the most recent of which, application 21-08-C-00-IWA, awarded on November 10, 2021, grants MGAA permission to impose and collect PFCs through June 1, 2043.

The PFC, less an $0.11 per passenger administrative fee charged by the airlines for processing, is collected by the airlines and remitted on a monthly basis to MGAA. PFCs are not a grant to MGAA, but rather a fee earned by MGAA for passenger use of the airport facilities and is considered revenue when collected and remitted. However, as the use of the PFCs is restricted to those specific purposes approved by the FAA as part of each application by MGAA, the revenue from PFCs is reported as nonoperating revenue in MGAA's statement of revenues, expenses, and changes in net position. Unspent PFCs are reported as restricted cash, and restricted net position, in MGAA's financial statements.

3. Use of Restricted Resources

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is MGAA's policy to use restricted resources first before using unrestricted resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Cash and Investments

MGAA's cash and cash equivalents are comprised of cash on hand, demand deposits, cash and investments held by the State Treasurer and highly liquid investments with maturities of three months or less from the date of acquisition. Cash and investments are pooled, except for funds required to be held by fiscal agents or restricted under provisions of bond indentures.

State Statutes and Authority policy authorize MGAA to invest in obligations of U.S. Treasury and U.S. Agencies, certificates of deposit and repurchase agreements held in eligible depositories, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state, highly rated commercial paper, or the State Treasurer's Local Government Investment Pool. Investments are stated at fair value or amortized cost.

2. Receivables and Intergovernmental Receivables

All customer and non-governmental receivables are shown net of an allowance for uncollectible receivables. MGAA annually reviews the balance in the reserve account to determine if, based on history, the allowance is adequate to cover current receivables, and adjusted accordingly. Receivables from other governments are assumed to be entirely collectible and are therefore not included in this analysis. Current and long-term lease receivables represent the present value of future minimum non-cancelable payments on lease agreements in which MGAA is the lessor. These receivables are calculated and presented in accordance with GASB Statement No. 87.

3. Inventories and Prepaid Items

Supply inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of inventory is reported as an expense at the time the individual items are consumed. Fuel inventories are valued at cost using the moving average method.

Certain payments to vendors reflect costs applicable to future accounting periods and accordingly are recorded as prepaid items in the proprietary fund financial statements. These items are expensed as consumed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

4. Restricted Assets

As required by applicable law, regulation and agreement, certain resources are set aside for debt service requirements on bonds and loans. Additionally, unspent PFC funds and related receivables and customer deposits, upon which there are legal or external restrictions as to use, are set aside as restricted.

5. Capital Assets

Capital assets, which include property, plant, infrastructure, machinery and equipment, and vehicles, are defined by MGAA as those assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of one year.

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Buildings and Improvements	5 – 30 years
Infrastructure	5 – 40 years
Machinery, Vehicles, and Equipment	3 – 10 years

When assets are retired or sold, the costs of those assets and the related accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is charged to income or expense.

6. Deferred Outflows and Inflows of Resources

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as a revenue in future periods.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

7. Compensated Absences

The liability for compensated absences reported in the statement of net position consists of unpaid, accumulated leave balances. MGAA recognizes a liability for sick and vacation time that employees accumulate that is considered more likely than not to either be used as time off or otherwise paid in cash.

All employees (after a probationary period) are eligible for full payout of their vacation leave upon separation from service. Additionally, employees who have 15 or more years of service and/or retire in good standing from MGAA are eligible for payment of 50% of their unused sick leave (up to 520 hours). Employees with 10 or more years of service are eligible for payment of 25% of their unused sick leave (up to 520 hours) upon separation from service.

Further, MGAA's employee vacation policy provides for granting vacation leave payouts to eligible employees annually who meet the criteria. Every year, employees are eligible for payout of their accrued vacation balances in excess of MGAA's 240-hour limit, provided the employee has taken at least 80 hours of vacation during the previous fiscal year. All leave payouts are made at the employee's then-current rate of pay.

8. Long-Term Obligations

In the financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

9. Pension Plan and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

10. Net Position

In the statement of net position, net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets is reported separately because capital assets make up a significant portion of total net position. Restricted net position accounts for the portion of net position restricted by parties outside of MGAA. Unrestricted net position is the remaining net position not included in the previous two categories.

E. Adoption of New Accounting Standards

In June of 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. This statement expands and amends and clarifies previously issued guidance around the recognition of liabilities for different forms of compensated leave by requiring a liability to be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. It additionally amended the requirement to disclose the gross increases and decreases in the liability for compensated absences to allow for disclosure of only the net change in the liability.

MGAA adopted the requirements of this standard effective July 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

MGAA uses a budget process that culminates in the adoption of a formal annual budget by the board of directors. The budget is a planning and control device; it is not legally binding in the sense of appropriations commonly required in municipal governments. However, certain budget changes require board approval per certain MGAA board policies and organizational policies and procedures.

NOTE 3 DETAILED NOTES

A. Assets

1. Deposits and Investments

Deposits and investments at June 30, 2025 consist of the following:

Cash on Hand	$	800
Deposits:		
Cash in Bank		1,609,212
Investments:		
Money Market		25,297,952
State Treasurer's Investment Pool		3,763,056
Commercial Paper		44,422,110
Corporate Bonds		10,873,231
Total Deposits and Investments		85,966,361
Less Restricted Assets		(4,032,129)
Cash and Investments on Statement of Net Position	$	81,934,232

Investments and Fair Value Measurements – MGAA uses fair value measurements to record value adjustments to certain assets and to determine fair value disclosures. MGAA follows accounting principles generally accepted in the United States of America that define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

The fair value measurements framework utilizes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Fair value measurements define levels within the hierarchy based on the reliability of inputs.

NOTE 3 DETAILED NOTES (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Financial assets recorded on the statement of net position are categorized based on inputs to the measurement framework as follows:

Level 1 – Financial assets are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in an active over-the-counter-market.

Level 2 – Financial assets are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

MGAA's investments at June 30, 2025, categorized within the fair value hierarchy detailed above, were as follows:

		Fair Value Measurements Using		
	June 30, 2025	(Level I)	(Level II)	(Level III)
Investments by Fair Value Level				
Commercial Paper	$ 44,422,110	$ -	$ 44,422,110	$ -
Corporate Bonds	10,873,231	10,873,231	-	-
Total Investments by Fair Value Level	$ 55,295,341	$ 10,873,231	$ 44,422,110	$ -
External Investment Pools				
Measured at Fair Value				
State Treasurer's Investment Pool	$ 3,763,056			
Total Investments by Fair Value Level				
Investments by Amortized Costs				
Money Market	$ 25,297,952			
Total Investments	$ 84,356,349			

NOTE 3 DETAILED NOTES (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

The State Board of Investment provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The value of investments in LGIP 700 has been adjusted to fair market value at June 30, 2025. LGIP shares are not identified with specific investments held for MGAA in physical or book entry form. Investments in the State Treasurer's Local Government Investment Pools are not insured or collateralized.

Custodial Credit Risk – Custodial Credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. MGAA is not subject to custodial credit risk since its investments are not identified with specific investments held by others for MGAA in physical or book entry form. MGAA does not have a formal policy regarding credit risk. However, collateralization is addressed in the investment policy.

As of June 30, 2025, all MGAA's funds held on deposit were fully collateralized through collateral pledged by MGAA's banking institution in MGAA's name.

Concentration Risk – Concentration risk is the increased risk to the organization when a significant portion of its resources are invested with a single issuer. MGAA does not have a formal policy for concentration of credit risk. However, diversification of portfolio assets is addressed in the investment policy. The LGIP portfolio is not directly rated but holds only assets rated AAA by Moody's. Concentration percentages are shown below.

As of June 30, 2025, MGAA had the following investments:

Rating Agency Investment	Rating	Amount	Percent
Moody's Investor Service			
Commercial Paper	A-1/P-1 - A-2/P-2	$ 44,422,110	53%
Corporate Bonds	A-1/P-1 - A-2/P-2	$ 10,873,231	13
Not Rated			
Money Market	N/A	25,297,952	30
State Treasurer's Investment Pool	N/A	3,763,056	4

NOTE 3 DETAILED NOTES (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Interest rate risk – Due to the short maturities of MGAA's investments, the risk of losses due to market interest rate changes is minimal. MGAA does not have a formal policy regarding interest rate risk. The following table shows the investment maturities by year and type of security:

	Maturity			
Investment Type	Less Than 1 Year	1-3 Years	More Than 3 Years	Total
State Treasurer's Investment Pool	$ -	$ 3,763,056	$ -	$ 3,763,056
Commercial Paper	44,422,110	-	-	44,422,110
Corporate Bonds	10,873,231	-	-	10,873,231
Total	$ 55,295,341	$ 3,763,056	$ -	$ 59,058,397

2. Restricted cash

Certain assets of MGAA are classified as restricted assets because their use is restricted by grant or contractual agreements. Restricted assets include the following:

Customer Deposits	$ 1,726,831
Current & Future Debt Service Reserves	2,305,298
Total Restricted Cash and Investments	$ 4,032,129

3. Receivables

At June 30, 2025, receivables were comprised of the following receivable balances, reduced as applicable by an allowance for uncollectible amounts:

	Receivables	Allowance	Net
Business-Type Activities:			
Accounts Receivable, Net	$ 1,787,622	$ (109,444)	$ 1,678,178
Due from Other Governments	950,990	-	950,990
Lease Receivables	19,024,395	-	19,024,395
Total Business-Type Activities	$ 21,763,007	$ (109,444)	$ 21,653,563

NOTE 3 DETAILED NOTES (CONTINUED)

A. Assets (Continued)

4. Capital assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 91,188,500	$ -	$ -	$ 91,188,500
Construction in Progress	10,584,822	34,392,314	(21,219,175)	23,757,961
Total Capital Assets Not Being Depreciated	101,773,322	34,392,314	(21,219,175)	114,946,461
Capital Assets Being Depreciated				
Buildings & Improvements	164,551,081	1,887,112	(11,461,614)	154,976,579
Infrastructure	311,039,491	16,378,007	(3,413,894)	324,003,604
Machinery, Vehicles, & Equipment	27,459,271	1,423,707	(5,531,618)	23,351,360
Total Capital Assets Being Depreciated	503,049,843	19,688,826	(20,407,126)	502,331,543
Less Accumulated Depreciation For:				
Buildings & Improvements	(65,453,762)	(4,672,205)	11,005,597	(59,120,370)
Infrastructure	(182,278,272)	(10,046,869)	3,319,043	(189,006,098)
Machinery, Vehicles, & Equipment	(18,100,883)	(1,756,558)	5,415,276	(14,442,165)
Total Accumulated Depreciation	(265,832,917)	(16,475,632)	19,739,916	(262,568,633)
Total Capital Assets Being Depreciated, Net	237,216,926	3,213,194	(667,210)	239,762,910
Business-type Activities Capital Assets, Net	$ 338,990,248	$ 37,605,508	$ (21,886,385)	$ 354,709,371

NOTE 3 DETAILED NOTES (CONTINUED)

B. Purchase Commitments

MGAA had major contractual commitments related to various capital projects at June 30, 2025, for the construction or acquisition of various improvements. MGAA's commitments remaining open with contractors relating to these projects were as follows:

Project	Spent-to-Date	Remaining Commitment
Reconstruct Rwy 12R 30L & Twy H	$ 20,375,214	$ 27,710,454
Airfield Electrical Upgrades	54,554	495,446
Fire System Tank Valves	81,842	18,414
TSA Bag Make-up Expansion	1,040,493	44,587,121
TSA Checkpoint Stanchions	37,093	2,907
Airfield Asphalt Shoulders Rehab	245,649	29,977
Safety Management System	247,930	81,762
Terminal Seating Baggage Claim/High-Bay	43,666	97,334
2024 Ford F150 Super Crew 4X2	50,645	9,355
Lift for Manhole/Vault Covers	13,014	5,986
Common Use System	1,227,325	422,675
	$ 23,417,425	$ 73,461,431

NOTE 3 DETAILED NOTES (CONTINUED)

C. Long-Term Obligations

On February 29, 2012, MGAA issued $19,220,000 in Special Facility Revenue Bonds (Mesa Project) Series 2012. Previous to the issuance, on March 21, 2011, MGAA entered into a Memorandum of Understanding (MOU) with the City of Mesa (the City) for the development, construction and lease of an aircraft maintenance, repair, and overhaul facility at Mesa Gateway Airport. Under the terms of the MOU, MGAA issued Special Facility Revenue Bonds which financed the construction of the facility, which was leased to the City through a property and special facility lease on February 1, 2012 (the Agreement). The facility is further subleased by the City under a separate agreement.

Under the terms of the agreement, the City will pay rent to MGAA, comprised of base rent for the building and premises rent for the property. The City's base rent payments due under the terms of the Agreement will be in sums sufficient to pay, amongst other things, the principal of and interest on the Series 2012 Special Facility Revenue Bonds as they come due, as well as all charges and expenses of the Trustee.

Further, in connection with the issuance of the special facility revenue bonds, The City pledged a portion of its excise taxes, defined in the Series 2012 Special Facility Revenue Bond Official Statement, as security for payment of the base rent. The pledge of such excise taxes will be a junior lien, subordinate to certain outstanding senior obligations.

Annual principal and interest payments on the bonds are expected to require 100% of revenues pledged for base rent less all charges and expenses of the trustee. Interest is paid semi-annually based upon the principal amount of the bonds outstanding during such period. The bonds are payable from the future lease revenues from the City of Mesa through 2039. During that time frame total principal and interest to be paid on the bonds will be $35,216,300, with $19,114,000 remaining to be paid as of June 30, 2025. For the current fiscal year, $1,270,603 in base rent payments along with $36,272 in earnings in excess of reserve requirements were utilized to repay $605,000 in principal and $701,875 in interest.

NOTE 3 DETAILED NOTES (CONTINUED)

C. Long-Term Obligations (Continued)

The maturity schedule for the MGAA Series 2012 Special Facility Revenue Bonds is as follows:

Purpose	Interest Rate	Maturity Date	Original Amount	Outstanding Amount
Business-Type Activities:				
Special Facility Revenue Bonds:				
Series 2012	5.00%	07/01/25-38	$ 19,220,000	$ 13,735,000

Changes in long-term obligations for the year ended June 30, 2025 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and Loans Payable					
Special Facilitiy Revenue Bonds	$ 14,340,000	$ -	$ (605,000)	$ 13,735,000	$ 635,000
Unamortized Premium on Bonds	366,032	-	(26,145)	339,887	-
Total Bonds and Loans Payable	14,706,032	-	(631,145)	14,074,887	635,000
Other Liabilities					
Compensated Absences*	1,233,289	13,159	-	1,246,448	739,623
Business-Type Long-Term Liabilities	$ 15,939,321	$ 13,159	$ (631,145)	$ 15,321,335	$ 1,374,623

* The change in the compensated absences liability is presenting as a net change.

Debt service requirements on long-term debt at June 30, 2025, including future interest based on current repayment schedules, are as follows:

Fiscal Year Ending June 30,	Special Facility Revenue Bonds	
	Principal	Interest
2026	$ 635,000	$ 655,000
2027	665,000	621,750
2028	700,000	586,750
2029	735,000	550,000
2030	770,000	511,500
2031-2035	4,465,000	1,909,000
2036	1,030,000	236,750
2037	1,085,000	182,500
2038	1,135,000	125,750
2039	2,515,000	-
Total	$ 13,735,000	$ 5,379,000

NOTE 3 DETAILED NOTES (CONTINUED)

D. Leases

MGAA, acting as lessor, leases land and facilities on the airport for office buildings, hangars, and ground leases for tenant development. A limited number of these agreements include up to two renewal terms ranging from one to ten years. These leases expire at various dates through 2081, inclusive of any options to renew expected to be exercised.

In accordance with GASB Statement No. 87 *Leases,* MGAA recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases subject to external regulation and for those leases that are short-term in nature. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term.

With few exceptions, MGAA's leases include escalation clauses, which will result in increases in future rents. The escalation clauses typically provide for annual rent increases of 5 percent or the change in the Consumer Price Index. To the extent that such increases are known or can be determined, they have been included in the measurement of the lease receivable.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the year ended June 30, 2025, MGAA received variable payments as required by lease agreements totaling $3,963,372.

Total future minimum lease payments to be received under lease agreements are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2026	$ 1,284,981	$ 892,801	$ 2,177,782
2027	1,190,078	832,299	2,022,377
2028	1,095,031	777,882	1,872,913
2029	1,146,606	723,488	1,870,094
2030	1,131,750	668,364	1,800,114
2031-2035	2,417,324	2,789,923	5,207,247
2036 and thereafter	10,758,625	12,345,841	23,104,466
Total minimum lease payments	$ 19,024,395	$ 19,030,598	$ 38,054,993

NOTE 3 DETAILED NOTES (CONTINUED)

E. Regulated Leases

Certain leases entered into by MGAA are subject to external laws, regulations, legal rulings, and agreements promulgated and enforced by the FAA. Under these regulations, the leases entered into between MGAA and any air carrier or other aeronautical user (as defined in FAA Order 5190.6B Change 3 *Airport Compliance Manual*) must adhere to the following requirements:

1. Lease rates cannot exceed a reasonable amount (i.e. market rates), with reasonableness being subject to determination by the FAA.
2. Lease rates must be similar for lessees which are similarly situated.
3. MGAA, as lessor, cannot deny potential lessees the right to enter into leases if facilities are available (or land is available for the lessee to build their own facility), provided that the lessee's use of the facilities complies with airport minimum standards and use restrictions.

Under the provisions of GASB Statement No. 87, leases subject to external regulation should be excluded from the measurement of the lease receivable and, accordingly, MGAA has excluded these agreements from the measurement of its receivable.

For the year ended June 30, 2025, MGAA received $4,750,774 in payments from leases under regulated lease agreements. Future noncancelable minimum payments under regulated lease agreements are as follows:

Year Ending June 30,	
2026	$ 4,931,107
2027	4,628,648
2028	4,600,827
2029	4,560,925
2030	4,294,598
2031-2035	20,989,350
2036 and thereafter	79,660,068
Total minimum lease payments	$123,665,523

These future regulated lease revenues include $36,963,614 in base rent from the City of Mesa that will be used to service the debt on the Series 2012 Special Facility Bonds.

NOTE 4 OTHER INFORMATION

A. Risk Management

In addition to safety efforts, MGAA's risk management activities include purchase of commercial insurance for all significant risks. Risks retained by MGAA include normal deductibles and the small risk of losses in excess of insurance coverage. The amounts of settlements have not exceeded insurance coverage for the past three years. There have been no significant reductions in insurance coverage. The financial statements do not include any liability for claims at June 30, 2025.

Losses arising from claims and judgments are expensed when (1) it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements, and (2) the amount of the loss can be reasonably estimated.

B. Contingencies

Air Force Prime Lease and Deed

In January 1996, MGAA entered into a prime lease with the United States Air Force for the real property encompassing approximately 3,005 of MGAA's 3,042 acres of land, which comprised the majority of the former Williams Air Force Base, including the three runways, and 120 buildings or facilities (such as navigational aids) ("the property") for the purpose of developing a public airport. Since then, portions of the property have been deeded to MGAA as environmental clearances have been completed. Today less than one acre remains under lease pending environmental clearance. The real property conveyed via quitclaim deed was recorded at estimated fair market value at the date of the transfer.

Under the terms of the deed, the property is restricted for public airport purposes for the use and benefit of the public. No land or improvements can be used, leased, sold, salvaged, or disposed of by MGAA for other than airport purposes without the written consent of the Administrator of the FAA. The term "airport purposes" as used in this deed includes the use and/or development of the property, including hotel development, to produce sources of revenue from nonaviation business.

Non-compliance with the terms of the indenture could, at the option of the Federal government, result in the property reverting to the United States of America.

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Related Party Transactions

MGAA has earned revenues, incurred expenses, and made other payments involving some of its member governments. Following is a summary of these transactions:

Related Party	Member Contributions	Operating Revenues	Operating Expenses	Sales Tax Collected/ Remitted
City of Apache Junction, Arizona	$ 130,000	$ -	$ -	$ -
City of Mesa, Arizona	1,700,000	2,070,179	2,954,073	451,161
Gila River Indian Community	450,000	-	-	-
Town of Gilbert, Arizona	350,000	-	-	-
Town of Queen Creek, Arizona	130,000	-	-	-
	$ 2,760,000	$ 2,070,179	$ 2,954,073	$ 451,161

MGAA revenues above consist of member contributions, real property leases, and minor maintenance work. MGAA expenses include airport rescue and firefighting (ARFF), police protection, water and trash utilities, lobbyist services, and permits. Included in City of Mesa expenses is $157,828 in accounts payable at June 30, 2025.

D. Pension and Other Postemployment Benefits

Arizona State Retirement System

Plan Description – MGAA employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS is a component unit of the State of Arizona.

The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits Provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of Service and Age and Age Required to Receive Benefit	Sum of Years and Age Equals 80 10 Years, Age 62 5 Years, Age 50* Any Years, Age 65	30 Years, Age 55 25 Years, Age 60 10 Years, Age 62 5 Years, Age 50* Any Years, Age 65
Final Average Salary is Based on	Highest 36 Consecutive Months of Last 120 Months	Highest 60 Consecutive Months of Last 120 Months
Benefit Percentage Per Year of Service	2.1% to 2.3%	2.1% to 2.3%

* With Actuarially Reduced Benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from $100 per month to $260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.27% (12.12% for retirement and 0.15% for long-term disability) of the members' annual covered payroll, and statute required MGAA to contribute at the actuarially determined rate of 12.27% (12.05% for retirement, 0.07% for health insurance premium benefit, and 0.15% for long-term disability) of the active members' annual covered payroll. In addition, MGAA was required by statute to contribute at the actuarially determined rate of 10.19% (10.14% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked for MGAA in positions that an employee who contributes to the ASRS would typically fill.

MGAA's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2025, were $1,107,039, $6,312, and $13,628, respectively.

Liability – At June 30, 2025, MGAA reported the following assets and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

	Net Pension/OPEB (Asset) Liability
Pension	$ 10,207,360
Health Insurance Premium Benefit	(386,404)
Long-term Disability	1,666

The net asset and net liabilities were measured as of June 30, 2024. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

MGAA's proportion of the net asset or net liability was based on MGAA's actual contributions to each plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. MGAA's proportionate share of each plan measured as of June 30, 2024, and the change from its proportionate share of each plan measured as of June 30, 2023 were:

	Proportion June 30, 2024	Increase (Decrease) from June 30, 2023
Pension	0.06379%	0.00473
Health Insurance Premium Benefit	0.06395%	0.00487
Long-term Disability	0.63910%	0.58010

Expense – For the year ended June 30, 2025, MGAA recognized the following pension and OPEB expense:

	Pension/OPEB Expense
Pension	$ 1,157,118
Health Insurance Premium Benefit	(57,444)
Long-term Disability	7,794

Deferred Outflows/Inflows of Resources –At June 30, 2025, MGAA reported deferred outflows of resources and deferred inflows of resources related to pension and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit		Long-term Disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 569,765	$ -	$ 11,182	$ 93,301	$ 6,126	$ 4,437
Changes of Assumptions or Other Inputs	-	-	-	4,008	1,205	9,974
Net Difference between Projected and Actual Earnings on Plan Investments	-	651,852	-	26,562	-	1,820
Changes in Proportion and Differences between MGAA Contributions and Proportionate Share of Contributions	506,885	31,739	1,884	13,258	1,585	1,106
MGAA Contributions Subsequent to the Measurement Date	1,107,039	-	6,312	-	13,628	-
	$ 2,183,689	$ 683,591	$ 19,378	$ 137,129	$ 22,544	$ 17,337

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

The amounts as deferred outflows of resources related to pension and OPEB resulting from contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources for pension and OPEB will be recognized in expense as follows:

Year Ending June 30,	Pension	Health Insurance Premium Benfit	Long-Term Disability
2026	$ (61,734)	$ (73,983)	$ (2,640)
2027	739,420	(18,853)	(221)
2028	(165,005)	(18,715)	(2,757)
2029	(119,622)	(10,004)	(2,654)
2030	-	(2,508)	(1,037)
Thereafter	-	-	888

Actuarial assumptions- The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

Actuarial Valuation Date	June 30, 2023
Actuarial Roll Forward Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation	Fair Value
Discount Rate/Investment Rate of Return	7.0%
Project Salary Increases	2.9 - 8.4% for Pensions/Not Applicable for OPEB
Inflation	2.3%
Permanent Benefit Increase	Included for Pensions/Not Applicable for OPEB
Mortality Rates	2017 SRA Scale U-MP for Pensions and Health Insurance Premium Benefit
Recovery Rates	2012 GLDT for Long-Term Disability
Healthcare Cost Trend Rate	Not Applicable

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return
Public Equity	44%	4.48%
Credit	23%	4.40%
Real Estate	17%	6.05%
Private Equity	10%	6.11%
Interest Rate Sensitive	6%	(0.45)%
Total	100%	

Discount Rate—At June 30, 2024, the discount rate used to measure the total pension/OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of MGAA's Proportionate Share of the ASRS Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate—The following table presents MGAA's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0%, as well as what MGAA's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
MGAA's Proportionate Share of the Net Pension Liability	$ 15,629,556	$ 10,207,360	$ 5,688,434
Net Insurance Premium Benefit Liability (Asset)	(280,913)	(386,404)	(476,092)
Net Long-Term Disability Liability	5,732	1,666	(2,334)

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Contributions Payable – MGAA's accrued payroll and employee benefits included $127,402 of outstanding pension and OPEB contribution amounts payable to the ASRS for the year ended June 30, 2025.

Deferred Compensation Plan

MGAA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Section 457 requires that the assets and income of a qualifying plan be held in trust for the exclusive benefit of participants and their beneficiaries. The plan, available to all MGAA employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Bi-weekly contributions to the plan are deducted from the wages of employees who choose to participate as prescribed by federal law and regulations. MGAA offers a matching contribution up to $50 per pay period. These combined contributions are deposited with the third-party vendor in MGAA's name and in trust on behalf of MGAA employees. MGAA has little administrative involvement and does not perform investing functions for this plan, therefore, this plan is not reflected in MGAA's financial statements.

MGAA contributions to the plan for the year ended June 30, 2025 were $130,096.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

MESA GATEWAY AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A
SCHEDULE OF MGAA'S PROPORTIONATE SHARE OF NET PENSION/OPEB LIABILITY
COST-SHARING PLANS
JUNE 30, 2025

Pension

	Reporting Fiscal Year (Measurement Date)			
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)
MGAA's Proportion of the Net Pension Liability	0.06379%	0.05906%	0.05976%	0.05933%
MGAA's Proportionate Share of the Net Pension Liability	$ 10,207,360	$ 9,556,761	$ 9,754,159	$ 7,795,699
MGAA's Covered Payroll	8,729,569	7,761,072	7,144,721	6,689,029
MGAA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	116.93%	123.14%	136.52%	116.54%
Plan Fiduciary net Position as a Percentage of the Total Pension Liability	76.93%	75.47%	74.26%	78.58%

Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date)			
	2024 (2023)	2023 (2022)	2023 (2022)	2022 (2021)
MGAA's Proportion of the Net OPEB (Asset) Liability	0.06395%	0.05908%	0.06009%	0.05967%
MGAA's Proportionate Share of the Net OPEB (Asset) Liability	$ (386,404)	$ (318,989)	$ (335,361)	$ (290,717)
MGAA's Covered Payroll	8,729,569	7,761,072	7,144,721	6,689,029
MGAA's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-4.43%	-4.11%	-4.69%	-4.35%
Plan Fiduciary net Position as a Percentage of the Total OPEB Liability	137.51%	134.37%	137.79%	130.24%

Long-term Disability

	Reporting Fiscal Year (Measurement Date)			
	2024 (2023)	2023 (2022)	2023 (2022)	2022 (2021)
MGAA's Proportion of the Net OPEB (Asset) Liability	0.63910%	0.05900%	0.05983%	0.05947%
MGAA's Proportionate Share of the Net OPEB (Asset) Liability	$ 1,666	$ 7,731	$ 5,526	$ 12,276
MGAA's Covered Payroll	8,729,569	7,761,072	7,144,721	6,689,029
MGAA's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	0.02%	0.10%	0.08%	0.18%
Plan Fiduciary net Position as a Percentage of the Total OPEB Liability	98.77%	93.70%	95.40%	90.38%

Reporting Fiscal Year (Measurement Date)					
2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
0.06247%	0.06220%	0.06082%	0.05781%	0.05524%	0.05129%
$ 10,823,877	$ 9,050,824	$ 8,482,250	$ 9,005,671	$ 8,916,291	$ 7,988,900
6,845,232	6,574,179	6,069,562	5,529,421	5,133,214	4,722,184
158.12%	137.67%	139.75%	162.87%	173.70%	169.18%
69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

Reporting Fiscal Year (Measurement Date)				
2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 Through 2016
0.06272%	0.06217%	0.06096%	0.05800%	Information Not
$ (44,406)	$ (17,181)	$ (21,951)	(31,575)	Available
6,845,232	6,574,179	6,069,562	5,529,421	
-0.65%	-0.26%	-0.36%	-0.57%	
104.33%	101.62%	102.20%	103.57%	

Reporting Fiscal Year (Measurement Date)				
2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 Through 2016
0.06256%	0.06209%	0.06091%	0.05776%	Information Not
$ 47,459	$ 40,448	$ 31,826	20,937	Available
6,845,232	6,574,179	6,069,562	5,529,421	
0.69%	0.62%	0.52%	0.38%	
68.01%	72.85%	77.83%	84.44%	

MESA GATEWAY AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A
SCHEDULE OF MGAA PENSION/OPEB CONTRIBUTIONS
JUNE 30, 2025

Pension

	Fiscal Year			
	2025	2024	2023	2022
Statutorily Required Contribution	$ 1,107,039	$ 1,072,982	$ 918,945	$ 854,986
MGAA's Contributions in relation to the Statutorily Required Contribution	1,107,039	1,072,982	918,945	854,986
MGAA's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
MGAA's Covered Payroll	$ 9,196,186	$ 8,729,569	$ 7,761,072	$ 7,144,721
MGAA's Contributions as a Percentage of Covered Payroll	12.04%	12.29%	11.84%	11.97%

Health Insurance Premium Benefit

	Fiscal Year			
	2025	2024	2023	2022
Statutorily Required Contribution	$ 6,312	$ 9,586	$ 8,281	$ 14,658
MGAA's Contributions in relation to the Statutorily Required Contribution	6,312	9,586	8,281	14,658
MGAA's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
MGAA's Covered Payroll	$ 9,196,186	$ 8,729,569	$ 7,761,072	$ 7,144,721
MGAA's Contributions as a Percentage of Covered Payroll	0.07%	0.11%	0.11%	0.21%

Long-term Disability

	Fiscal Year			
	2025	2024	2023	2022
Statutorily Required Contribution	$ 13,628	$ 13,218	$ 10,674	$ 13,262
MGAA's Contributions in relation to the Statutorily Required Contribution	13,628	13,218	10,674	13,262
MGAA's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
MGAA's Covered Payroll	$ 9,196,186	$ 8,729,569	$ 7,761,072	$ 7,144,721
MGAA's Contributions as a Percentage of Covered Payroll	0.15%	0.15%	0.14%	0.19%

Fiscal Year						
2021	2020	2019	2018	2017	2016
$ 777,064	$ 781,806	$ 733,438	$ 658,962	$ 596,071	$ 556,955
777,064	781,806	733,438	658,962	596,071	556,955
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,689,029	$ 6,845,232	$ 6,574,179	$ 6,069,562	$ 5,529,421	$ 5,133,214
11.62%	11.42%	11.16%	10.86%	10.78%	10.85%

Fiscal Year						
2021	2020	2019	2018	2017	2016
$ 26,087	$ 33,542	$ 30,241	$ 26,706	$ 30,965	$ 25,666
26,087	33,542	30,241	26,706	30,965	25,666
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,689,029	$ 6,845,232	$ 6,574,179	$ 6,069,562	$ 5,529,421	$ 5,133,214
0.39%	0.49%	0.46%	0.44%	0.56%	0.50%

Fiscal Year						
2021	2020	2019	2018	2017	2016
$ 12,040	$ 11,637	$ 10,519	$ 9,711	$ 7,741	$ 6,160
12,040	11,637	10,519	9,711	7,741	6,160
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,689,029	$ 6,845,232	$ 6,574,179	$ 6,069,562	$ 5,529,421	$ 5,133,214
0.18%	0.17%	0.16%	0.16%	0.14%	0.12%

THIS PAGE BLANK

OTHER INFORMATION

THIS PAGE BLANK

MESA GATEWAY AIRPORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY-BASIS
YEAR ENDED JUNE 30, 2025

AIRPORT - All Operations

	Budget	Actual	Variance
OPERATING REVENUES			
Aeronautical Operating Revenues			
Aircraft Parking	$ 297,349	$ 357,870	$ (60,521)
Fuel Flowage Fees	668,538	721,048	(52,510)
Landing Fees	1,557,120	1,905,297	(348,177)
Lease Income Aero	4,125,549	4,750,774	(625,225)
Fuel Sales	8,023,400	10,109,333	(2,085,933)
Services Sold - Aero	5,549,638	5,791,108	(241,470)
Non-Aeronautical Operating Revenues			
Concessions	1,339,200	1,553,311	(214,111)
Lease Income Non-Aero	1,324,375	1,398,092	(73,717)
Parking	4,625,217	5,550,515	(925,298)
Rental Car Fees	2,889,717	3,515,473	(625,756)
Svcs Sold - Non Aero	143,270	183,651	(40,381)
Total Operating Revenues	30,543,373	35,836,472	(5,293,099)
OPERATING EXPENSES			
Personnel	12,423,601	12,106,338	317,263
Costs of Goods Sold	5,512,871	6,747,084	(1,234,213)
Comm & Utilities	1,014,627	1,194,720	(180,093)
Contractual Services	7,874,410	7,567,677	306,733
Insurance	803,926	698,388	105,538
Other	527,073	429,969	97,104
Repair & Maintenance	1,122,100	649,330	472,770
Supplies & Materials	1,141,571	896,660	244,911
Air Service Incentives	2,000,000	-	2,000,000
Operating Contingency	3,042,018	-	3,042,018
Total Operating Expenses	35,462,197	30,290,166	5,172,031
OPERATING INCOME - BUDGETARY-BASIS	**$ (4,918,824)**	5,546,306	**$ (10,465,130)**

RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS	
Depreciation is a GAAP-only Expenditure	(16,475,632)
Certain Expenditures (i.e. Compensated Leave) are recognized in Expense when Earned on a GAAP Basis, when Paid on a Budgetary-Basis	(28,767)
Pension and OPEB Expense is a GAAP-only Expenditure	(1,107,468)
Pension and OPEB Contributions are an Expense on a Budgetary-Basis	1,126,979
A Portion of Lease Income is presented as non-operating on a GAAP Basis	(631,726)
Lease Income Excludes Bond-Related Lease Income on a Budgetary-Basis	1,841,900
Operating Loss - GAAP Basis	**$ (9,728,408)**

MINUTES OF THE PUBLIC MEETING OF THE
MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | September 16, 2025

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, September 16, 2025, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Lt. Governor Regina Antone, Gila River Indian Community*
Mayor Mark Freeman, Mesa
Mayor Scott Anderson, Gilbert
Mayor Chip Wilson, Apache Junction
Councilmember Jeff Brown, Queen Creek

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

** Neither present nor represented*

1. **Call to Order** at 9:00 a.m. (Mayor Mark Freeman, Vice Chair)

2. **Pledge of Allegiance**

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

4. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on MGAA financial performance, passenger activity, the community noise report, and various Airport projects.
   - MGAA Briefs
     - Best July for Financials, Passengers, and Cargo!
       - Fiscal Year-to-Date 2026 (FYTD) Net Operating Income is $889,527 compared to $810,864 July 2024.
       - Record setting passenger activity in July 2025! (169,729 total passengers)
       - Record setting cargo activity in July 2025! (1,770,945 total pounds)
     - The Authority is working with the member communities, the Arizona Congressional Delegation, and U.S. Customs and Border Protection (USCBP) to request a second USCBP agent in order to have the infrastructure and staffing to accommodate the developing international air cargo market.
     - The Second Annual Airport Business Executives' Breakfast was held on September 10th in the Administration building of MGAA. The Airport's Business Development team invited top local executives from Airport businesses.
     - The Authority hosted a group of East Valley Councilmembers on September 3rd for a presentation and tour of the Airport. Executive Director O'Neill extended an open invitation to the Board for their elected officials to tour the Airport and to learn about the businesses at the Airport and the economic impact to the East Valley.
   - MGAA Private Development
     - Virgin Galactic has begun manufacturing their first six-passenger Delta spaceships in their manufacturing facility at the north end of the airfield.

DRAFT

- FlightSafety International is planning a ground-breaking event on October 21, 2025 following the MGAA Board meeting. Additional details and an RSVP request will be sent in the coming weeks from FlightSafety.
- The two-building Gateway Commerce Center III project totals approximately 100,000 sq. ft. and is nearly complete. The developer has constructed speculative office suites in each building to make the spaces "move-in ready" for potential users. Tenant activity is anticipated for the end of September and beginning of October.
- The demolition of several old Airport buildings has created a new aeronautical development opportunity at the south end of the Airport. In September 2024 a Request for Qualifications (RFQ) for the ± 8.00 acres of property designated for aeronautical redevelopment was released. The evaluation panel met to review all qualified submittals and selected a developer. The developer will present their design plans before the MGAA Board for consideration and approval at the October 2025 Board meeting.
- SkyBridge Arizona is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. SkyBridge has built and leased more than 625,000 sq. ft. of industrial and hangar space. To date, $30MM has been invested in infrastructure, utilities, and roadways. Phase II of the development will open up the aeronautical parcels along Taxiway Alpha.
- Gateway East is a 273-acre non-aeronautical Airport Business Park located on the east side of the Airport adjacent to Ellsworth Road and Gateway Boulevard. The developer for Gateway East is The Boyer Company. Adrian Evarkiou is a partner with the Boyer Company and is here today to discuss the development of a SpringHill Suites by Marriott Hotel at the intersection of Ellsworth Road and Gateway Boulevard.

- MGAA Project Updates
  - Over the next seven years the Authority is planning several important airfield projects to connect taxiways, replace electrical vaults, and improve the condition of the existing runways. The Authority is working with the Federal Aviation Administration (FAA) and Arizona Department of Transportation (ADOT) to fund these projects. The total design and construction cost for FY25-FY31 is $130MM.
  - A new Transportation Security Administration (TSA) checked baggage system will replace two older explosive detection machines that can only clear 200 – 300 checked bags an hour. The new upgraded explosive detection equipment will be capable of clearing 800 – 1,000 bags an hour. This additional capacity will be necessary as the Airport continues to grow. A portion the project's funding, estimated to be $45MM, is coming from a TSA grant. The project is scheduled to get underway on October 1st.

5. **The Boyer Company, L.C. Presentation** –Adrian Evarkiou, Partner, Boyer Company

   The Gateway East master developer, The Boyer Company, is working with the City of Mesa to finalize design plans and securing the necessary permits for a five-acre development at the intersection of Ellsworth Road and Gateway Boulevard. The project includes a hotel, two retail buildings, and two restaurant pads. SpringHill Suites by Marriott is the selected hotel. It is five-stories with 127-rooms. The amenities include a pool, restaurant, bar, fitness center, and meeting space. The anticipated completion date is May 2027. The Boyer Company will submit a land lease in the next couple of months for consideration and approval for two retail buildings and two restaurant pads next to the hotel. The buildout time for these will coincide with that of the hotel.

6. Consent Agenda

a) **Minutes** of the Board Meeting held on **August 19, 2025**.

b) **Resolution No. 25-36 –** Authorizing an Amendment of the **FY26 Capital Budget** to provide an additional $14,587,121 in funding, to the initial $30,000,000 Capital Budget that was approved in March 2025, for the TSA In-Line Checked Baggage System Design/Construct Project under CIP 1265, subject to receipt of a TSA OTA Grant. The new project total will be $44,587,121, which includes the Design costs of $1,125,991.50.

c) **Resolution No. 25-37 –** Authorizing a Construction Manager at Risk Construction Services Contract with **The Weitz Company, LLC** for the TSA In-Line Checked Baggage System Improvements Project, in an amount not to exceed $41,643,882 pending receipt of a TSA grant.

d) **Resolution No. 25-38 –** Approve a Professional Services Agreement to provide Construction Administration Services with **Studdiford Technical Solutions, LLC** for the In-Line Checked Baggage System Improvements Project, in an amount not to exceed $925,997 pending the receipt of a TSA grant.

e) **Resolution No. 25-39 –** Authorizing a contract with **Cross Fire Protection, LLC**, to provide Airport Wide Fire System Test, Inspect, Monitoring, and Repair services for all fire protection/alarm systems installed throughout the Airport's property, in an amount not-to-exceed $55,848.50, (excluding repair services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5%, subject to written approval by the Airport. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of the Airport.

f) **Resolution No. 25-40 –** Authorizing a contract with **Kleen-Tech Services, LLC** for Power Washing Services, in an amount not to exceed $23,564.00 (excluding as needed services), for the first year of the contract. Thereafter, price adjustments will be considered annually, up to 5% provided the adjustments are submitted in writing with thirty (30) days' advance notice. Contract Award with an initial term of three (3) years, with two (2) one (1)-year options to renew that may be exercised at the sole discretion of MGAA.

g) **Resolution No. 25-41 –** Authorizing an Amendment to the Development Lease on Lot 210 with **Boyer Gateway East Mesa Building 1, L.C.**, a Utah limited liability company, to adjust the base rent schedule and update the name of the Airport and Airport Authority.

h) **Resolution No. 25-42 –** Authorizing the First Amendment to the Master Development Agreement with **Boyer Gateway East L.C.**, to update the boundaries for the Development Phases of the Project.

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

Consideration and Approval of:

7. **Resolution No. 25-43 –** Authorizing a Development Lease with **Boyer Gateway East Mesa Hotel 1, L.C**., a Utah limited liability company, for 1.725 acres (75,138 square feet) located within the Gateway East project and identified as Lot 201. The lease term is SIXTY-FIVE (65) years commencing on October 1st, 2025. To authorize a Second Amendment to the Master Lease with **Boyer Gateway East L.C.,** to concurrently remove Lot 201 from the Master Lease Agreement and update the Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East.

   Mayor Scott Anderson moved to approve Resolution No. 25-43.
   Mayor Chip Wilson seconded the motion.
   The motion was carried unanimously.

8. **Board Member Comments/Announcements.**
   Council Member Brown introduced the Town of Queen Creek's Management Assistant Intern, Jordan Thornton. Jordan is enrolled at ASU and is studying for her Master's Degree in Public Administration. She is also the recipient of the Jane L. Morris Fellowship. Jane Morris served as Executive Director/CEO of Gateway Airport.

9. **Next Meeting: Tuesday, October 21, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference.

10. **Adjournment.**
    The meeting adjourned at 9:34 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-44

To:	**Board of Directors**
From:	**Art Montoya, Director of Information Technology Services**
Through:	**Chuck Odom, Chief Financial Officer**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Microsoft Licensing Renewals – CDW Government LLC**
Date:	**October 21, 2025**

Proposed Motion
To authorize a purchase with CDW Government LLC for annual Microsoft licensing renewals, for three (3) years in an amount not to exceed $235,408.94.

Narrative
Multiple Microsoft software and programs are currently used throughout the Airport. This software requires annual licensing renewals. CDW Government LLC (CDW) is an authorized Microsoft reseller.

Board authorization for the purchase of the Microsoft annual software licensing renewals is necessary for continued use of the Microsoft software including the cloud-based Office 365 product suite.

Having executed a Cooperative Purchasing Agreement with the State of Arizona, MGAA is able to procure goods and services under state contracts that have been competitively bid. The State has currently contracted with CDW for computer software under contract CTR070896. It is through this cooperative purchasing agreement that MGAA will utilize CDW for Microsoft licensing renewals. This contact is available upon request.

The not to exceed amount includes taxes that are added at the time of purchase.

Fiscal Impact
The first year of the contract is budgeted in the FY26 Operating Budget. The remaining years costs will be budgeted in the appropriate fiscal years.

Attachment(s)
Quote

RESOLUTION NO. 25-44

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

WHEREAS the Authority desires to authorize a purchase with CDW Government LLC for annual Microsoft licensing renewals, for three (3) years in an amount not to exceed $235,408.94**;**

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 LLC for annual Microsoft licensing renewals, for three (3) years in an amount not to exceed $235,408.94. 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 October, 2025.

Regina Antone, 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

Mesa Gateway Airport Authority

Date 9/24/25
Account Manager Chris

VSL Specialist Mike Buckley
Channel Price Sheet Month Sept

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								
AAD-34704	M365 G3 Unified FUSL GCC Sub Per User	D	130	$ 389.66	$ 50,655.80	$ 389.66	$ 50,655.80	$ 389.66	$ 50,655.80
P3U-00001	Visio P2 GCC Sub Per User	D	17	$ 138.01	$ 2,346.17	$ 138.01	$ 2,346.17	$ 138.01	$ 2,346.17
7MS-00001	Planner & Project P3 GCC Sub Per User	D	6	$ 276.01	$ 1,656.06	$ 276.01	$ 1,656.06	$ 276.01	$ 1,656.06
3MS-00001	Exchange Online P1 GCC Sub Per User	D	10	$ 36.78	$ 367.80	$ 36.78	$ 367.80	$ 36.78	$ 367.80
	Software Assurance Products								
269-05704	Office Professional Plus ALng SA	D	11	$ 121.89	$ 1,340.79	$ 121.89	$ 1,340.79	$ 121.89	$ 1,340.79
9EA-00278	Win Server DC Core ALng SA 2L	D	42	$ 140.22	$ 5,889.24	$ 140.22	$ 5,889.24	$ 140.22	$ 5,889.24
9EA-00039	Win Server DC Core ALng LSA 2L	D	6	$ 327.14	$ 1,962.84	$ 327.14	$ 1,962.84	$ 327.14	$ 1,962.84
9EP-00037	System Center DC Core ALng LSA 2L	D	48	$ 127.02	$ 6,096.96	$ 127.02	$ 6,096.96	$ 127.02	$ 6,096.96
7NQ-00292	SQL Server Standard Core ALng SA 2L	D	4	$ 652.88	$ 2,611.52	$ 652.88	$ 2,611.52	$ 652.88	$ 2,611.52
				Total	**$ 72,927.18**	**Total**	**$ 72,927.18**	**Total**	**$ 72,927.18**
				Three Year Total	**$ 218,781.54**				

Notes

SVAR_AZ_CTR070896 (CTR070896)

Tax added at time of purchase
State of Arizona Master Agreement- 8505135
EA Renewal - 80745099
12/1/2025 Start Date

Terms and Conditions of sales and services projects are governed by the terms at:
http://www.cdwg.com/content/terms-conditions/product-sales.aspx

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

Board Action Item

Re: Resolution 25-45

To:	**Board of Directors**
From:	**Veronica Lewis, Director of Human Resources**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Employee Benefits Package for Calendar Year 2026**
Date:	**October 21, 2025**

Proposed Motion

Authorize Mesa Gateway Airport Authority's (MGAA) 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, 2026 through December 31, 2026 with an estimated plan cost of $1,478,565 for the calendar year.

Narrative

MGAA's benefit broker, USI Insurance Services LLC, received quotes from current and other industry-leading insurance carriers for a 12-month medical plan. USI negotiated the best possible rate from each carrier and was able to negotiate competitive rates. As a result, MGAA staff is proposing a carrier change for medical, dental and Employee Assistance Program (EAP). The proposal for medical would change from Blue Cross Blue Shield to Banner Aetna who quoted an average 2% increase in rates; dental change from Delta Dental to Guardian who quoted a 1% decrease in rates; and EAP change from Uprise Health to Comp Psych with a 30% decrease in rates.

MGAA staff proposes 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.

MGAA 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 2026 is estimated to be $1,271,613 (employer's portion) and $206,952 (employee's portion) for a total of $1,478,565. This reflects an 1.4% increase from the previous calendar year.

Attachment(s)

2026 Renewal Presentation

RESOLUTION NO. 25-45

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

WHEREAS the Authority desires to authorize the Authority'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, 2026 through December 31, 2026 with an estimated plan cost of $1,478,565 for the calendar 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 Authority'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, 2026 through December 31, 2026 with an estimated plan cost of $1,478,565 for the calendar 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 October, 2025.

Regina Antone, Chair

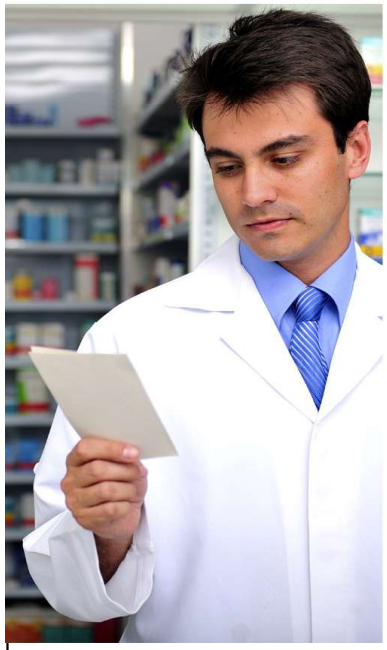
ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

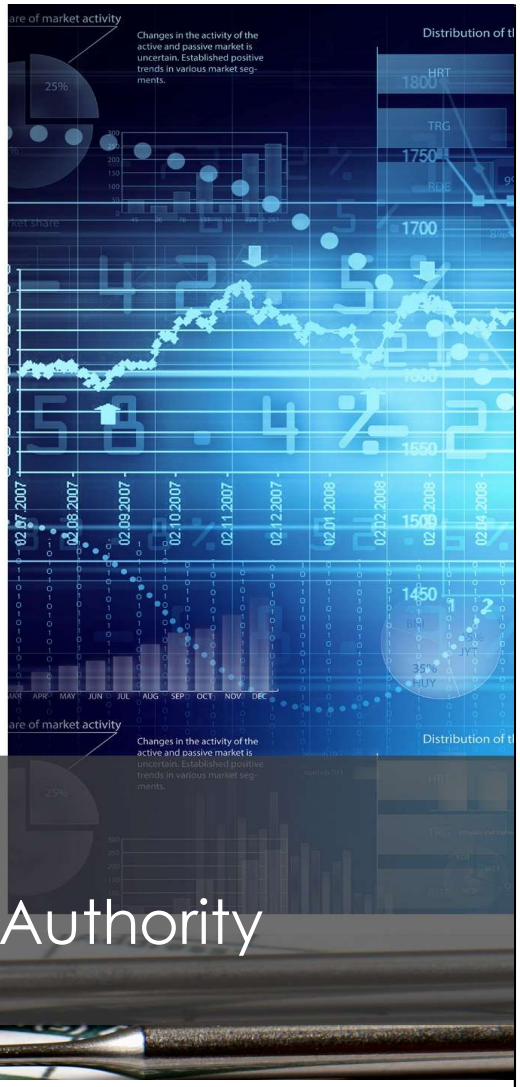
Jill Casson Owen, Attorney











October 3, 2025

2026 Renewal Presentation

Mesa Gateway Airport Authority

Jack Bender, Consultant | David Gean, Account Manager
www.usi.com



Disclaimer

The information contained in this report is for general information purposes only. The information is provided by USI Insurance Services and while we endeavour to keep the information up to date and correct, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the report or the information, products, services, or related graphics contained in the report for any purpose. Any reliance you place on such information is therefore strictly at your own risk.

In no event will we be liable for any loss or damage including without limitation, indirect or consequential loss or damage, or any loss or damage whatsoever arising from loss of data or profits arising out of, or in connection with, the use of this report.

In this report you may view information which is not under the control of USI Insurance Services. We have no control over the nature, content and availability of that information. The inclusion of information does not necessarily imply a recommendation or endorse the views expressed within them.

Commissions and Fees

As a licensed insurance producer, USI is authorized to confer with or advise our clients and prospective clients concerning substantive benefits, terms or conditions of insurance contracts, to sell insurance and to obtain insurance coverages for our clients. Our compensation for placement of insurance coverage, unless otherwise specifically negotiated and agreed to with our client, is customarily based on commission calculated as a percentage of the premium collected by the insurer and is paid to us by the insurer. We may also receive from insurers and insurance intermediaries (which may include USI affiliated companies) additional compensation (monetary and non-monetary) based in whole or in part on the insurance contract we sell, which is contingent on volume of business and/or profitability of insurance contracts we supply to them and/or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Some of these agreements with insurers and/or intermediaries include financial incentives for USI to grow its business or otherwise strengthen the distribution relationship with the insurer or intermediary. Such agreements may be in effect with one or more of the insurers with whom your insurance is placed, or with the insurance intermediary we use to place your insurance. You may obtain information about the nature and source of such compensation expected to be received by us, and, if applicable, compensation expected to be received on any alternative quotes pertinent to your placement upon your request.

USI values your feedback regarding compliance with our disclosure policy. You may contact the toll-free USI Compliance Hotline (866-657-0861) at any time, and your call will be referred to applicable company management for further investigation.

USI Insurance Services Copyright

The contents of this USI Insurance Services report are protected by applicable copyright laws. No permission is granted to copy, distribute, modify, post or frame any text, graphics, data, content, design or logos.

All information and content in this USI Insurance Services report is subject to applicable statutes and regulations, furnished "as is," without warranty of any kind, express or implied, including but not limited to implied warranties of merchantability, fitness for a particular purpose, or noninfringement.

USI®









Table of Contents

Summaries	I
Medical Plan	II
Dental Plan	III
Vision Plan	IV
Life & Disability	V
Compensation Disclosure	VI



Section I

Summaries

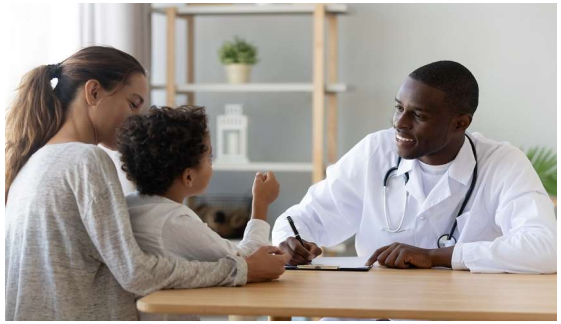
Mesa Gateway Airport Authority (MGAA)
Cost Summary
January 1, 2026 Renewal Date

Carriers	Current	Renewal	Negotiated Renewal	Option 1	Option 2
Medical	Blue Cross Blue Shield	Blue Cross Blue Shield	Blue Cross Blue Shield	**Cigna**	**Cigna**
Dental	Delta Dental	Delta Dental	Delta Dental	Humana	Guardian
Vision	EyeMed	EyeMed	EyeMed	EyeMed	EyeMed
Life / AD&D	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha
Voluntary Life / AD&D	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha
Short Term Disability	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha
Flexible Spending Account Admin.	Employee Benefits Corp	Employee Benefits Corp	Employee Benefits Corp	Employee Benefits Corp	Employee Benefits Corp
COBRA Administration	Employee Benefits Corp	Employee Benefits Corp	Employee Benefits Corp	Employee Benefits Corp	Employee Benefits Corp
Health Spending Account	Health Equity	Health Equity	Health Equity	Health Equity	Health Equity
Employee Assistance Program	Uprise Health	Uprise Health	Uprise Health	Uprise Health	Uprise Health
Critical Illness	UNUM	UNUM	UNUM	UNUM	UNUM
Total Annual Cost					
Medical	$1,248,370	$1,423,136	$1,385,636	$1,338,096	$1,338,096
Dental	$58,955	$64,849	$64,849	$56,540	$58,367
Vision	$10,074	$10,074	$10,074	$10,074	$10,074
Life / AD&D	$14,198	$14,198	$14,198	$14,198	$14,198
Short Term Disability	$14,506	$14,506	$14,506	$14,506	$14,506
Employee Assistance Program	$3,600	$3,960	$3,800	**$3,960**	**$3,960**
Annual Total	**$1,349,702**	**$1,530,723**	**$1,493,062**	**$1,437,374**	**$1,439,201**
Change from Current		$181,020	$143,360	$87,672	$89,499
Percentage Change		13.4%	10.6%	6.5%	6.6%
Net Employer Annual Total					
Net Employer Annual Total	**$1,349,702**	**$1,530,723**	**$1,493,062**	**$1,437,374**	**$1,439,201**
Change from Current		**$181,020**	**$143,360**	$87,672	$89,499
Percentage Change		**13.4%**	**10.6%**	6.5%	6.6%

Notes

*BCBS Negotiated Renewal includes a $7,500 wellness funds

1. Voluntary Life / AD&D is omitted from total annual cost as this coverage is fully employee paid.



Section II

Medical Plan

Mesa Gateway Airport Authority (MGAA)
Medical Plan
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

	Current		Renewal		Negotiated Renewal	
Benefit Outline	**Base**	**Buy-up**	**Base**	**Buy-up**	**Base**	**Buy-up**
Carrier	Blue Cross Blue Shield	Blue Cross Blue Shield	Blue Cross Blue Shield	Blue Cross Blue Shield	Blue Cross Blue Shield	Blue Cross Blue Shield
Plan Type, Name, Network	Medical PPO $500	Medical H$A $3300	Medical PPO $500	Medical H$A $3300	Medical PPO $500	Medical H$A $3300
Deductible (Individual / Family)	$500 / $1,000	$3,300 / $6,600	$500 / $1,000	**$3,400 / $6,800**	$500 / $1,000	**$3,400 / $6,800**
Non-Network Deductible (Individual / Family)	$1,000 / $2,000	$6,600 / $13,200	$1,000 / $2,000	$6,600 / $13,200	$1,000 / $2,000	$6,600 / $13,200
Out-of-Pocket Maximum (Individual / Family)	$4,500 / $9,000	$6,000 / $12,000	$4,500 / $9,000	$6,000 / $12,000	$4,500 / $9,000	$6,000 / $12,000
Non-Network OOP Max (Individual / Family)	$9,000 / $18,000	$12,000 / $24,000	$9,000 / $18,000	$12,000 / $24,000	$9,000 / $18,000	$12,000 / $24,000
Deductible / OOP Embedded / Non-Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
Annual HSA Contribution (EE / EE+1 / Family)	N/A	$1,350 / $1,900 / $2,500	N/A	$1,350 / $1,900 / $2,500	N/A	$1,350 / $1,900 / $2,500
Coinsurance (In / Out)	80% / 50%	80% / 50%	80% / 50%	80% / 50%	80% / 50%	80% / 50%
Wellness / Preventive Care	100%	100%	100%	100%	100%	100%
Primary Care Office Visit (OV)	$25 copay	80% after deductible	$25 copay	80% after deductible	$25 copay	80% after deductible
Specialist Office Visit	$45 copay	80% after deductible	$45 copay	80% after deductible	$45 copay	80% after deductible
Walk-In / Urgent Care Visit	$60 copay	80% after deductible	$60 copay	80% after deductible	$60 copay	80% after deductible
Emergency Room	$350 copay	80% after deductible	$350 copay	80% after deductible	$350 copay	80% after deductible
Outpatient Lab / X-Ray	OV copay or 80% after deductible	80% after deductible	OV copay or 80% after	80% after deductible	OV copay or 80% after	80% after deductible
Complex Imaging (MRI, CAT, PET, et al.)	OV copay or 80% after deductible	80% after deductible	OV copay or 80% after	80% after deductible	OV copay or 80% after	80% after deductible
Outpatient Surgical Facility	80% after deductible	80% after deductible	80% after deductible	80% after deductible	80% after deductible	80% after deductible
Inpatient Hospital Facility	80% after deductible	80% after deductible	80% after deductible	80% after deductible	80% after deductible	80% after deductible
Retail Prescription Drug Copays	$15 / $55 / $85 / $150	80% after deductible	**$15 / $55 / $100 / $200**	80% after deductible	**$15 / $55 / $100 / $200**	80% after deductible
Mail Order Prescription Drug Copays	$30 / $110 / $170 / $300	80% after deductible	**$37.5 / $137.5 / $250 / $500**	80% after deductible	**$37.5 / $137.5 / $250 / $500**	80% after deductible
Specialty Prescription Drugs	$60 / $110 / $160 / $210	80% after deductible	**$70 / $120 / $200 / $250**	80% after deductible	**$70 / $120 / $200 / $250**	80% after deductible

Rates & Total Cost	**Base**	**Buy-up**					
Employee	27	22	$724.69	$488.93	$830.78	$553.42	$809.32	$538.47
Employee + Spouse	5	10	$1,594.32	$1,075.65	$1,827.72	$1,217.52	$1,780.50	$1,184.63
Employee + Child(ren)	2	1	$1,376.91	$928.97	$1,578.48	$1,051.50	$1,537.71	$1,023.09
Employee + Family	12	15	$2,319.01	$1,564.58	$2,658.50	$1,770.94	$2,589.82	$1,723.10
Total Employees	**46**	**48**						
Annual Subtotal	*94*		*$697,442*	*$550,928*	*$799,543*	*$623,592*	*$778,889*	*$606,747*
Percent Change by Plan					*14.6%*	*13.2%*	*11.7%*	*10.1%*
*BCBS Negotiated Renewal								
Annual Total (Not inc. HSA Fee)				**$1,248,370**		**$1,423,136**		**$1,385,636**
Change from Current						**$174,766**		**$137,266**
Percentage Change						**14.0%**		**11.0%**

Notes

*BCBS Negotiated Renewal includes a $7,500 wellness funds
Cigna includes a $5,000 wellness fund
BCBS Rate does not incluede $2.70 HSA PMPM renewal

CONFIDENTIAL | © 2025 USI Insurance Services. All rights reserved. | 2026 Renewal Presentation - MGAA V1 - Medical, 10/3/2025

Mesa Gateway Airport Authority (MGAA)
Medical Plan
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

	Current		Option 1 Level Funded		Option 2	
Benefit Outline	**Base**	**Buy-up**	**Base**	**Buy-up**	**Base**	**Buy-up**
Carrier	Blue Cross Blue Shield	Blue Cross Blue Shield	**Cigna**	**Cigna**	Banner | Aetna	Banner | Aetna
Plan Type, Name, Network	Medical PPO $500	Medical HSA $3300	Medical PPO $500	Medical HSA $3300	OAMP 500 80%/50%	OAMP 4000 HSA 80%/50% E
Deductible (Individual / Family)	$500 / $1,000	$3,300 / $6,600	$500 / $1,000	**$3,400 / $6,800**	$500 / $1,000	**$4,000 / $8,000**
Non-Network Deductible (Individual / Family)	$1,000 / $2,000	$6,600 / $13,200	$1,000 / $2,000	**$6,800 / $13,600**	$2,000 / $6,000	$10,000 / $30,000
Out-of-Pocket Maximum (Individual / Family)	$4,500 / $9,000	$6,000 / $12,000	$4,500 / $9,000	$6,000 / $12,000	$4,500 / $9,000	$7,500 / $15,000
Non-Network OOP Max (Individual / Family)	$9,000 / $18,000	$12,000 / $24,000	$9,000 / $18,000	$12,000 / $24,000	$12,000 / $36,000	$20,000 / $60,000
Deductible / OOP Embedded / Non-Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
Annual HSA Contribution (EE / EE+1 / Family)	N/A	$1,350 / $1,900 / $2,500	N/A	$1,350 / $1,900 / $2,500	N/A	$1,350 / $1,900 / $2,500
Coinsurance (In / Out)	80% / 50%	80% / 50%	80% / 50%	80% / 50%	80% / 50%	80% / 50%
Wellness / Preventive Care	100%	100%	100%	100%	100%	100%
Primary Care Office Visit (OV)	$25 copay	80% after deductible	$25 copay	80% after deductible	$25 copay	$35 copay
Specialist Office Visit	$45 copay	80% after deductible	$45 copay	80% after deductible	$75 copay	$75 copay
Walk-In / Urgent Care Visit	$60 copay	80% after deductible	$60 copay	80% after deductible	$75 copay	80% after deductible
Emergency Room	$350 copay	80% after deductible	$350 copay	80% after deductible	80% after $300 copay	80% after deductible
Outpatient Lab / X-Ray	OV copay or 80% after deductible	80% after deductible	OV copay or 80% after	80% after deductible	80% after deductible	80% after deductible
Complex Imaging (MRI, CAT, PET, et al.)	OV copay or 80% after deductible	80% after deductible	OV copay or 80% after	80% after deductible	80% after deductible	80% after deductible
Outpatient Surgical Facility	80% after deductible	80% after deductible	80% after deductible	80% after deductible	80% after deductible	80% after deductible
Inpatient Hospital Facility	80% after deductible	80% after deductible	80% after deductible	80% after deductible	80% after deductible	80% after deductible
Retail Prescription Drug Copays	$15 / $55 / $85 / $150	80% after deductible	**$15 / $55 / $100**	80% after deductible	**$3 / $10 / $45 / $75**	**$3 / $10 / $45 / $75**
Mail Order Prescription Drug Copays	$30 / $110 / $170 / $300	80% after deductible	**$38 / $138 / $250**	80% after deductible	**$6 / $20 / $90 / $150**	**$6 / $20 / $90 / $150**
Specialty Prescription Drugs	$60 / $110 / $160 / $210	80% after deductible	**$100**	80% after deductible	**Preferred: 80% for 30 day, Non prefered: 60% for 30 day**	**Preferred: 80% for 30 day, Non prefered: 60% for 30 day**

Rates & Total Cost	**Base**	**Buy-up**					
Employee	27	22	$724.69	$488.93	$746.61	$551.34	$668.21	$456.68
Employee + Spouse	5	10	$1,594.32	$1,075.65	$1,642.55	$1,209.09	$1,676.00	$1,134.71
Employee + Child(ren)	2	1	$1,376.91	$928.97	$1,418.55	$1,044.78	$1,521.51	$1,030.39
Employee + Family	12	15	$2,319.01	$1,564.58	$2,389.15	$1,757.65	$2,452.54	$1,656.24
Total Employees	**46**	**48**						
Annual Subtotal	*94*		*$697,442*	*$550,928*	*$718,537*	*$619,559*	*$706,742*	*$567,217*
Percent Change by Plan					*3.0%*	*12.5%*	*1.3%*	*3.0%*
*BCBS Negotiated Renewal								
Annual Total (Not inc. HSA Fee)				**$1,248,370**		**$1,338,096**		**$1,273,959**
Change from Current						**$89,727**		**$25,589**
Percentage Change						**7.2%**		**2.0%**

Notes

*BCBS Negotiated Renewal includes a $7,500 wellness funds
Cigna includes a $5,000 wellness fund
BCBS Rate does not incluede $2.70 HSA PMPM renewal

CONFIDENTIAL | © 2025 USI Insurance Services. All rights reserved. | 2026 Renewal Presentation - MGAA V1 - Medical, 10/3/2025

Mesa Gateway Airport Authority (MGAA)
Medical Plan
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

	Current		Option 3 Level Funded	
Benefit Outline	**Base**	**Buy-up**	**Base**	**Buy-up**
Carrier	Blue Cross Blue Shield	Blue Cross Blue Shield	Banner | Aetna	Banner | Aetna
Plan Type, Name, Network	Medical PPO $500	Medical H$A $3300	Open POSII 500 80%/50%	OPEN POSII 4000 HSA 80/50 E
Deductible (Individual / Family)	$500 / $1,000	$3,300 / $6,600	$500 / $1,000	**$4,000 / $8,000**
Non-Network Deductible (Individual / Family)	$1,000 / $2,000	$6,600 / $13,200	$2,000 / $6,000	$10,000 / $30,000
Out-of-Pocket Maximum (Individual / Family)	$4,500 / $9,000	$6,000 / $12,000	$4,500 / $9,000	$6,000 / $12,000
Non-Network OOP Max (Individual / Family)	$9,000 / $18,000	$12,000 / $24,000	$12,000 / $36,000	$20,000 / $60,000
Deductible / OOP Embedded / Non-Embedded	Embedded	Embedded	Embedded	Embedded
Annual HSA Contribution (EE / EE+1 / Family)	N/A	$1,350 / $1,900 / $2,500	N/A	$1,350 / $1,900 / $2,500
Coinsurance (In / Out)	80% / 50%	80% / 50%	80% / 50%	80% / 50%
Wellness / Preventive Care	100%	100%	100%	100%
Primary Care Office Visit (OV)	$25 copay	80% after deductible	$25 copay	$35 copay
Specialist Office Visit	$45 copay	80% after deductible	$75 copay	$75 copay
Walk-In / Urgent Care Visit	$60 copay	80% after deductible	$75 copay	80% after deductible
Emergency Room	$350 copay	80% after deductible	80% after $300 copay	80% after deductible
Outpatient Lab / X-Ray	OV copay or 80% after deductible	80% after deductible	80% after deductible	80% after deductible
Complex Imaging (MRI, CAT, PET, et al.)	OV copay or 80% after deductible	80% after deductible	80% after deductible	80% after deductible
Outpatient Surgical Facility	80% after deductible	80% after deductible	Outpatient office visits: Nocharge: All other outpatient services 80%	Outpatient office visits: Nocharge: All other outpatient services 80%
Inpatient Hospital Facility	80% after deductible	80% after deductible	80% after deductible	80% after deductible
Retail Prescription Drug Copays	$15 / $55 / $85 / $150	80% after deductible	**$3 / $10 / $45 / $75**	**$3 / $10 / $45 / $75**
Mail Order Prescription Drug Copays	$30 / $110 / $170 / $300	80% after deductible	**$6 / $20 / $90 / $150**	**$6 / $20 / $90 / $150**
Specialty Prescription Drugs	$60 / $110 / $160 / $210	80% after deductible	**Preferred: 80% for 30 day, Non prefered: 60% for 30 day**	**Preferred: 80% for 30 day, Non prefered: 60% for 30 day**

Rates & Total Cost	**Base**	**Buy-up**				
Employee	27	22	$724.69	$488.93	$674.96	$491.96
Employee + Spouse	5	10	$1,594.32	$1,075.65	$1,693.62	$1,223.12
Employee + Child(ren)	2	1	$1,376.91	$928.97	$1,536.88	$1,110.63
Employee + Family	12	15	$2,319.01	$1,564.58	$2,477.31	$1,785.63
Total Employees	**46**	**48**				
Annual Subtotal	*94*		*$697,442*	*$550,928*	*$713,922*	*$611,393*
Percent Change by Plan					*2.4%*	*11.0%*
*BCBS Negotiated Renewal						
Annual Total (Not inc. HSA Fee)				**$1,248,370**		**$1,325,315**
Change from Current						**$76,945**
Percentage Change						**6.2%**

Notes

*BCBS Negotiated Renewal includes a $7,500 wellness funds
Cigna includes a $5,000 wellness fund
BCBS Rate does not incluede $2.70 HSA PMPM renewal

CONFIDENTIAL | © 2025 USI Insurance Services. All rights reserved. | 2026 Renewal Presentation - MGAA V1 - Medical, 10/3/2025



Section III

Dental Plan

Mesa Gateway Airport Authority (MGAA)
Dental Plan
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

Benefit Outline		Current	Renewal	Option 1	Option 2
Carrier		Delta Dental	Delta Dental	**Guardian**	**Humana**
Plan Type		Dental PPO	Dental PPO	Dental PPO	Dental PPO
Deductible (Individual / Family)		$50 / $150	$50 / $150	$50 / $150	$50 / $150
Waived For Preventive		Yes	Yes	Yes	Yes
Annual Maximum		$2,000	$2,000	$2,000	$2,000
Max Rollover		Not Included	Not Included	**Included**	Not Included
Preventive Services		100%	100%	100%	100%
Basic Services		90%	90%	90%	90%
Major Services		60%	60%	60%	60%
Endodontics / Periodontics		90%	90%	90%	90%
Implants		60%	60%	60%	60%
Orthodontia		50%	50%	50%	50%
Eligibility		Adult & Children	Adult & Children	Adult & Children	**Children to 18**
Lifetime Maximum		$1,000	$1,000	$1,000	$1,000
Waiting Periods (Prev. / Basic / Major)		None	None	None	None
Non-Network					
Deductible (Individual / Family)		$50 / $150	$50 / $150	$50 / $150	$50 / $150
Annual Maximum		$2,000	$2,000	$2,000	$2,000
Prev. / Basic / Major		100% / 80% / 50%	100% / 80% / 50%	100% / 80% / 50%	100% / 80% / 50%
Rates & Total Cost					
Employee	55	$25.33	$27.86	$25.08	$25.69
Employee + 1 Dependent	18	$63.89	$70.28	$63.25	$54.97
Employee + 2 Dependent	25	$94.79	$104.27	$93.84	$92.37
Total Employees	**98**				
Annual Total		**$58,955**	**$64,849**	**$58,367**	**$56,540**
Change From Current			**$5,894**	**($588)**	**($2,415)**
Percentage Change			**10.0%**	**-1.0%**	**-4.1%**
Rate Guarantee			**Next ren'l 2027**	***Next ren'l 2027**	**1/1/2028**

Notes
*Option to take a 5% increase and get a 2 year rate guarantee

CONFIDENTIAL | © 2025 USI Insurance Services. All rights reserved. |



Section IV

Vision Plan

Mesa Gateway Airport Authority (MGAA)
Vision Plan
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

Benefit Outline		Current	Renewal
Carrier		EyeMed	EyeMed
Network		EyeMed	EyeMed
Exam Copay		20	20
Materials Copay		$0	$0
Lenses			
Single		100%	100%
Bifocal		100%	100%
Trifocal		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
Lasik Surgery Discount		Discount available	Discount available
Benefit Frequencies (E / L / F / C)		12 / 12 / 12 / 12	12 / 12 / 12 / 12
Rates & Total Cost			
Employee	54	$5.61	$5.61
Employee + 1 Dependent	18	$10.67	$10.67
Employee + 2 Dependent	22	$15.66	$15.66
Total Employees	**94**		
Annual Total		**$10,074**	**$10,074**
Rate Guarantee			**Next ren'l 2029**

CONFIDENTIAL | © 2025 USI Insurance Services. All rights reserved. |



Section V

Life & Disability

Mesa Gateway Airport Authority (MGAA) Life / AD&D Plan
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

Benefit Outline	Current	Renewal
Carrier	Mutual of Omaha	Mutual of Omaha
Contributory / Non-Contributory	Non-Contributory	Non-Contributory
Eligibility	FTE Working ≥ 40 HPW	FTE Working ≥ 40 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 Conditin;< 12 Mo.	Terminal Conditin;< 12 Mo.
Benefit Amount Accessible	80%	80%
Portability	Included	Included
Conversion	Included	Included
Rate Guarantee		**Next ren'l 2027**
Volumes, Rates & Total Cost		
Number of Employees	113	113
Benefit Volume	$8,451,000	$8,451,000
Life Rate Per $1,000	$0.110	$0.110
AD&D Rate Per $1,000	$0.030	$0.030
Rate Per Family Unit		
*BCBS Negotiated Renewal includes a $7,500	**$14,198**	**$14,198**
Change From Current		$0
Percentage Change		0.0%

Mesa Gateway Airport Authority (MGAA)
Voluntary Life / AD&D Plan
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

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	5 x Salary to $500,000	5 x 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 65	Age 65
If Disabled Prior to	Age 60	Age 60
Portability	Included	Included
Conversion	Included	Included
Rate Guarantee		**Next ren'l 2027**

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	$2.840
75-99	$2.840	$2.840
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

Mesa Gateway Airport Authority (MGAA) Short Term Disability Plan
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

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 (after EP)	26 weeks	26 weeks
Pre-Existing Conditions Exclusion	None	None
Rate Guarantee		**Next ren'l 2027**
Volumes, Rates & Total Cost		
Number of Employees	113	113
Volume: Covered Benefit	$80,588	$80,588
STD Rate Per $10	$0.150	$0.150
ASO / ATP Rate PEPM		
Annual Total	**$14,506**	**$14,506**
Change From Current		$0
Percentage Change		0.0%

Mesa Gateway Airport Authority (MGAA) Voluntary
Critical Illness
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

UNUM - Current / Renewal

Benefit Outline

UNUM - Traditional Enrollment			Monthly Premium						
Eligibility	All active FTE's working ≥ 30 hpw			Employee					
Covered Conditions	**1st Occurrence**	**2nd Occurrence**	Benefit Amount	< 25	25-29	30-34	35-39	40-44	45-49
Cancer			$10,000	$3.08	$3.68	$4.48	$5.38	$7.28	$10.18
Invasive Cancer	100%	100%	$20,000	$4.28	$5.48	$7.08	$8.88	$12.68	$18.48
Carcinoma in Situ	25%	25%							
Benign Brain Tumor	100%	100%		50-54	55-59	60-64	65-69	70-74	75-79
Skin Cancer	$500	$500	$10,000	$14.78	$20.48	$29.38	$43.08	$64.28	$89.78
Vascular			$20,000	$27.68	$39.08	$56.88	$84.28	$126.68	$177.68
Heart Attack	100%	100%							
Stroke	100%	100%		80-84	85+				
Heart Failure	100%	100%	$10,000	$123.68	$194.18				
Coronary Arteriosclerosis	50%	50%	$20,000	$245.48	$386.48				
Other					Spouse				
Organ Failure	100%	100%	Benefit Amount	< 25	25-29	30-34	35-39	40-44	45-49
Kidney Failure	100%	100%	$5,000	$2.48	$2.78	$3.18	$3.63	$4.58	$6.03
Wellness Benefit	$50 per year payment for wellnes screenings		$10,000	$3.08	$3.68	$4.48	$5.38	$7.28	$10.18
Dependent Age Limit	0 days old to 26 years old								
Pre-Existing Conditions	12 / 12			50-54	55-59	60-64	65-69	70-74	75-79
Benefit Increments	Employee: $10,000 | Spouse: 50%		$5,000	$8.33	$11.18	$15.63	$22.48	$33.08	$45.83
Guarantee Issue	Employee: $20,000 | Spouse: 50%		$10,000	$14.78	$20.48	$29.38	$43.08	$64.28	$89.78
Benefit Separation Period	3 months								
Participation (Required)	10 enrolled or 5%, the greater of								
Rate Guarantee	To January 1, 2027			80-84	85+				
			$5,000	$62.78	$98.03				
			$10,000	$123.68	$194.18				

Mesa Gateway Airport Authority (MGAA)
Employee Assistance Program
Benefit Outline and Cost Summary
January 1, 2026 Renewal Date

			Upgrade to Core includes Multi- YR discount		Min Annual Fee $1,500	
Benefit Outline	**Current**	**Renewal AS IS**	**Option 1**	**Option 2**	**Option 3**	**Option 4**
Carrier	Uprise Health	Uprise Health	Uprise Health	Uprise Health	**Comp Physch**	**Comp Physch**
Number of In-Person Counseling Visits	6	6	6	6	**5**	**8**
Available to dependents	Yes	Yes	Yes	Yes	Yes	Yes
Telephonic Counseling	Included	Included	Included	Included	Included	Included
Online Counseling	Included	Included	Included	Included	Included	Included
Child Care Consultation	Included	Included	Included	Included	Included	Included
Elder Care Consultation	Included	Included	Included	Included	Included	Included
Financial Consultation	Included	Included	Included	Included	Included	Included
Legal Consultation	Included	Included	Included	Included	Included	Included
School Selection Assistance/College Assistance	Included	Included	Included	Included	Included	Included
Online Member Portal	Included	Included	Included	Included	Included	Included
Health Fair Support	Not Included	Not Included	Not Included	**Included**	Not Included	Not Included
Wellbeing Assessement w/ Personalized care Plan	Not Included	Not Included	**Included**	**Included**	**Included**	**Included**
Self-Guided Cognitive Behavioral Therapy	Not Included	Not Included	**Included**	**Included**	**Included**	**Included**
Digital EAP Platform (*ex.Mobile App, Micro Sites)*	Not Included	Not Included	**Included**	**Included**	**Included**	**Included**
Health Coaching	Not Included	Not Included	**Included**	**Included**	**Included**	**Included**
Employee | Supervisor Training	Included	Included	Included	Included	Included	Included
Rate Guarantee		**Next ren'l 2026**	**Next ren'l 2029**	**Next ren'l 2029**	**Next ren'l 2029**	**Next ren'l 2029**
Rates & Total Cost						
Number of Employees	121	121	121	121	121	121
PEPM Fee	N/A, max 250 EE's	N/A, max 250 EE's	**N/A, max 150 EE's**	**N/A, max 150 EE's**	$1.51	$1.73
Annual Total	**$3,600**	**$3,960**	**$3,800**	**$4,200**	**$2,193**	**$2,512**
Change From Current	$0	$360	$200	$600	($1,407)	($1,088)
Percentage Change	0.0%	10.0%	5.6%	16.7%	-39.1%	-30.2%



Section VI

Compensation Disclosure

Mesa Gateway Airport Authority (MGAA)
USI Administered Employee Benefit Plans
Compensation Disclosure
January 1, 2026 Renewal Date

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:

Broker Fee, independent from any specific coverage/plan below — **Current $34,000 per year** — **Renewal $34,000 per year**

	Plan Type	Negotiated Renwal		Option 1	
Medical (Fully Insured)	Medical PPO	BCBS of AZ	0.0%	Cigna	0.0%
Dental	Dental PPO	Delta Dental of Arizona	0.0%	Guardian	0.0%
Vision	Vision	Mutual of Omaha Insurance Company	0.0%	Mutual of Omaha	0.0%
Employee Assistance Program	Employee Assistance Program (EAP)	Uprise	0.0%	Uprise	0.0%
Voluntary Critical Illness	Voluntary Critical Illness	Unum Life Insurance Company of America	0.0%	Unum Life Insurance Company of America	0.0%
Non health plans; one or more of life, disability, non-ERISA stop loss, other ancillary		0%		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 are as follows:

Medical & Stop Loss approximately 0%

Dental, Vision, Ancillary approximately 0%

35. 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.

4. USI does not offer or provide fiduciary services to the plan.

5. 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.

6. 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.

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

Board Action Item

Re: Resolution 25-46

To:	**Board of Directors**
From:	**Margi EvanSon, Director of Operations, Security & Maintenance**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Passenger Boarding Ramps Replacement – Timberline GSE, Inc. – CIP 1030**
Date:	**October 21, 2025**

Proposed Motion
To authorize the purchase of two ADA Passenger Boarding Ramps from Timberline GSE, Inc. in an amount not to exceed $173,198.80.

Narrative

The ADA Passenger Boarding Ramps will be utilized to supplement passenger operations and provide passenger level-boarding and disembarking capabilities for a variety of aircraft in accordance with FAA Advisory Circulars and the Air Carrier Accessibility Act. This purchase will replace two aged ramps acquired in 2010.

Invitation for Bid (IFB), Solicitation 2026-002-IFB, was issued on August 18, 2025, and advertised in the Arizona Business Gazette on August 21 and 28, and September 4 and 11, 2025. It was also posted on the Mesa Gateway Airport Authority website. In addition, the IFB notice was emailed to the only two vendors that meet the required FAA specifications.

The bid opening was held on September 17, 2025, and two (2) bids were received. After review of the bids, Timberline GSE, Inc. was determined to have submitted the lowest, responsive, responsible bid.

Keith Consolidated Industries	$219,893.51
Timberline GSE, Inc.	**$173,198.80**

Fiscal Impact
This purchase was included in the FY26 capital budget and is funded with CIP 1030.

Attachment(s)
Bid

RESOLUTION NO. 25-46

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

WHEREAS the Authority desires to authorize the purchase of two ADA Passenger Boarding Ramps from Timberline GSE, Inc. in an amount not to exceed $173,198.80;

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 ADA Passenger Boarding Ramps from Timberline GSE, Inc. in an amount not to exceed $173,198.80. 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 October, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport

Attachment B
Offeror's Bid

Item	Price
Two (2) New ADA Passenger Boarding Ramps, To Meet the Minimum Specifications per Attachment A	$ 151,300.00
Manuals on Maintenance, Operations, and Parts – 2 Sets (Hard Copy & Digital)	$ 0
Sales Tax, 8.3% **MGAA 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.	$ 11498.80
Warranty, To Meet Minimum Specifications Per Attachment A (2 ADA Passenger Boarding Ramps)	$ 0
On-Site Setup and Training	$ 0
Shipping (2 ADA Passenger Boarding Ramps)	$ 10400.00
Total	$ 173,198.80

Discounts:

Prompt Payment: The price(s) quoted above can be discounted by 1 % if payment is made within 10 days.

Exceptions / Clarifications of Offeror:

Delivery Time Estimate: 90 days

Equipment is Manufactured in (Country): United States of America

Wren Gardner
Printed Name

Signature

9/5/2025
Date

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

Board Action Item

Re: Resolution 25-47

To:	**Board of Directors**
From:	**Scott Brownlee, Deputy Director/COO**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**FY26 Capital Budget Amendment – Taxiway G Rehabilitation and Realignment Design - CIP 1092**
Date:	**October 21, 2025**

Proposed Motion
To authorize an Amendment of the FY26 Capital Budget to provide $1,089,040.95 in funding, for the Design of the Taxiway G Rehabilitation and Realignment.

Narrative

The existing Taxiway G alignment, at the Mesa Gateway Airport (MGAA), consists of a single taxiway bearing that connects each of the Airport's three Runway ends (12L, 12C, and 12R) with deteriorated asphalt and non-standard acute angles. The Pavement Condition Index (PCI) for most of the taxiway is poor and the configuration is no longer the preferred design standard of the current Federal Aviation Administration (FAA) Advisory Circulars (ACs), as the acute angle entries at runway ends provide poor pilot visibility, and the lack of parallel taxiway segments (in combination with a series of greater and less than the desired 90-degree turns) between the runways can provide an environment where a pilot can easily lose situational awareness.

The Taxiway G Rehabilitation and Realignment project will address the existing issues associated with this area by removing the segments of existing Taxiway G, between runways, and realigning the new Taxiway G associated pavements in a layout that meets current FAA Advisory Circular standards, and will be consistent with the latest revision of the Airport's ALP.

The Design of the Taxiway G Rehabilitation and Realignment is being accelerated since the Construction portion of this project is scheduled to begin in FY26, and the Design is needed to rehabilitate the worst rated pavement on the Airport, ranging from a PCI of 25 to 55, and to bring the Mesa Gateway Airport Authority into compliance with the current FAA Design Standards.

Fiscal Impact
Requesting that these funds, for the Design of the Taxiway G Realignment, be added and included in the FY26 Capital Budget utilizing MGAA non-grant funds under CIP 1092. MGAA anticipates receiving reimbursement in the future from FAA Grant funding.

Attachment(s)
None

RESOLUTION NO. 25-47

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

WHEREAS the Authority desires to authorize an Amendment of the FY26 Capital Budget to provide $1,089,040.95 in funding, for the Design of the Taxiway G Rehabilitation and Realignment;

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 FY26 Capital Budget to provide $1,089,040.95 in funding, for the Design of the Taxiway G Rehabilitation and Realignment. 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 October, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 25-48

To:	**Board of Directors**
From:	**Scott Brownlee, Deputy Director/COO**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Taxiway G Rehabilitation and Realignment Design – Kimley-Horn & Associates - CIP 1092**
Date:	**October 21, 2025**

Proposed Motion
To authorize an Authorization of Services with Kimley-Horn & Associates to Design the Taxiway G Rehabilitation and Realignment Project in an amount not to exceed $1,089,040.95.

Narrative

The existing Taxiway G alignment, at the Mesa Gateway Airport (MGAA), consists of a single taxiway bearing that connects each of the Airport's three Runway ends (12L, 12C, and 12R) with deteriorated asphalt and non-standard acute angles. The Pavement Condition Index (PCI) for most of the taxiway is poor and the configuration is no longer the preferred design standard of the current Federal Aviation Administration (FAA) Advisory Circulars (ACs), as the acute angle entries at runway ends provide poor pilot visibility, and the lack of parallel taxiway segments (in combination with a series of greater and less than desired 90-degree turns) between the runways can provide an environment where a pilot can easily lose situational awareness.

The Taxiway G Realignment project will address the pavement condition issues and the existing issues associated with the current layout by removing the segments of existing Taxiway G, between runways, and realigning the new Taxiway G associated pavements in a layout that meets current FAA Advisory Circular standards and will be consistent with the latest revision of the Airport's ALP. The project elements will include demolition/removal and replacement of taxiway pavements and shoulder pavements, site grading, drainage improvements/structures, basin modifications, relocation of existing utilities, subgrade preparation, pavement markings, airfield electrical, signage and a construction phasing plan. Kimley-Horn & Associates (Kimley-Horn) will provide project administration, preliminary 30% submittal, FAA 7460 support and a number of constructible deliverables.

The Design of the Taxiway G is needed to rehabilitate the worst rated pavement on the Airport, ranging from a PCI of 25 to 55, and to bring the Mesa Gateway Airport Authority into compliance with the current FAA Design Standards.

In 2024, a Request for Qualifications, 2024-005-RFQ, for On-Call Engineering Services was issued. Kimley-Horn was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-20240076, Kimley-Horn worked with Airport staff to refine a Scope of Work for Design Services for the Taxiway G Rehabilitation and Realignment Project. The cost for these services was negotiated based upon the agreement fee schedule at a cost not to exceed $1,089,040.95.

Fiscal Impact
This project was recently requested to be added to the FY26 Capital Budget initially using non-grant funding, until receiving reimbursement in the future from FAA Grant funding.

Attachments:
Authorization of Services and Proposal

RESOLUTION NO. 25-48

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

WHEREAS the Authority desires to authorize an Authorization of Services with Kimley-Horn & Associates to Design the Taxiway G Rehabilitation and Realignment Project in an amount not to exceed $1,089,040.95;

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 Authorization of Services with Kimley-Horn & Associates to Design the Taxiway G Rehabilitation and Realignment Project in an amount not to exceed $1,089,040.95. 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 October, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport

AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 20240076 26-03

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

1. **PROJECT**: Taxiway G Realignment Design - CIP1092

2. **SCOPE OF SERVICE**: Perform and provide Design Services for the Taxiway G Realignment Project. The Design Services will consist of project administration, preliminary 30% submittal which will include a draft Construction Safety Plan and a draft Engineer's Design Report which are required by the FAA. Additional deliverables will include a 60% Progress Set, the 95% Final Review Submittal, and an IFC construction submittal. The Kimley-Horn & Associates team will provide project planning, budgeting, the initial project schedule, and they will manage and coordinate with subconsultants.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of services, not to exceed the-time and materials calculated-fee of $1,089,040.95 (One million, eighty-nine thousand, forty dollars, and ninety-five cents), without express written approval of MGAA.

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

5. **INCORPORATED:** The following documents, including its terms, conditions, exhibits, attachments, and amendments are hereby incorporated with this AOS and made part thereof:

   ☑ MGAA Agreement Number: 20240076 effective 12/19/23.

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

   ☑ Consultant's Scope and Fee Proposal dated September, 2025.

7. **EFFECTIVE:** This AOS is effective as of the date signed by MGAA.

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

Executed as of the Effective Date.

CONSULTANT **Kimley-Horn & Associates**	**MGAA** **MESA GATEWAY AIRPORT AUTHORITY,** a joint powers airport authority authorized by the state of Arizona
By: Nathan Walmsley	By: _____
Name: Nathan Walmsley	Name: J. Brian O'Neill, A.A.E.
Title: Sr. Vice President	Title: Executive Director/CEO
Date: 10/13/2025	Date: _____

EXHIBIT A

SCOPE OF WORK
ENGINEERING DESIGN SERVICES

for
Taxiway G Realignment - Design

A. PROJECT BACKGROUND AND HISTORY:

The existing Taxiway G alignment, at Mesa Gateway Airport (MGAA), consists of a single taxiway bearing that connects each of the Airport's three Runway ends (12L, 12C, and 12R) with non-standard acute angles. This configuration is no longer the preferred design standard of the current Federal Aviation Administration (FAA) Advisory Circulars (ACs), as the acute angle entries at runway ends provide poor pilot visibility, and the lack of parallel taxiway segments (in combination with a series of 90-degree turns) between the runways can provide an environment where a pilot can easily lose situational awareness.

B. PROJECT DESCRIPTION:

The "*Taxiway G Realignment*" project at the Mesa Gateway Airport will address the existing issues (previously mentioned) associated with this area by removing the segments of existing Taxiway G (between the runways) and realigning the new Taxiway G associated pavements in a layout that they meets current FAA advisory circular standards (and will be consistent with the layout submitted in the latest revision of the Airport's ALP).

The "*Taxiway G Realignment*" project will include the following elements: demolition/removal of PCC taxiway pavements and AC shoulder pavements, site grading, drainage improvements/structures, basin modifications, relocation of existing utilities within the project area, subgrade preparation, installation of new PCC taxiway pavement sections, installation of new AC shoulder pavement sections, pavement markings, airfield electrical and signage improvements, and the development of a construction phasing plan that works with both the Airport's budget and the Airport's preferred closure schedules.

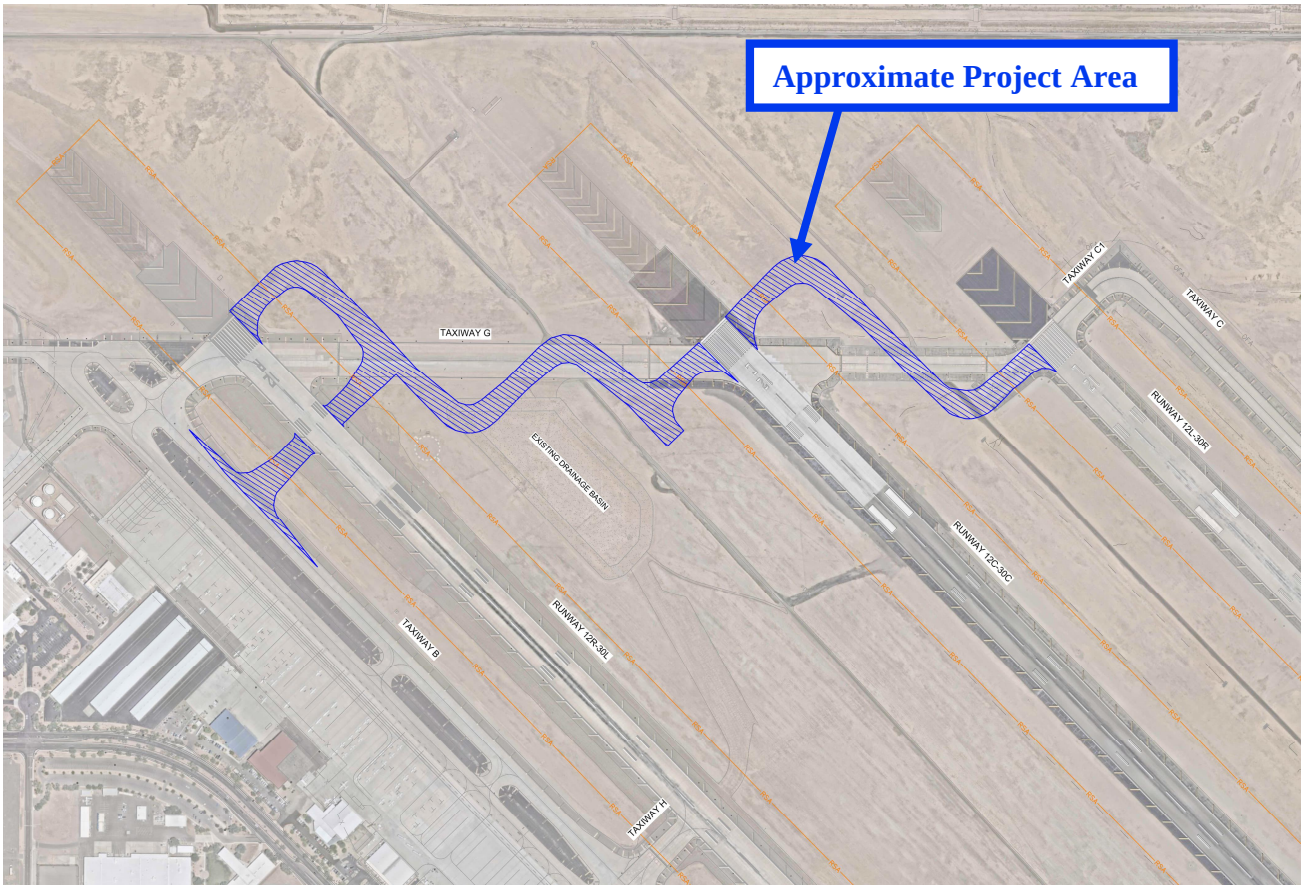
A schematic of the proposed "*Taxiway G Realignment*" project is shown in the Figure **on the next page**.

Design services will immediately follow an approved Authorization of Services from the Airport. This project is anticipated to start construction early next year (2026).

The design services that Kimley-Horn will be providing for this project are listed in the following sections of this Scope and Fee. Construction Administration services may be added to this project at a later date.

(*This section is intentionally left blank, see following page for continuation*)

General Project Layout



B. PROJECT SCOPE:

The specific scope of work for this Authorization of Service is identified as follows:

1. **PROJECT ADMINISTRATION:** The following general tasks are anticipated to be needed for the project.
    a) Provide project administrative tasks for support throughout the project.
    b) Provide project planning, budgeting, and initial project schedule.
    c) Provide bi-weekly progress reports, meetings and notes of project meetings.
    d) Manage and coordinate with subconsultants.
    e) Attend (up to three) coordination and plan review meetings following the 30%, 60%, and 95% submittals.

2. **PRELIMINARY SUBMITTAL (30%):** Kimley-Horn (the Engineer) will produce a draft Preliminary Plans (30%) of the project. Design standards will be according to FAA Advisory Circulars, Maricopa Association of Governments (MAG) standards, and City of Mesa standards. A draft Construction Safety Plan and draft Engineer's Design Report will be made as required by the FAA for typical construction projects of this type.

    Information created and determined during this effort will be used to prepare the construction plans, reports, and specifications. Information from the E-ALP/GIS project will be used as a base and to augment the survey and utility files for use on the project. As part of this task, topographic survey, utility designation, and processing As-Built/Record Drawing review of existing conditions from previous projects will be completed.

These efforts will be done so that preliminary plans (30%) can be prepared. A limited number of preliminary plan sheets (including but not limited to: the project layout, geometrics layout, and project details plans), an outline of intended specifications, and preliminary cost estimate will be provided to display the project elements. A facilitated review meeting will be held with MGAA after the Preliminary submittal, and comments will be incorporated into the next submittal.

3. **PROGRESS SET SUBMITTAL (60%):** The Engineer will provide a progress set submittal of the project deliverables for the "*Taxiway G Realignment*" project improvements. The Engineer will provide draft engineering drawings and specifications. Plan sheets will include (but not limited to): cover sheet, sheet index, summary of quantities, general notes and abbreviations, project layout, typical sections, demolition plans, geometric layout, stormwater pollution prevention plans, grading and drainage plans, electrical lighting and signage plans, and project details plans will be prepared for the project. The Engineer will assemble draft owner provided front end documents, a draft project quantity based bid proposal, draft general provisions, draft special provisions (unique project requirements), and draft technical specifications. Design standards will be according to FAA Advisory Circulars, Maricopa Association of Governments (MAG) standards, and City of Mesa standards.

   Information from the E-ALP/GIS project will be used as a base and to augment the survey and utility files for use on the project.

   Plans and specifications will be prepared for Progress Set submittal. A facilitated review meeting will be held with MGAA after the Progress Set submittal, and comments will be incorporated into the next submittal.

4. **FINAL REVIEW SUBMITTAL (95%):** The Engineer will provide final review design and contract construction documents for the "*Taxiway G Realignment*" project improvements. The Engineer will provide engineering drawings and specifications to be used as contract documents. Plan sheets will include (but not limited to): cover sheet, sheet index, summary of quantities, general notes and abbreviations, project layout, typical sections, demolition plans, geometric layout, stormwater pollution prevention plans, grading and drainage plans, electrical lighting and signage plans, and project details plans will be prepared for the project. The Engineer will assemble owner provided front end documents, a project quantity based bid proposal, general provisions, special provisions (unique project requirements), and technical specifications to be used as project contract documents for the bidding process. Design standards will be according to FAA Advisory Circulars, Maricopa Association of Governments (MAG) standards, and City of Mesa standards. The Engineer will provide Safety Risk Management (SRM) facilitation, coordination, and documentation services as part of this task in accordance with FAA standards and guidelines.

   Information from the E-ALP/GIS project will be used as a base and to augment the survey and utility files for use on the project.

   Plans and specifications will be prepared for Final Review submittal. A facilitated review meeting will be held with MGAA after the Final Review submittal, and comments will be incorporated into the next submittal.

5. **ISSUED FOR CONSTRUCTION SUBMITTAL (IFC):** The Engineer will provide Issued For Construction Plans, Specifications, Cost Estimate, and Construction Documents for the "*Taxiway G Realignment*" project.

   Construction Costs: An Engineer's Opinion of Probable Construction Costs will be provided for the project and will be based on cost history for past work within the vicinity of the airfield and for projects of a similar nature. The opinion of probable cost will reflect construction during a regular construction schedule.

6. **FAA 7460 SUPPORT:** The Engineer will provide services for developing the graphics/exhibits associated with the 7460 submittal, per FAA standards. As part of this task the Engineer will make any updates to the 7460 graphics/exhibits as required by the FAA. It is assumed that the Airport will complete the following 7460 related items:
    - Input and upload 7460 related project information, data, and Exhibits to the FAA's OEAAA website portal.
    - Make any resubmission uploads of revised 7460 documents as required by the FAA.

C. DELIVERABLES: The following deliverables will be provided according to this contract:

(1) Preliminary Plans and Specifications (Preliminary Submittal) four (4) copies to MGAA.
(2) Draft Plans and Specifications (Progress Set Submittal) four (4) copies to MGAA.
(3) Final Review Plans and Specifications (Final Review Submittal) four (4) copies to MGAA.
(4) Opinion of probable construction costs – copy with each submittal.
(5) Issued For Construction Plans and Specifications (IFC Submittal) four (4) copies to MGAA. The Airport will provide copies of the plans to contractors for pricing and construction purposes.
(6) Electronic drawing files to MGAA.

D. OWNER'S RESPONSIBILITIES: MGAA will furnish specification front end documents including, DBE, legal, bonding and other provisions as required for the contract documents. The Engineer will assemble this information into the contract documents for the bidding process. The information will be due from MGAA at time of service authorization. MGAA will review the plan submittals in a timely fashion and provide written comments of the desired changes to the contract documents. MGAA will provide all archeological and environmental clearances for the project.

E. WORK SCHEDULE: Work is to be completed within five (5) months from the authorization of service date.

F. CONSULTANT'S COMPENSATION FOR SERVICES: Kimley-Horn shall be compensated for services using a labor fee plus expense basis with the maximum not to exceed fee shown below. Kimley-Horn will not exceed the total maximum fee shown without authorization from the Client. Individual task amounts are provided for budgeting purposes only. Kimley-Horn reserves the right to reallocate amounts among tasks as necessary.

Design Services - $1,089,040.95

The derivation of engineering fee for design services are attached to this authorization as Exhibits.

Taxiway G Realignment
Mesa Gateway Airport
Mesa Gateway Airport Authority

DATE: September 2025

EXHIBIT I - DESIGN DOCUMENTS - ENGINEERING FEE
Taxiway G Realignment

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

TASK	DESCRIPTION	MANHOURS	TOTAL	EXTENDED TOTAL
001	**Project Administration**	180	12,494.20	
002	**Preliminary Submittal (30%)**			
	Construction Drawings	2,060	114,482.02	
	Quantities & Cost Estimate	40	2,468.52	
	Engineering Design Report	240	13,935.06	
	Project Specifications	160	10,199.68	
003	**Progress Set Submittal (60%)**			
	Construction Drawings	1,356	78,403.38	
	Quantities & Cost Estimate	30	1,901.04	
	Engineering Design Report	200	12,051.52	
	Project Specifications	120	7,650.54	
004	**Final Review Submittal (95%)**			
	Construction Drawings	490	28,544.70	
	Quantities & Cost Estimate	20	1,242.18	
	Engineering Design Report	90	5,654.32	
	Project Specifications	80	5,279.30	
005	**Issued For Construction Submittal (IFC)**	360	21,047.18	
006	**FAA 7460 Support**	20	1,168.06	
TOTAL DIRECT LABOR		5,446		$316,521.70

2. EXPENSES:

EXPENSE (Printing)		240.00	
TOTAL EXPENSES:			$240.00

3. CONSULTANTS:

TRACE ENGINEERING - SURVEY		40,438.44	
ACS - GEOTECHNICAL INVESTIGATION		19,265.00	
TOTAL CONSULTANTS			$59,703.44

4. ENGINEERING FEE

TOTAL LABOR		316,521.70	
OVERHEAD (%)	195.57%	619,021.49	
FEE (% OF NET)	10%	93,554.32	
CONSULTANTS		59,703.44	
EXPENSES		240.00	
TOTAL ENGINEERING FEE			**$1,089,040.95**

Taxiway G Realignment
Mesa Gateway Airport
Mesa Gateway Airport Authority

DATE: September 2025

EXHIBIT II - DESIGN DOCUMENTS - ENGINEERING FEE
Taxiway G Realignment

DERIVATION OF COST OF PROPOSAL FEE

1. Direct Salary Costs

Title	HOURS	Rate	Total Labor	EXTENDED TOTAL
Project Manager (Jarrett Moore)	880	74.09	65,199.20	
Senior Project Manager (Brett Stroup)	30	86.39	2,591.70	
Principal Engineer (Nate Walnum)	120	97.90	11,748.00	
Senior Professional/Engineer (Brandon Robinson)	100	65.49	6,549.00	
Electrical/Comm Engineer (Joseph Bradshaw)	450	71.39	32,125.50	
Professional Engineer I (Koa Dey / Stephen Bosak)	1360	57.54	78,254.40	
Senior Analyst (Jason Zhang / Jillian Tobin)	980	53.58	52,508.40	
Analyst (Brad Nesbit / Emma Gatzke)	1086	45.81	49,749.66	
Designer (JC Cruz)	384	41.01	15,747.84	
Finance/Project Accountant (Mike Dayton)	24	45.64	1,095.36	
Admin/Clerical (Karen Hanas)	32	29.77	952.64	
Total Direct Salary Costs	5,446			**$316,521.70**

2. Labor and General & Administrative Overhead

Percentage of Direct Salary Costs By 195.57%	**$619,021.49**

3. Subtotal of Items 1 and 2 **$935,543.19**

4. Fixed Payment

10% of Item No. 3:	**$93,554.32**

5. Non-Salary Expenses

EXPENSE (Printing)	240.00	
Total Direct Non-Salary Expenses		**$240.00**

6. Subcontract Costs

TRACE ENGINEERING - SURVEY	40,438.44	
ACS - GEOTECHNICAL INVESTIGATION	19,265.00	
Subtotal of subcontract Costs		**$59,703.44**

7. TOTAL ENGINEERING FEE **$1,089,040.95**

Taxiway G Realignment
Mesa Gateway Airport
Mesa Gateway Airport Authority ***Taxiway G Realignment***

Kimley»Horn

DATE: September 2025

				Project Mgr.	Senior Project Mgr.	Principal Engineer	Senior Prof./ Engineer	Electrical/ Comm. Engineer	Prof. Engineer I	Senior Analyst	Analyst	Designer	Finance/ Project Accountant	Admin/ Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
001	**Project Administration**															
	1	Project Administration-Client Coordination		48		30								10	88	$6,791
	2	Project Planning, Budgeting, and Initial Project Schedule, Billing		18									24		42	$2,429
	3	Progress Reports, Bi-Weekly Meetings, Note preparation and Schedule Updates		18					20						38	$2,484
	4	Company Quality Control Review														
		- Preliminary (30%) Submittal Review Meeting		2					2						4	$263
		- Progress Set (60%) Submittal Review Meeting		2					2						4	$263
		- Final Review (95%) Submittal Review Meeting		2					2						4	$263
		Subtotal Task 001		90		30			26				24	10	180	$12,494
002	**Preliminary Submittal (30%)**															
	Construction Drawings		Sheets													
	1	Cover Sheet, Project Title Sheet	1	1					2		6	8			17	$792
	2	Abbreviations, Legend, and Sheet Index	1	1					2		6	8			17	$792
	3	General Notes	1	1					2		6	8			17	$792
	4	Quantities Tables Sheet	1	1					2		6	8			17	$792
	5	Project Layout Plan	1	2					2		8	12			24	$1,122
	6	Project Horz/Vert Control Plan	1	2					2		6	12			22	$1,030
	7	Alignment Definition Sheet	1	1					2		6	12			21	$956
	8	Project Key Map	1	1					2		6	8			17	$792
	9	Storm Water Pollution Prevention Plan (SWPPP)	2	2					4		24				30	$1,478
	10	SWPPP Details	1	2					4		12	6			24	$1,174
	11	Construction Phasing Plans and Barricade Plans	6	12			5		36	16	20	6			95	$5,308
	12	Demolition Plans	8	16			5		24	24	20	12			101	$5,588
	13	Typical Sections	5	10					18	40	24	24			116	$6,004
	14	Geometric Layout Plans	10	18			10		20	40	40	12			140	$7,607
	15	Grading and Drainage Plans	10	40			10		80	40	40	12			222	$12,689
	16	Storm Drain Plan and Profiles	10	24			10		60	40	18	12			164	$9,345
	17	Grading and Drainage Details	2	6			2		18	18	12				56	$3,125
	18	Drainage Basin Cross Sections	2	2			2		12	12	4				32	$1,796
	19	Taxiway Plan and Profiles	12	12			16		60	20	12	12			132	$7,503
	20	Pavement Joint Layout Plans	10	8					24		24				56	$3,073
	21	Pavement Joint Details	2	2					18			24			44	$2,168
	22	Paving Elevation Plans	10	2					12			10			24	$1,249
	23	Pavement Marking Plans	10	8					40	24	12				84	$4,730
	24	Pavement Marking Details	3	2					12	4	12				30	$1,603
	25	Project Details	6	4					24	12	18				58	$3,145
	26	Electrical Scope of Work Plan	1					2		8	8				18	$938
	27	Electrical Symbols, Data Tables	4					2		12	8				22	$1,152
	28	Electrical Demolition Plans	10					20		40	40				100	$5,403
	29	Electrical Lighting Layout	10					60		80	20				160	$9,486
	30	Electrical Details	8					20		24	20				64	$3,630
	31	Circuit Maps	3					16		36	12				64	$3,621
	32	Geotechnical Boring Map	1						1		4	2			7	$323
	33	Geotechnical Boring Data	4						1		2	2			5	$231
	34	Technical Supervision and Review		30	10	20									60	$5,045
		Subtotal	158	210	10	20	60	120	484	490	456	210			2,060	$114,482
	Quantities & Cost Estimate															
	1	Calculate Quantities							12	6					18	$1,012
	2	Cost Estimate														
		- Prelimary Concepts Cost Estimates		6					8	2					16	$1,012
	3	Technical Supervision and Review		6											6	$445
		Subtotal		12					20	8					40	$2,469
	Engineering Design Report															
	1	Engineer's Report (30%)														
		- Document with summary and recommendations for civil project layout, pavement design, draiange, electrical layout, sign plan and voltage calculations, exhibits and hydraulic/hydrology calculations		12				12	60		20	10			114	$6,524
	2	Construction Safety Phasing Plan Report (30%)		24					30		40	8			102	$5,665
	3	Technical Supervision and Review		12				12							24	$1,746
		Subtotal		48				24	90		60	18			240	$13,935

Taxiway G Realignment
Mesa Gateway Airport
Mesa Gateway Airport Authority ***Taxiway G Realignment***

DATE: September 2025

			Project Mgr.	Senior Project Mgr.	Principal Engineer	Senior Prof./ Engineer	Electrical/ Comm. Engineer	Prof. Engineer I	Senior Analyst	Analyst	Designer	Finance/ Project Accountant	Admin/ Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
Project Specifications															
	1	Project Specification-General											6	6	$179
		- Create Cover and Table of Contents						2						2	$115
		- Prepare Boiler Plate including FAA Compliance		2				12						14	$839
		- Prepare Bid Tab and Agreement		6				12						18	$1,135
	2	Specification - Special Provisions													
		- Prepare Special Conditions for Project		12				24						36	$2,270
	3	Technical Specification													
		- Prepare Technical specifications		18				30						48	$3,060
	4	Technical Supervision and Review		12			24							36	$2,602
		Subtotal		50			24	80					6	160	$10,200
		Subtotal Task 002		320	10	20	60	168	674	498	516	228	6	2,500	141,085
003 Progress Set Submittal (60%)															
Construction Drawings			Sheets												
	1	Cover Sheet, Project Title Sheet	1	1					1		2	2		6	$305
	2	Abbreviations, Legend, and Sheet Index	1	1					1		2	2		6	$305
	3	General Notes	1	1					1		2	2		6	$305
	4	Quantities Tables Sheet	1	1					1		2	2		6	$305
	5	Project Layout Plan	1	1					1		2	2		6	$305
	6	Project Horz/Vert Control Plan	1	1					1		2	2		6	$305
	7	Alignment Definition Sheet	1	1					1		2	2		6	$305
	8	Project Key Map	1	1					1		2	2		6	$305
	9	Storm Water Pollution Prevention Plan (SWPPP)	2	1					2		2	2		7	$363
	10	SWPPP Details	1	1					2		2	4		9	$445
	11	Construction Phasing Plans and Barricade Plans	6	6			5		18	12	20	6		67	$3,613
	12	Demolition Plans	8	8			5		24	12	20	6		75	$4,106
	13	Typical Sections	5	6					12	20	24	12		74	$3,798
	14	Geometric Layout Plans	10	10			5		20	20	40	6		101	$5,369
	15	Grading and Drainage Plans	10	40			10		80	20	40	6		196	$11,372
	16	Storm Drain Plan and Profiles	10	20			5		20	20	18	6		89	$5,102
	17	Grading and Drainage Details	2	2			2		2	6	12			24	$1,265
	18	Drainage Basin Cross Sections	2	2			2		2	6	4			16	$899
	19	Taxiway Plan and Profiles	12	20			6		24	20	12	6		88	$5,123
	20	Pavement Joint Layout Plans	10	8					6		24			38	$2,037
	21	Pavement Joint Details	2	2					2			2		6	$345
	22	Paving Elevation Plans	10	1					2			6		9	$435
	23	Pavement Marking Plans	10	6					12	20	12			50	$2,756
	24	Pavement Marking Details	3	3					2	4	12			21	$1,101
	25	Project Details	6	6					12	12	18			48	$2,603
	26	Electrical Scope of Work Plan	1					2		2	2			6	$342
	27	Electrical Symbols, Data Tables	4					2		4	4			10	$540
	28	Electrical Demolition Plans	10					20		20	20			60	$3,416
	29	Electrical Lighting Layout	10					60		80	20			160	$9,486
	30	Electrical Details	8					20		6	12			38	$2,299
	31	Circuit Maps	3					16		12	6			34	$2,060
	32	Geotechnical Boring Map	1									1		1	$41
	33	Geotechnical Boring Data	4									1		1	$41
	34	Technical Supervision and Review		30	10	40								80	$7,003
		Subtotal	158	180	10	40	40	120	250	296	340	80		1,356	$78,403
Quantities & Cost Estimate															
	1	Calculate Quantities						8	4					12	$675
	2	Cost Estimate													
		- Update Progress Set (60%) Cost Estimates		6				4	2					12	$782
	3	Technical Supervision and Review		6										6	$445
		Subtotal		12				12	6					30	$1,901
Engineering Design Report															
	1	Engineer's Report (60%)													
		- Document with summary and recommendations for civil project layout, pavement design, draiange, electrical layout, sign plan and voltage calculations, exhibits and hydraulic/hydrology calculations		12				12	60		18	8		110	$6,351
	2	Construction Safety Phasing Plan Report (60%)		20					20		12	8		60	$3,510
	3	Technical Supervision and Review		18				12						30	$2,190
		Subtotal		50				24	80		30	16		200	$12,052

Taxiway G Realignment
Mesa Gateway Airport
Mesa Gateway Airport Authority ***Taxiway G Realignment***

DATE: September 2025

			Project Mgr.	Senior Project Mgr.	Principal Engineer	Senior Prof./ Engineer	Electrical/ Comm. Engineer	Prof. Engineer I	Senior Analyst	Analyst	Designer	Finance/ Project Accountant	Admin/ Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
Project Specifications															
1	Project Specification-General		6					8					6	20	$1,083
	- Create Cover and Table of Contents														
	- Prepare Boiler Plate including FAA Compliance														
	- Prepare Bid Tab and Agreement		6					6						12	$790
2	Specification - Special Provisions														
	- Prepare Special Conditions for Project		8					12						20	$1,283
3	Technical Specification														
	- Prepare Technical specifications		8					24	4					36	$2,188
4	Technical Supervision and Review		8				24							32	$2,306
	Subtotal		36				24	50	4				6	120	$7,651
	Subtotal Task 003		278	10	40	40	168	392	306	370	96		6	1,706	100,006

004 Final Review Submittal (95%)

		Sheets													
Construction Drawings															
1	Cover Sheet, Project Title Sheet	1	1							1				2	$120
2	Abbreviations, Legend, and Sheet Index	1	1							1				2	$120
3	General Notes	1	1							1				2	$120
4	Quantities Tables Sheet	1	1							1				2	$120
5	Project Layout Plan	1	1							1				2	$120
6	Project Horz/Vert Control Plan	1	1							1				2	$120
7	Alignment Definition Sheet	1	1							1				2	$120
8	Project Key Map	1	1							1				2	$120
9	Storm Water Pollution Prevention Plan (SWPPP)	2	1							2				3	$166
10	SWPPP Details	1	1							2				3	$166
11	Construction Phasing Plans and Barricade Plans	6	2					4	6	6				18	$975
12	Demolition Plans	8	2					4	6	6	4			22	$1,139
13	Typical Sections	5	2					2	6	6	4			20	$1,024
14	Geometric Layout Plans	10	2					8	6	12	4			32	$1,644
15	Grading and Drainage Plans	10	8					20	10	12	4			54	$2,993
16	Storm Drain Plan and Profiles	10	2					12	10	8				32	$1,741
17	Grading and Drainage Details	2	2					2	2	2				8	$462
18	Drainage Basin Cross Sections	2	1					1	2	2				6	$330
19	Taxiway Plan and Profiles	12	2					10	10	10				32	$1,717
20	Pavement Joint Layout Plans	10	2					2		2				6	$355
21	Pavement Joint Details	2	1					1			1			3	$173
22	Paving Elevation Plans	10	1					1			1			3	$173
23	Pavement Marking Plans	10	2					6	6	2				16	$907
24	Pavement Marking Details	3	1					1	2	2				6	$330
25	Project Details	6	2					6	8	6				22	$1,197
26	Electrical Scope of Work Plan	1								2				2	$92
27	Electrical Symbols, Data Tables	4								4				4	$183
28	Electrical Demolition Plans	10					6		20	8				34	$1,866
29	Electrical Lighting Layout	10					20		40	12				72	$4,121
30	Electrical Details	8					2		2	4				8	$433
31	Circuit Maps	3					2		4	2				8	$449
32	Geotechnical Boring Map	1									1			1	$41
33	Geotechnical Boring Data	4									1			1	$41
34	Technical Supervision and Review		18	10	20		10							58	$4,869
	Subtotal	158	60	10	20		40	80	140	120	20			490	$28,545
Quantities & Cost Estimate															
1	Calculate Quantities							8	2					10	$567
2	Cost Estimate														
	- Update Final Review (95%) Cost Estimates		2					4						6	$378
3	Technical Supervision and Review		4											4	$296
	Subtotal		6					12	2					20	$1,242
Engineering Design Report															
1	Engineer's Report (95%)														
	- Document with summary and recommendations for civil project layout, pavement design, draiange, electrical layout, sign plan and voltage calculations, exhibits and hydraulic/hydrology calculations		8				6	20		12				46	$2,722
2	Construction Safety Phasing Plan Report (95%)		8					8		8				24	$1,420
3	Technical Supervision and Review		12		2		6							20	$1,513
	Subtotal		28		2		12	28		20				90	$5,654

Taxiway G Realignment
Mesa Gateway Airport
Mesa Gateway Airport Authority ***Taxiway G Realignment***

DATE: September 2025

			Project Mgr.	Senior Project Mgr.	Principal Engineer	Senior Prof./ Engineer	Electrical/ Comm. Engineer	Prof. Engineer I	Senior Analyst	Analyst	Designer	Finance/ Project Accountant	Admin/ Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
Project Specifications															
	1	Project Specification-General	6					4					6	16	$853
		- Create Cover and Table of Contents													
		- Prepare Boiler Plate including FAA Compliance													
		- Prepare Bid Tab and Agreement	6					4						10	$675
	2	Specification - Special Provisions													
		- Prepare Special Conditions for Project	8					4						12	$823
	3	Technical Specification													
		- Prepare Technical specifications	8					12						20	$1,283
	4	Technical Supervision and Review	8		2		12							22	$1,645
		Subtotal	36		2		12	24					6	80	$5,279
		Subtotal Task 004	130	10	24		64	144	142	140	20		6	680	40,721
005 Issued For Construction Submittal (IFC)															
	1	Construction Drawings	12				24	80	20	60	40		4	240	$12,785
	2	Quantities & Cost Estimate	6				4	4	2					16	$1,067
	3	Project Specifications	18				10	26	8					62	$3,972
	3	Technical Supervision and Review	24		6		12							42	$3,222
		Subtotal Task 005	60		6		50	110	30	60	40		4	360	$21,047
006 FAA 7460 Support															
	1	Create 7460 Exhibits						12	2					14	$798
		- Airport to Upload 7460 info to FAA's OEAAA Website													
	2	7460 Exhibit Revisions as Required by FAA						2	2					4	$222
	3	Technical Supervision and Review	2											2	$148
		Subtotal Task 006	2					14	4					20	$1,168
SUBTOTAL - DESIGN			880	30	120	100	450	1,360	980	1,086	384	24	32	5,446	316,522

TRACE CONSULTING

September 29, 2024

Mr. Jarrett Moore, PE
Kimley-Horn and Associates, Inc.
1001 W Southern Avenue, Suite 131
Mesa, AZ 85210

Phone: (623) 558-3185
Email: Jarrett.Moore@kimley-horn.com

Re: Scope of Services and Fee Proposal for
MGAA - Taxiway G Realignment
Topographic Survey Services

Dear Mr. Moore:

TRACE Consulting, LLC (TRACE) is pleased to submit the enclosed Scope of Services and Fee Proposal for professional survey services for the referenced project**.**

The Scope of Services is prepared based on information in your email dated September 26, 2025 and follow up conversations.

We are excited about the opportunity to work with Kimley-Horn and Associates, Inc. (KHA) and the Mesa Gateway Airport Authority (MGAA) on this project, and look forward to providing quality and timely professional services. We are ready to begin work immediately.

If you have any questions, please feel free to contact me at (602) 680-8264.

Sincerely,

TRACE Consulting, LLC.

Chintan S. Jhaveri, PE
Principal

Richard L. Andersen, RLS
Survey Manager

Enclosures:
Scope of Services
Fee Estimate

N:\2024\240305 - PMGA On-Call KHA\S - MGAA Taxiway G Realignment\Project Support\Admin\Contract\MGAA - Taxiway G Realignment Survey - SOS - 2025-09-29.docx

SCOPE OF SERVICES

MGAA - TAXIWAY G REALIGNMENT
TOPOGRAPHIC SURVEY SERVICES

PROJECT DESCRIPTION

This task includes providing topographic survey for the Taxiway G realignment project, as requested by Kimley-Horn and Associates, Inc. (Client) for the Mesa Gateway Airport Authority (Owner). Attached Exhibit A shows the general project area as provided by KHA and the requested topographic survey limits.

PROJECT TASKS

1.0 TOPOGRAPHIC SURVEY

Survey Control: TRACE will tie into horizontal and vertical survey control as provided by KHA/MGAA. Eight (8) temporary benchmarks will be established and level loops will be run between these benchmarks. An attempt will be made to set these points in areas that are not anticipated to be disturbed by limits of project construction.

Field Survey: Topographic survey will be performed within the red shaded area of the attached *Exhibit A* to determine locations and elevations of existing features such as pavement markings, visible utilities including lights, manholes, pipes, signs, vaults, and drainage structures and pipes, a 50' grid of infield areas including visible grade breaks, flowlines, and tops and toes of basins, in tie-in areas shown outlined in green all PCCP joints and panel corner elevations will be collected.

DELIVERABLES

- Found and located control points (.txt)
- 2D topographic file. (.dwg)
- 3D surface file (.xml)
- Topographic point file (.txt)
- Survey control report

ASSUMPTIONS

- Horizontal/Vertical Control based on control provided in attached *Exhibit A*
- Access to the airfield will be provided by MGAA to perform this work.

EXCLUSIONS

- Aerial Mapping / setting panels
- SUE, Utility Research and Mapping.
- Preparation of any construction drawings / plans.
- Tasks not explicitly included above are excluded from this Scope of Work.

SCHEDULE

Topographic Survey will be completed within **five**(5) weeks from Notice to Proceed, subject to Airport's scheduling availability to accommodate field work. If delays occur due to limited access based on airport operation's needs, additional time may be requested.

FEE ESTIMATE

CONTRACT TASK/PHASE	Sr. Project Manager	Project Engineer	Sr. Engg. Technician	Survey Manager	Survey Crew	Admin	TOTAL HOURS	TOTAL LABOR
	$ 194.55	$ 133.42	$ 99.90	$ 120.93	$ 149.85	$ 63.10		
TOPOGRAPHIC SURVEY								
Survey Control				4	24		28	$ 4,080.12
Field Survey				12	140		152	$ 22,430.16
Data processing (2d & 3d)		16	88	8			112	$ 11,893.36
Data QC		8		8			16	$ 2,034.80
Total (Lump Sum)	**-**	**24**	**88**	**32**	**164**	**-**	**308**	**$ 40,438.44**

EXHIBIT A

PROJECT AREA MAP

LEGEND

- PROPOSED "TAXIWAY G REALIGNMENT" LIMITS
- REQUESTED SURVEY LIMITS (142.5 ACRES) (NEED ALL PAVEMENT LIMITS, PAVEMENT MARKINGS, UTILITIES, TAXIWAY/RUNWAY SIGNS, LIGHTS, MANHOLE/HANDHOLES, STRUCTURES, FLOW LINES, GRADE BREAKS, HIGH POINTS, LOW POINTS, DRAINAGE STRUCTURES/PIPES/SPILLWAYS, ROADS, MONUMNETS, ETC... AND 25'X25' M:N GRID OF INFIELD AREAS OR FLOWN SURVEY EQUIVALENT FOR PROJECT AREA TOPOGRAPHY)
- REQUESTED PCC JOINT LAYOUT LIMITS (NEED ALL JOINTS SURVEYED IN THIS AREA... IN ADDITION TO THE OTHER REQUESTED SURVEY FEATURES THAT MAY BE PRESENT)
- EXISTING DRAINAGE BASIN (NEED ALL TOP OF BASIN, BOTTOM OF BASIN, LOW POINTS, FLOW LINES, DRAINAGE STRUCTURES/PIPES/SPILLWAYS, ETC... IN ADDITION TO THE OTHER REQUESTED SURVEY FEATURES THAT MAY BE PRESENT)

3302.73'
103 (IWA-B)
384.71'
SURVEY RUNWAY MONUMENTS
EXISTING VSR
700.00'
SURVEY EXISTING TAXIWAYS (CROWN, LEFT EDGE, RIGHT EDGE, LEFT OUTER EDGE OF SHOULDER, RIGHT OUTER EDGE OF SHOULDER) AT 50' INTERVALS MIN.
SURVEY RUNWAY MONUMENTS
700.00'
674.12'
TO EDGE OF BLAST PAD
TAXIWAY C1
TAXIWAY C
SURVEY RUNWAY MONUMENT
500.00'
TO SHOULDER OF RUNWAY 12L–30R PAVEMENT
TO EDGE OF BLAST PAD
500.00'
TO EDGE OF TAXIWAY G SHOULDER
415.51'
TAXIWAY G
800.00'
400.00'
400.00'
RUNWAY 12L-30R
EXISTING DRAINAGE BASIN
SURVEY VOLUME OF EXISTING BASIN AND ALL DRAINAGE STRUCTURES
EXISTING VSR
1200.00'
400.00'
1037.46'
516.97'
500.00'
TO EDGE OF TAXIWAY B SHOULDER
597.81'
RUNWAY 12C-30C
500.00'
1489.53'
TO EDGE OF RUNWAY 12C–30C PAVEMENT
TAXIWAY B
1304.36'
TO EDGE OF RUNWAY 12R–30L PAVEMENT
500.00'
RSA
OFA

GRAPHIC SCALE
200 0 100 200 400
(IN FEET)

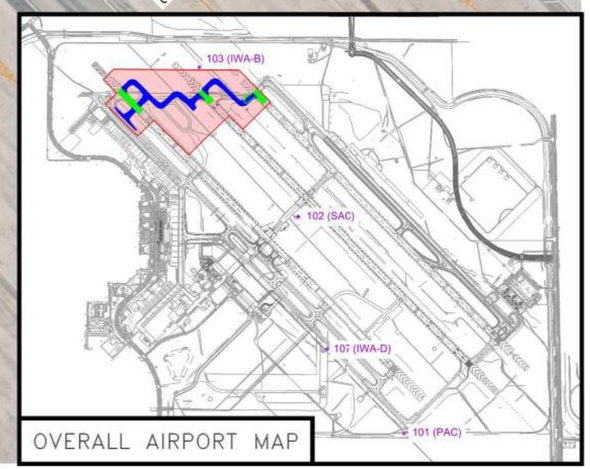
AIRPORT CONTROL STATION

CONTROL POINT	NORTHING	EASTING	STATION	OFFSET	ELEVATION	DESCRIPTION
101 – IWA C (PAC)	834271.582	782102.727	----	----	1380.43	FD SSR HH IWA–C BM
102 – IWA A (SAC)	839985.646	779281.564	----	----	1358.00	FD BCF IWA–A BM
103 – IWA B	843937.712	776679.269	----	----	1346.12	FD BCF IWA–B
107 – IWA D	836501.774	780044.131	----	----	1363.08	FD BCF IWA D BM

DATUM

HORIZONTAL DATUM
(SPC) STATE PLANE COORDINATE
(SF) SCALE FACTOR = 1.0001533
PROJECT COORDINATES/SF = SPC

UNITS: INTERNATIONAL FEET
NAD 83/ARIZONA CENTRAL ZONE
VERTICAL DATUM NAVD '88



OVERALL AIRPORT MAP

NO.	REVISION	BY	DATE

FIRM'S NAME
Kimley»Horn
KIMLEY-HORN AND ASSOCIATES, INC.
2046 RIVERVIEW AUTO DR SUITE 400
Mesa, Arizona 85201 (480) 207-2666

FIRM'S SEAL

SCALE
Horiz.
Vert.

Date	9/10/2025
Designed by	JDB/JT
Drawn by	JCC
Checked by	JMM
Approved by	JDB

Mesa Gateway Airport
MESA GATEWAY AIRPORT AUTHORITY
5835 S. SOSSAMAN ROAD
MESA, ARIZONA 85212
(480) 988-7600
www.phxmesagateway.org

PROJECT NAME
MESA GATEWAY AIRPORT
POTENTIAL PROJECT EXHIBIT
TAXIWAY G REALIGNMENT
(REQUESTED SURVEY LIMITS)

PROJECT NO.
091134070
FILE NO.
REQUESTED SURVEY LIMITS

EXHIBIT
SHEET 1 of 1

K:\EAV_Aviation\Marketing\Mesa Gateway – (AZA)\2025 Taxiway G Reconstruction\C400\2025 Taxiway G Reconstruction – ALT Configuration 200 Scale ALT.dwg, Sep 26, 2025, Kos.Dey
XREFS: x091134038M–3 (Taxiway C Phase 3) x091134022VS – VF (Overgrid) x091134054–BM (Taxiway C Connectors) x091134022–BM (Alpha Apron Phase III) x091134052–BM (Alpha Apron Phase IV) x291470002–BM (Gulf Stream) Potential VSR Project Exhibit (TB) xVS (UPDATED)
THE ATTACHED DOCUMENT IS PROVIDED AS AN INSTRUMENT OF SERVICE. IT IS INTENDED ONLY FOR THE SPECIFIC PURPOSE AND CLIENT FOR WHICH IT WAS PREPARED. REUSE OF THIS DOCUMENT OR THE DATA CONTAINED THEREIN, IN WHOLE OR IN PART, BY ANY PERSON OTHER THAN THE CLIENT FOR WHOM IT WAS PREPARED, OR ON ANY OTHER PROJECT, OR FOR ANY OTHER PURPOSE, OR BY ANY PERSON OTHER THAN THE CLIENT FOR WHOM IT WAS PREPARED, WITHOUT THE EXPRESS WRITTEN CONSENT OF KIMLEY-HORN AND ASSOCIATES, INC., SHALL BE UNAUTHORIZED AND WITHOUT LIABILITY TO KIMLEY-HORN AND ASSOCIATES, INC.

September 30, 2025

Attn: Jarrett Moore
Kimley-Horn
2046 Riverview Auto Drive, Suite 400
Mesa, AZ 85201
Phone: 520-419-7105
Email: jarrett.moore@kimley-horn.com

RE: Proposal for Geotechnical Investigation
MGAA – Taxiway G Realignment
6033 South Sossaman Road
Mesa, Arizona 85212
ACS Proposal No. 2550308

Dear Jarrett:

ACS is pleased to submit this proposal to perform a geotechnical investigation for the above referenced project. This proposal includes our understanding of the planned construction, the proposed scope of work, our estimated not-to-exceed fee, and schedule**.** We have focused our proposed services to include value engineering in the field exploration, laboratory testing, and geotechnical analysis.

PROJECT INFORMATION

Based on project information provided to us, engineering design services will be performed for the proposed Taxiway G Realignment at Mesa Gateway Airport in Mesa, AZ. The pavement design will be performed in accordance with the applicable FAA circular which incorporates the use of FAARFIELD design software. The fleet mix, as presented at this point, will be the design aircrafts Boeing 747-400 and Boeing 777-300ER until an updated mix is prepared and delivered to us. Pavement designs will include PCC taxiways, asphalt shoulders, and temporary asphalt taxiway.

SCOPE OF SERVICES

ACS proposes to advance a total of approximately twenty-eight (28) soil test borings at the project site within the area for the proposed taxiway realignment or as close as logistically possible. The soil test borings will be drilled to a planned depth of 10 feet, or auger refusal, whichever occurs first. In addition, ASC proposes to complete five (5) four inch cores to be advanced to evaluate the thickness of existing pavement at the locations near tie-in points.

Prior to the initiation of subsurface investigation field activities, ACS personnel will conduct a site reconnaissance to note surface conditions and assess the proposed boring locations for drill rig access. We will confirm utilities are marked within the site and if necessary, will also subcontract a private utility locating service to survey the sampling locations. If available, plans depicting existing underground utilities should be provided to us so that soil test locations can be located at a safe stand-off distance. Some utilities are simply not locatable (some examples: irrigation systems, septic systems, pvc/concrete piping, etc.). Should such a utility be impacted during sampling, ACS will contact you and inform you of the situation. If you desire for ACS to arrange for a repair to be performed it will be done and charged at an additional cost. ACS will not be held liable if any unknown subterranean structures are impacted while sampling. Before proceeding with field sampling activities, we will implement proper safety precautions.

Our drilling and sampling will be performed in general accordance with applicable American Society for Testing and Materials (ASTM) standards. The soil test borings will be advanced using a truck-mounted, hollow-stem or solid-stem auger drill rig. Soil samples will be obtained using a 2-inch outside diameter, 1-3/4 inch inside diameter, split spoon standard penetration test (SPT) sampler, or a 3-inch outside diameter, 2.42 inch inside diameter modified California ring sampler. Soil samples will be collected at intervals ranging from two to five feet, commencing at a depth of approximately two feet below ground surface. Because the sampler may be damaged by driving into very dense soils, it may only be driven a few inches into such dense materials and the penetration resistance expressed as the number of hammer blows versus the depth of penetration, e.g. 100/3", 50/1", etc. Penetration resistance, when properly evaluated and correlated with researched and published data, is an index of the soil's strength, density, and foundation support capability.

Field personnel will monitor the drilling operations, log the borings, record the penetration resistances of the sampler, and obtain relatively undisturbed samples and bulk samples for the laboratory testing. Boring depths may be adjusted based on the actual soils encountered. If unusual conditions including unexpected rock, geological features, or hazards (such as faults or fissures) that appear to require specialized excavation methodologies are encountered, we will immediately notify the client. We will also monitor the drilling for indications of abnormal or significant environmental impact including odors, discoloration, staining, and corrosivity. Upon completion of sampling, the boring will be backfilled and finished flush with the surrounding surface.

LABORATORY TESTING

Our proposed laboratory services include testing for Atterberg limits (plasticity), gradation, moisture content, in-situ density, one-dimensional consolidation tests (if applicable), CBR testing, proctor compaction, and expansion swell potential. In our opinion, these tests are sufficient to evaluate the engineering characteristics of representative on-site soils for design recommendations associated with construction of spread and continuous footings and conventional slabs-on-grade. If conditions require other methods of testing, we will consult with you.

DELIVERABLES

ACS will use the information obtained from the field exploration and laboratory testing program to evaluate the soil and subsurface conditions at the site. We propose to review the results of the test boring program along with laboratory testing results and value engineering to develop recommendations for, but not limited to, excavation effort (including the presence of rock or hard subsurface layers), pavement fill construction, pavement design parameters, and earthwork. Our pavement design recommendations will be based on the expected pavement loading provided in the project information. An additional field exploration may be required and/or the pavement design recommendations may be subject to revision if the proposed pavement loading is different from the project expectations provided. As a result, our scope of services may also require modification. ACS will consult with you in the event modifications to the scope of services and/or proposed test boring locations are required.

Following completion of the fieldwork, laboratory testing, and analyses, a report of our findings, will be signed and sealed by a Professional Engineer, Licensed in the State of Arizona. The report will be prepared in a recommendation format and not a "specification" format. The following items will be included with consideration for value engineering and are to be performed in accordance with the following scope of services.

1. Description of the existing site conditions.

2. Description of the site soil classification, seismic, site geologic, and surface fault conditions using published geological data, International Building Code, and field drilling data.

3. Description of general subsurface soil and rock stratigraphy and groundwater, including boring records.

4. Vicinity Map and Site plan showing the location of borings, final boring logs, and a summary of the laboratory testing results.

5. Pavement design analysis using FAARFIELD with pavement section recommendations for the proposed taxiway realignment, taxiway shoulder sections, and temporary asphalt taxiways.

6. Recommendations for below-grade temporary excavations including lateral earth pressures, backfill and materials, and compaction.

7. Recommendations for subgrade drainage, site preparation and quality control measures for earthwork, proofrolling, groundwater control, and difficult excavation, as required, as well as recommendations for imported soils.

The assessment of site environmental conditions, including the presence of petroleum impact in the soil, rock, and groundwater of the site, is beyond the scope of this investigation. Percolation testing for the site is also out of scope for this investigation unless specifically requested. However, we will report our observations in regard to solid waste and/or deleterious materials in the subsurface at the soil test boring locations.

COST ESTIMATE

Based on the proposed scope of work as outlined above, our time and materials, not-to-exceed fee is **$19,265.00**. Our fee estimate assumes that reasonably expected depths of soil test boring with power augers will provide sufficient data for foundation analysis and recommendations. The above fees will be paid upon completion of the report and prior to report submittal. If conditions are found which indicate the need for additional exploration, testing or analysis, such as rock or fill areas, we will contact you prior to performing work in excess of the proposed scope of services. The above estimate covers the work needed to present our findings and recommendations in report form and associated engineering consultation. Not included are reviews of design drawings, preparation of construction specifications, special conferences, an assessment of existing or potential environmental risks associated with the site, or excessive follow-up work requested after submittal of the report. If the project information above is incorrect ACS should be notified and be given the opportunity to revise our scope of services and fees.

SCHEDULE

We anticipate that utility clearance, boring layout, permit submissions/acquisitions, and coordination prior to the field exploration will take approximately sixty (60) business days. The field exploration will require approximately four (4) business days to complete. Laboratory testing will require an additional ten (10) to fifteen (15) business days. Preliminary verbal recommendations can be provided after the field exploration and laboratory testing program have been completed. A final report will be prepared and submitted within seven (7) business days upon completion of the laboratory testing. The not-to-exceed amount referenced in this proposal will be binding for a period of thirty (30) days from the date of issue. Please notify the below listed individual should this proposal extend past the active date.

PROPOSAL ACCEPTANCE

If this proposal is acceptable, please provide us a written authorization by completing the acceptance at the end of the proposal, a purchase order, or mutually agreeable terms and conditions. **The signing party will be financially responsible for paying the agreed upon fee. If payment is made with a credit card, then 3% will be added to cover the credit card companies' surcharges.** A preliminary lien notice will be delivered, as it is a customary business practice within the Arizona construction industry. This is not a lien, it simply serves as notice that we are preserving our right to file a lien in the future, if necessary.

GEOTECHNICAL INVESTIGATION – LABORATORY $5,404.00
GEOTECHNICAL INVESTIGATION – ENGINEERING.....$13,861.00
TOTAL FOR GEOTECHNICAL INVESTIGATION $19,265.00

We appreciate the opportunity to offer this proposal and hope you will consider our firm for these services. If you have any questions regarding this proposal please contact Andrew Jamrogiewicz at 480.968.0190.

Respectfully submitted,
ACS Services LLC



Andrew Jamrogiewicz, P.E.
Engineering Department Manager

TERMS AND CONDITIONS

1. STANDARD OF CARE. In the performance of our professional services, ACS Services, LLC (ACS) will execute in a timely and proper manner in accordance with the plans, specifications and contract documents that were made available by CLIENT, ACS will use the degree of care and skill ordinarily exercised by members of our profession currently practicing in the same locality under similar conditions. No warranty, expressed or implied, is made or intended by our proposal, contract, oral or written reports, or services.

2. SCOPE OF SERVICES

2.1 SERVICES. "SERVICES" means the specific service to be performed by ACS as set forth in the ACS proposal. "CLIENT" refers to the person or business entity ordering the work to be done by ACS.

For Construction Material Testing, unless otherwise agreed by both parties in writing, all Services are performed on an "on-call" basis. CLIENT shall cause all testing and inspection on the site. CLIENT understands that testing, inspection, and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. ACS will provide test results and opinions based on tests and field observations only for the work tested. CLIENT understands that testing and observation are not continuous or exhaustive, and are conducted to reduce - not eliminate - project risk. CLIENT agrees to the level or amount of testing performed and the associated risk.

For Geotechnical Investigations, Drilling Services and Services outside of those listed here, Scope of Services will be defined and limited to what is described in the ACS proposal based on information supplied by CLIENT. Results for this category of Services will be based only on the scope described in the ACS proposal and actual Services performed. If differing site conditions are found during the course of performance, ACS will notify CLIENT of differing site conditions. Upon such notification, the CLIENT has the right to further investigate these existing conditions at the CLIENT'S sole expense by issuing a change order. ACS may but has no duty to perform Services under differing site conditions. If Services are discontinued, ACS will be paid for all Services performed to the point of discontinuance, including delays.

2.2 UTILITIES. ACS shall utilize a utility locating service for public utilities when required. ACS shall arrange for the marking of private utilities and subterranean structures. ACS shall take reasonable precautions to avoid damage or injury to subterranean structures or utilities. ACS shall not be responsible for damage to subterranean structures or utilities that are not called to ACS's attention, are not correctly marked, including by a utility locate service, or are incorrectly shown on the plans or information furnished to ACS.

2.3 CHANGES IN WORK. If Services are changed materially or revisions, alterations, or change orders are required, the amount of ACS's compensation and/or rates shall be equitably adjusted. If Services extend materially longer than ACS originally anticipated, the amount of the ACS's compensation and/or rates shall be equitably adjusted. If the results of Services provided under the contract are required to be submitted to governmental entities and those entities change policies, procedures, rules, regulations, zoning, or laws relating to the project after the date of the contract, the CLIENT shall pay ACS for any additional work that ACS must perform as a result of those changes pursuant to applicable rates.

3. OWNERSHIP OF DOCUMENTS. Written consent of ACS is required for any use of documents outside of the scope of work for all ACS reports, plans, specifications, field data, notes and other documents prepared by ACS. All said items remain the property of ACS.

4. SAFETY. While on a CLIENT'S jobsite, the CLIENT agrees that the CLIENT or it's designee is solely responsible for jobsite safety.

5. INSURANCE. Upon request, ACS will furnish certificates of insurance for Workers Compensation, General Liability, Umbrella Policy, Auto insurance and Professional Errors or Omissions insurance. ACS is not responsible for damage of any cause beyond the coverage of its insurance

6. INDEMNIFICATION. It is understood and agreed the CLIENT will indemnify ACS, and its employees and representatives from and against claims that are the result of negligent acts or omissions on the part of the CLIENT, its employees or representatives. ACS shall indemnify the CLIENT from and against claims which are solely the result of negligent acts or omissions on the part of ACS, its employees and representatives. ACS can only be held liable for negligent acts or omissions based on site or Services information supplied by CLIENT. For any Subsurface activity (drilling, backhoe, etc), ACS will take reasonable precautions to reduce damage to the site when performing Services; however, CLIENT accepts that invasive services such as drilling or sampling may damage or alter the site. Site restoration is not provided unless specifically included in the Services.

7. LIABILITY. The CLIENT agrees to limit the liability (whether in tort, contract, or otherwise) of ACS and its owners, directors, officers, employees, subconsultants, and their spouses to a collective total of $15,000 or the Consultant's fee (i.e., total fee for professional services), whichever is greater.

8. SAMPLE DISPOSITION and INDEMNITY. Non-hazardous samples are consumed in testing or disposed of upon completion of tests (unless stated otherwise in the Services). Hazardous or toxic samples will be returned to the CLIENT or using a manifest signed by the CLIENT, ACS will have such samples transported to a location selected by the CLIENT for final disposal. The CLIENT agrees to pay all costs for storage, transport and disposal of samples. The CLIENT recognizes and agrees that ACS is acting as a 3rd Party and at no time assumes title to samples involving hazardous or toxic materials.

9. PAYMENT. ACS will periodically (usually monthly) send the CLIENT invoices for WORK rendered and reimbursable expenses incurred on the project. The CLIENT must pay those invoices within 30 days of the invoice date. If ACS does not receive payment from the CLIENT within 30 days of the invoice date, the ACS will charge interest on the unpaid, late balance at 1.5% per month (compounded monthly). ACS can withhold instruments of service, suspend services, and/or terminate the contract if any invoice has not been paid within 30 days of the invoice date. The CLIENT shall not withhold, deduct, off-set, or set-off any amounts that ACS has billed to the CLIENT. If the CLIENT disputes any of ACS's invoices for any reason, the CLIENT must first timely pay the invoice(s) to ACS and then the CLIENT can seek to resolve the disputed invoice(s) pursuant to the dispute resolution procedures set forth in these General Conditions.

10. CHOICE OF LAW AND FORUM. The contract shall be governed by Arizona law. Subject to the mediation provision below, the exclusive jurisdiction for resolving disputes between the parties is the Arizona state court system.

11. DISPUTE RESOLUTION. CLIENT and ACS agree that all disputes between them relating to the contract or the WORK shall be submitted first (prior to any litigation) to nonbinding mediation at or near the place of ACS's principal office. In the event of litigation between parties to this agreement, if ACS is the prevailing party, ACS shall be entitled to recover all related costs, expenses, and reasonable attorney fees.

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

Board Action Item

Re: Resolution 25-49

To:	**Board of Directors**
From:	**Margi EvanSon, Director of Operations, Security & Maintenance**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**USCBP Staffing**
Date:	**October 21, 2025**

Proposed Motion

To authorize a modification to the Memorandum of Agreement with U.S. Customs and Border Protections (USCBP) changing the minimum staffing assigned to the Gateway User Fee Facility from one officer to two officers.

Narrative

Mesa Gateway Airport Authority (MGAA) and USCBP have maintained a memorandum of agreement providing for international immigration entry and cargo inspection services through a User Fee Facility since 2003. Under this agreement, MGAA reimburses USCBP for the actual cost of full-time personnel assigned to the MGAA office, inclusive of 40 hours per week plus overtime. This cost is recovered through fees paid by users to MGAA.

The sustained increase of international cargo imports into Gateway Airport since 2023 greatly increased the demand for immigration and inspection services. Through coordination and judicial use of limited overtime, USCBP maximized the utilization of the single officer assigned to Gateway. To accommodate increasing demand, MGAA requested a modification to the MOA which increases the staffing to two full time officers covering 72 hours per week.

Fiscal Impact

Contingency funds will be moved to the Operating budget to cover the increased cost of the additional officer. This increase in expenditure will be offset by increases in user fee revenue collections.

Attachment(s)

Memorandum of Agreement

RESOLUTION NO. 25-49

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

WHEREAS the Authority desires to authorize a modification to the Memorandum of Agreement with U.S. Customs and Border Protections changing the minimum staffing assigned to the Gateway User Fee Facility from one officer to two officers**;**

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 modification to the Memorandum of Agreement with U.S. Customs and Border Protections changing the minimum staffing assigned to the Gateway User Fee Facility from one officer to two officers. 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 October, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

U.S. CUSTOMS AND BORDER PROTECTION
MEMORANDUM OF AGREEMENT

USER FEE FACILITY PROGRAM

Under the provisions of Section 236 of the Trade and Tariff Act of 1984 (P.L. 98-573), as amended (19 U.S.C. 58b), the Commissioner of U.S. Customs and Border Protection is authorized to make inspectional services available at airports, seaports, and other facilities and to charge a fee for such services. The purpose of this agreement is to designate the following location and its defined adjoining facilities as eligible for such services under the conditions set forth herein.

Facility Name: Phoenix-Mesa Gateway Airport Authority

Location: 5835 S. Sossaman Road, Mesa, AZ 85212

The above-named facility shall be considered to be the "person" using U.S. Customs and Border Protection services, as the term is applied in Section 236 of P.L. 98-573. In accordance with the requirements of Section 236I of the law, a determination has been made that the volume of business anticipated at the facility, and defined adjoining facilities, is insufficient to justify the availability of unreimbursable inspectional services.

U.S. CUSTOMS AND BORDER PROTECTION OFFICE LOCATION DEFINED

For purposes of determining reimbursable travel costs, identify the physical address of the proposed U.S. Customs and Border Protection office, if different from the location named above.

5803 S. Sossaman Road, Suite 109
Mesa, AZ 85212

U.S. CUSTOMS AND BORDER PROTECTION LOCATIONS DEFINED

Specify below any other locations (other than the facility itself) at which U.S. Customs and Border Protection services would be expected: (i.e., define all adjoining or adjacent facilities, such as Foreign Trade Zones).

GEOGRAPHIC BOUNDARIES OF SERVICE DEFINED

Service may only be provided at the mutually agreed upon location listed below. A plat highlighting the service boundaries may also be attached.

See Attached Plat

FACILITY STANDARDS

Entities requesting U.S. Customs and Border Protection services must meet and maintain U.S. Customs and Border Protection facility standards. Facilities that fail to maintain Customs and Border Protection facility standards will be subject to a 120-day notice terminating this agreement. If applicable, an Agriculture Compliance Agreement must also be maintained.

U.S. CUSTOMS AND BORDER PROTECTION RESPONSIBILITIES

U.S. Customs and Border Protection has determined that at the time of the signing of this agreement two (2) full-time officer(s) will be required at this facility. U.S. Customs and Border Protection services will be provided as specified below. Any service provided outside these hours may be subject to overtime and/or premium pay. The full cost of overtime service and/or premium pay will be paid by the facility and at the rates prescribed by Section 267 of Title 19, United States Code, as amended. In the event U.S. Customs and Border Protection has to provide a Customs and Border Protection Officer(s) to replace the regularly assigned officer(s) during the established shift by a temporary replacement due to sick leave, annual leave, transfer, travel, and/or training, then the facility agrees to bear any and all costs and expenses associated with such replacement including but not limited to transportation, relocation and/or per diem costs for personnel brought from other locations. The work schedule that has been agreed to is as follows:

Weekly Work Schedule: Monday-Saturday

Hours of Service: Monday 1:00 p.m. – 9:00 p.m.
Tuesday-Friday 7:00 a.m. – 9:00 p.m.
Saturday 7:00 a.m. – 3:00 p.m.

In the absence of required inspectional services, U.S. Customs and Border Protection may assign other duties to the officer at another location.

ADJUSTMENT TO LEVEL OF SERVICE

During circumstances that may arise, U.S. Customs and Border Protection reserves the right to adjust the level of service provided to address high alert security situations, special events or other circumstances as needed. Permission to land may be denied if sufficient personnel are not available. Billing adjustments will be made to reflect adjustments to the level of service.

FACILITY RESPONSIBILITIES

Base Fee

The facility agrees to reimburse U.S. Customs and Border Protection for the full-year cost of each officer. All base salary changes will reflect the costs of services being provided which includes all salary and benefit costs, and all administrative overhead costs. This amount is subject to change.

The facility agrees to pay all cost-of-living allowances, if applicable. Fees will be increased for all adjustments and changes in the rate of pay and allowances mandated by legislative and regulatory requirements.

Additional Fees

The facility agrees to reimburse all travel, transportation, relocation, and per diem costs incurred by U.S. Customs and Border Protection in performing regular inspectional duties or for personnel to be brought to the facility from other locations for internal control verifications, special enforcement activities, training, etc., as may be necessary. If authorized by law, relocation costs may be incurred by the facility authority upon termination of the MOA by either party.

The facility agrees to reimburse all Automated Data Processing (ADP) costs, including equipment purchase, installation, connectivity, maintenance and the cost of upgrading and replacing equipment on a schedule determined by U.S. Customs and Border Protection.

Payment of Fees

All of the above-mentioned expenses will be determined in accordance with generally accepted accounting principles and standards. The annual fee will be billed in quarterly installments. The initial payment is due 15 days prior to the service date of this agreement. Any cost-of-living allowance, travel, per diem, transportation, relocation, and any other variable expense will be billed after it is incurred, and will be invoiced as an adjustment to the next quarterly installment.

If any amounts due U.S. Customs and Border Protection under the terms of this agreement are not paid within 90 days of billing, the agreement will be automatically terminated. In the event of termination, all costs incurred by U.S. Customs and Border Protection, which have not been reimbursed, will become immediately due and payable. Interest on unpaid debts will be assessed pursuant to 19 C.F.R. 24.3a(c)(1). The percentage rate of interest to be charged on such bills will be based upon the quarterly rate(s) established under sections 6621 and 6622 of the Internal Revenue Code of 1954 (26 U.S.C. 6621, 6622). The facility authority may file a protest under 19 U.S.C. § 1514 for any charges it believes to be excessive or incorrectly included in the bill provided by U.S. Customs and Border Protection. Any protest must be filed within 180 days of the date of the bill sent by U.S. Customs and Border Protection. If a protest is filed, the procedures set forth in 19 C.F.R. Part 174 must be followed.

Facilities

The facility authority requesting services must satisfy U.S. Customs and Border Protection facility standards before submission of this agreement. The standards are specified in the Airport Technical Design Standards for Passenger Processing, the Cruise Terminal Design Standards, the Physical Security policy of U.S. Customs and Border Protection and any applicable combination or revision. Prior to submission of this agreement, the U.S. Customs and Border Protection Field Office that oversees the facility will inspect the facility and verify whether the standards are met. Facilities that do not meet facility standards after initial approval will be subject to a 120-day termination notice. U.S. Customs and Border Protection reserve the right to update the facilities standards as necessary.

Secure space must be provided for the U.S. Customs and Border Protection officer to inspect baggage and store seized items. The space provided to and occupied by U.S. Customs and Border Protection personnel must remain under the control of the facility that is entering into this agreement.

Compliance with Executive Orders

In accordance with § 3(b)(iv) of Executive Order No. 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity,* dated January 21, 2025, the facility agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to this Agreement, and the facility certifies that it does not operate any programs promoting diversity, equity, and inclusion that violate any applicable Federal anti-discrimination laws.

ADP Equipment

U.S. Customs and Border Protection has specific requirements for software, computers, printers, file servers, data cabling, and connectivity to the U.S. Customs and Border Protection National Data Center. The Office of Information and Technology will be responsible for ordering and installing a frame relay data connection from your facility to the U.S. Customs and Border Protection National Data Center. The Office of Information and Technology will develop the automated equipment configuration, determine the cost for this ADP equipment, and procure and install the ADP equipment based on the number of officers at this facility. The facility will be responsible for the procurement and installation of all data cabling components required for connectivity of the ADP equipment according to the Office of Information Technology provided specifications.

The facility will be billed for the purchase of the ADP equipment, the one-time charges for the network installation, and the annual recurring costs for equipment maintenance and network connectivity. This ADP equipment and network will be covered under U.S. Customs and Border Protection maintenance agreements. Equipment problems and network outages must be reported to the U.S. Customs and Border Protection Help Desk by the Port Director. Upgrades to the ADP equipment will be required on a schedule determined by U.S. Customs and Border Protection (currently, every 3 years). The facility will retain ownership of this equipment.

Third Party Charges

If the facility seeks reimbursement by the individual users of the U.S. Customs and Border Protection services provided, for example air carriers, the facility agrees to set and periodically review its rates to ensure that they are in accord with the U.S. Customs and Border Protection services provided.

SERVICE DATE

Service will begin on a date determined by U.S. Customs and Border Protection. Billing will coincide with the actual start of service.

ANNUAL REVIEW OF AGREEMENT (MOA)

This agreement is subject to annual review. U.S. Customs and Border Protection will conduct an annual review of this agreement to ensure that the requirements are being met. U.S. Customs and Border Protection will issue a termination notice if the annual review indicates that the terms and requirements of this agreement are not being met.

In addition to annual review of this agreement, U.S. Customs and Border Protection will also conduct a review of the agreement before any activation or expansion of the service area of the Foreign Trade Zone, in order to ensure compliance with CBP's responsibilities pursuant to 19 CFR part 146. Such review will include CBP's evaluation of the number of CBP personnel necessary to maintain supervision over the User Fee Airport, any Foreign Trade Zone site located at or in the vicinity of such Airport, and any other locations covered by this agreement.

TERMINATION OF AGREEMENT

This agreement may be terminated by either party upon 120 days written notice for any reason. If any amounts due U.S. Customs and Border Protection under the terms of this agreement are not paid within 90 days of billing, the agreement will be automatically terminated. If national security, defense, safety or other interests are at risk, as determined by the Port Director, the agreement may be terminated immediately without prejudice to the filing of a new application. Notice of termination will be provided in writing setting forth the reasons for such action. Any immediate termination may be appealed in writing within 30 days to the Director, Field Operations where the facility is located.

In the event this MOA is terminated for any reason, it may result in the revocation of any Foreign Trade Zone grant that is premised or contingent on the continued operation of this user fee facility or contingent on this MOA remaining in effect.

REVOCATION OF PRIOR AGREEMENTS

All previous Memoranda of Agreement or other written agreements or instruments between the parties concerning the CBP User Fee Facility program at the Facility, including the Agreement between the parties effective 8/2/2023 are hereby terminated.

AUTHORIZATION

Agreement to these terms is attested by the signatures below.

		9/18/25
Executive Director/CEO Phoenix-Mesa Gateway Airport Authority	Signature	Date
Diane J. Sabatino		
Executive Assistant Commissioner Office of Field Operations U.S. Customs and Border Protection	Signature	Date

MESA GATEWAY AIRPORT AUTHORITY
EXECUTIVE DIRECTOR'S OFFICE
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7608
FAX (480) 988 2315



Area of Coverage
South of Ray Road
East of Sossaman Road
West of Ellsworth Road
North of Pecos Road

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

Board Action Item

Re: Resolution 25-50

To:	**Board of Directors**
From:	**Lori Collins, Director of Business and Economic Development**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Covered Parking Expansion Engineering Design Services – Kimley-Horn & Associates – CIP 1332**
Date:	**October 21, 2025**

Proposed Motion
To authorize an Authorization of Services (AOS) to provide Engineering Design Services with Kimley-Horn & Associates for the expansion of the Covered Parking in the Ray Road Economy Lot, in an amount not to exceed $58,391.47.

Narrative
In FY25, the Covered Parking, located within the Ray Road Economy Lot, completed its payback period years ahead of schedule and experienced tremendous growth in customer use. To meet this increasing demand, and to continue to bolster the customer experience, it has been recommended that an expansion be pursued.

Kimley-Horn & Associates (Kimley-Horn) will perform and provide Engineering Design Services that will be comprised of project administration, as well as preliminary/final-review/issued-for-construction plans and specifications. The procurement for construction will be on a date to be determined, pending future budget approval.

In 2024, a Request for Qualifications, 2024-005-RFQ, for On-Call Engineering Services was issued. Kimley-Horn was one of two firms selected as the most qualified. In accordance with the terms of our agreement for On-Call Engineering Services, C-20240076, Kimley-Horn worked with Airport staff to refine a Scope of Work for Design Services for the expansion of the Covered parking in the Ray Road Economy Lot.

Fiscal Impact
This project has been added to the FY26 Capital Budget utilizing non-grant, contingency funding.

Attachment(s):
AOS, Proposal

RESOLUTION NO. 25-50

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

WHEREAS the Authority desires to authorize an Authorization of Services to provide Engineering Design Services with Kimley-Horn & Associates for the expansion of the Covered Parking in the Ray Road Economy Lot, in an amount not to exceed $58,391.47;

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 Authorization of Services to provide Engineering Design Services with Kimley-Horn & Associates for the expansion of the Covered Parking in the Ray Road Economy Lot, in an amount not to exceed $58,391.47. 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 October, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport

AUTHORIZATION OF SERVICES
20240076 26-02

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

1. **PROJECT**: Economy Lot Covered Parking Expansion.

2. **SCOPE OF SERVICE**: Perform and provide Design Services for the Economy Lot Covered Parking Expansion. The expansion will roughly double the covered parking capacity within the existing Economy Parking Lot. Along with new shade canopy structures, the project includes site demolition, lighting and electrical upgrades, pavement and signage improvements, and potentially a secondary exit plaza with supporting infrastructure.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of services, not to exceed the-time and materials calculated-fee of $58,391.47 (fifty-eight thousand, three hundred ninety-one dollars, and forty-seven cents), without express written approval of MGAA.

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

5. **INCORPORATED:** The following documents, including its terms, conditions, exhibits, attachments, and amendments are hereby incorporated with this AOS and made part thereof:

   ☑ MGAA Agreement Number: 20240076, effective 12/19/23.

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

   ☑ Consultant's Scope and Fee Proposal, Exhibit A, dated September 2025.

7. **EFFECTIVE:** This AOS is effective as of the date signed by MGAA.

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

Executed as of the Effective Date.

CONSULTANT
Kimley-Horn & Associates

By: _____

Name: Sterling Margetts

Title: Sr Vice President

Date: 9/25/2025

MGAA
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 WORK
ENGINEERING DESIGN SERVICES

for
Economy Lot Covered Parking Expansion - Design

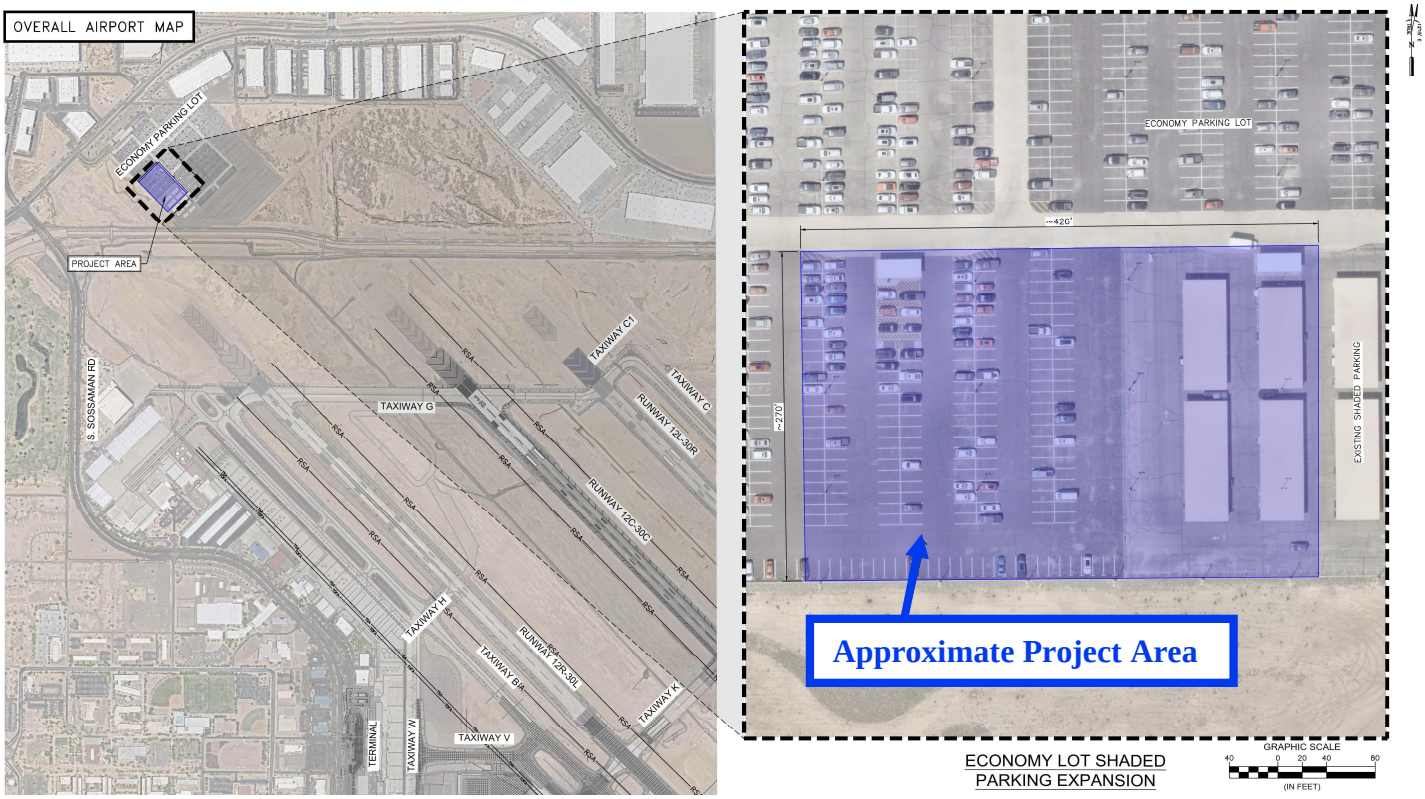
A. PROJECT DESCRIPTION:

The "*Economy Lot Covered Parking Expansion*" project at the Mesa Gateway Airport (MGAA) will consist of expanding the limits of the existing covered parking sub-lot within the Economy Parking Lot, with the intention of providing approximately double the covered parking capacity to this lot. In addition to constructing the shade canopy structures, there will also be several other improvements associated with this work, including: site demolition/removal of localized pavements and existing fencing, electrical and site lighting improvements, pavement markings, signage upgrades, potential secondary exit plaza and associated equipment/utilities, pavement replacement (as necessary) around installed structures/utilities/improvements.

A schematic of the proposed "*Economy Lot Covered Parking Expansion*" project is shown in the Figure **below**.

The design services that Kimley-Horn will be providing for this project are listed in the following sections of this Scope and Fee. Construction Administration services may be added to this project at a later date.

General Project Layout



B. PROJECT SCOPE:

The specific scope of work for this Authorization of Service is identified as follows:

1. **PROJECT ADMINISTRATION:** The following general tasks are anticipated to be needed for the project.
    a) Provide project administrative tasks for support throughout the project.
    b) Provide project planning, budgeting, and initial project schedule.
    c) Provide bi-weekly progress reports, meetings and notes of project meetings.
    d) Attend (up to two) coordination and plan review meetings.

2. **PRELIMINARY SUBMITTAL (60%):** Kimley-Horn (the Engineer) will produce a draft Preliminary Plans (60%) of the project. Design standards will be according to FAA Advisory Circulars, Maricopa Association of Governments (MAG) standards, and City of Mesa standards.

    Information created and determined during this effort will be used to prepare the construction plans and specifications. Information from the E-ALP/GIS project will be used as a base and to augment the survey and utility files for use on the project. As part of this task, topographic survey, utility designation, and processing As-Built/Record Drawing review of existing conditions from previous projects will be completed.

    These efforts will be done so that preliminary plans (60%) can be prepared. A limited number of preliminary plan sheets (project layout, geometrics layout, and project details plans), an outline of intended specifications, and preliminary cost estimate will be provided to display the project elements. The preliminary submittal (60%) will include a Basis of Design for the structural members, as well as the preliminary Civil and Electrical improvements, associated with this project. A facilitated review meeting will be held with MGAA after the Preliminary submittal, and comments will be incorporated into the next submittal.

3. **FINAL REVIEW SUBMITTAL (95%):** The Engineer will provide final review design and contract construction documents for the "*Economy Lot Covered Parking Expansion*" project improvements. The Engineer will provide engineering drawings and specifications to be used as contract documents. Plan sheets will include: cover sheet, sheet index, summary of quantities, general notes and abbreviations, project layout, typical sections, geometric layout, stormwater pollution prevention plans, and project details plans will be prepared for the project. The Engineer will assemble owner provided front end documents, a project quantity based bid proposal, general provisions, special provisions (unique project requirements), and technical specifications to be used as project contract documents for the bidding process. Design standards will be according to FAA Advisory Circulars, Maricopa Association of Governments (MAG) standards, and City of Mesa standards.

    Information from the E-ALP/GIS project will be used as a base and to augment the survey and utility files for use on the project.

    Plans and specifications will be prepared for Final Review submittal. The Final Review submittal (95%) will include a Basis of Design for the structural members, as well as the Civil and Electrical improvements, associated with this project. A facilitated review meeting will be held with MGAA after the Final Review submittal, and comments will be incorporated into the next submittal.

4. **ISSUED FOR CONSTRUCTION SUBMITTAL (IFC):** The Engineer will provide Issued For Construction Plans, Specifications, Cost Estimate, and Construction Documents for the "*Economy Lot Covered Parking Expansion*" project.

Construction Costs: An Engineer's Opinion of Probable Construction Costs will be provided for the project and will be based on cost history for past work within the vicinity of the airfield and for projects of a similar nature. The opinion of probable cost will reflect construction during a regular construction schedule.

5. **FAA 7460 SUPPORT:** The Engineer will provide services for developing the graphics/exhibits associated with the 7460 submittal, per FAA standards. As part of this task the Engineer will make any updates to the 7460 graphics/exhibits as required by the FAA. The Engineer will also provide to the Airport a "1A" level survey of the project area with a "Survey Control Report" signed by a licensed Surveyor. It is assumed that the Airport will complete the following 7460 related items:
   - Input and upload 7460 related project information, data, Survey Control Report, and Exhibits to the FAA's OEAAA website portal.
   - Make any resubmission uploads of revised 7460 documents as required by the FAA.

C. DELIVERABLES: The following deliverables will be provided according to this contract:

(1) Preliminary Plans, Basis of Design, and Specifications (Preliminary Submittal) four (4) copies to MGAA.
(2) Final Review Plans, Basis of Design, and Specifications (Final Review Submittal) four (4) copies to MGAA.
(3) Opinion of probable construction costs – copy with each submittal.
(4) Issued For Construction Plans and Specifications (IFC Submittal) four (4) copies to MGAA. The Airport will provide copies of the plans to contractors for pricing and construction purposes.
(5) Electronic drawing files to MGAA.

D. OWNER'S RESPONSIBILITIES: MGAA will furnish specification front end documents including, DBE, legal, bonding and other provisions as required for the contract documents. The Engineer will assemble this information into the contract documents for the bidding process. The information will be due from MGAA at time of service authorization. MGAA will review the plan submittals in a timely fashion and provide written comments of the desired changes to the contract documents. MGAA will provide all archeological and environmental clearances for the project.

E. WORK SCHEDULE: Work is to be completed within two (2) months from the authorization of service date.

F. CONSULTANT'S COMPENSATION FOR SERVICES: Kimley-Horn shall be compensated for services using a labor fee plus expense basis with the maximum not to exceed fee shown below. Kimley-Horn will not exceed the total maximum fee shown without authorization from the Client. Individual task amounts are provided for budgeting purposes only. Kimley-Horn reserves the right to reallocate amounts among tasks as necessary.

Design Services - $58,391.47

The derivation of engineering fee for design services are attached to this authorization as Exhibits.

Economy Lot Covered Parking Expansion Improvements
Mesa Gateway Airport
Mesa Gateway Airport Authority

Kimley»Horn

DATE: September 2025

EXHIBIT I - DESIGN DOCUMENTS - ENGINEERING FEE
Economy Lot Covered Parking Expansion Improvements

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

TASK	DESCRIPTION	MANHOURS	TOTAL	EXTENDED TOTAL
001	**Project Administration**	18	1,074.28	
002	**Preliminary Submittal (60%)**			
	Construction Drawings	140	8,149.52	
	Quantities & Cost Estimate	4	234.83	
	Project Specifications	8	592.72	
003	**Final Review Submittal (95%)**			
	Construction Drawings	70	4,107.72	
	Quantities & Cost Estimate	4	234.83	
	Project Specifications	2	148.18	
004	**Issued For Construction Submittal (IFC)**	24	1,362.36	
TOTAL DIRECT LABOR		270		$15,904.44

2. EXPENSES:

EXPENSE (Printing)		120.00	
TOTAL EXPENSES:			$120.00

3. CONSULTANTS:

TRACE ENGINEERING - SURVEY		6,561.84	
TOTAL CONSULTANTS			$6,561.84

4. ENGINEERING FEE

TOTAL LABOR		15,904.44	
OVERHEAD (%)	195.57%	31,104.31	
FEE (% OF NET)	10%	4,700.88	
CONSULTANTS		6,561.84	
EXPENSES		120.00	
TOTAL ENGINEERING FEE			**$58,391.47**

Economy Lot Covered Parking Expansion Improvements
Mesa Gateway Airport
Mesa Gateway Airport Authority

Kimley»Horn

DATE: September 2025

EXHIBIT II - DESIGN DOCUMENTS - ENGINEERING FEE
Economy Lot Covered Parking Expansion Improvements

DERIVATION OF COST OF PROPOSAL FEE

1. Direct Salary Costs

Title	HOURS	Rate	Total Labor	EXTENDED TOTAL
Project Manager (Jarrett Moore)	62	74.09	4,593.58	
Electrical/Comm Engineer (Gabe Florio)	24	71.39	1,713.36	
Professional Engineer I (Koa Dey)	36	57.54	2,071.44	
Senior Analyst (Jason Zhang / Ashlan Twist)	104	53.58	5,572.32	
Analyst (Brad Nesbit)	30	45.81	1,374.30	
Designer (JC Cruz)	6	41.01	246.06	
Finance/Project Accountant (Mike Dayton)	6	45.64	273.84	
Admin/Clerical (Karen Hanas)	2	29.77	59.54	
Total Direct Salary Costs	270			**$15,904.44**

2. Labor and General & Administrative Overhead

Percentage of Direct Salary Costs By 195.57%	**$31,104.31**

3. Subtotal of Items 1 and 2 **$47,008.75**

4. Fixed Payment

10% of Item No. 3:	**$4,700.88**

5. Non-Salary Expenses

EXPENSE (Printing)	120.00	
Total Direct Non-Salary Expenses		**$120.00**

6. Subcontract Costs

TRACE ENGINEERING - SURVEY	6,561.84	
Subtotal of subcontract Costs		**$6,561.84**

7. TOTAL ENGINEERING FEE **$58,391.47**

Economy Lot Covered Parking Expansion Improvements
Mesa Gateway Airport
Mesa Gateway Airport Authority

Economy Lot Covered Parking Expansion Improvements

DATE: September 2025

				Project Mgr.	Electrical/ Comm. Engineer	Prof. Engineer I	Senior Analyst	Analyst	Designer	Finance/ Project Accountan	Admin/ Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
001	**Project Administration**												
	1	Project Administration-Client Coordination		2							2	4	$208
	2	Project Planning, Budgeting, and Initial Project Schedule, Billing		2						6		8	$422
	3	Progress Reports, Bi-Weekly Meetings, Note preparation and Schedule Updates		4								4	$296
	4	Company Quality Control Review											
		- Review Meeting after Preliminary Concepts Submittal		1								1	$74
		- Review Meeting after Final Review (95%) Submittal		1								1	$74
		Subtotal Task 001		10						6	2	18	$1,074
002	**Preliminary Submittal (60%)**												
	Construction Drawings		Sheets										
	1	Cover Sheet, Project Title Sheet	1						1			1	$41
	2	Index, Legend, Quantities, General Notes	1						1			1	$41
	3	Project Layout and Horz/Vert Control	1						2			2	$82
	4	Storm Water Pollution Prevention Plan and Details	1					2				2	$92
	5	Demolition Plans	2			4	4					8	$444
	6	Construction Phasing Plans and Barricade Plans	2			4	2		2			8	$419
	7	Typical Sections and Project Details	2			6	6	2				14	$758
	8	Civil Improvements (Geometric Layout) Plans	2	2		10	2	2				16	$922
	9	Pavement Marking Plans	2	2		10	2					14	$831
	10	Pavement Marking Details	1			2		2				4	$207
	11	Electrical Symbols, Data Table - Diagram	1		2		2					4	$250
	12	Electrical Lighting Layout/Circuiting	2		8		18					26	$1,536
	13	Electrical Details	2		4		12					16	$929
	14	Circuit Maps	1		6		8					14	$857
	15	Technical Supervision and Review		10								10	$741
		Subtotal	21	14	20	36	56	8	6			140	$8,150
	Quantities & Cost Estimate												
	1	Calculate Quantities					2					2	$107
	2	Cost Estimate											
		- Prelimary Concepts Cost Estimates					1					1	$54
	3	Technical Supervision and Review		1								1	$74
		Subtotal		1			3					4	$235
	Project Specifications												
	1	Project Specification-General											
	2	Specification - Special Provisions											
	3	Technical Specification											
	4	Technical Supervision and Review		8								8	$593
		Subtotal		8								8	$593
		Subtotal Task 002		23	20	36	59	8	6			152	8,977
003	**Final Review Submittal (95%)**												
	Construction Drawings		Sheets										
	1	Cover Sheet, Project Title Sheet	1					1				1	$46
	2	Index, Legend, Quantities, General Notes	1	1				1				2	$120
	3	Project Layout and Horz/Vert Control	1	1			1	2				4	$219
	4	Storm Water Pollution Prevention Plan and Details	1	1			1	1				3	$173
	5	Demolition Plans	2	1			4	2				7	$380
	6	Construction Phasing Plans and Barricade Plans	2	2			6	2				10	$561
	7	Typical Sections and Project Details	2	2			2	2				6	$347
	8	Civil Improvements (Geometric Layout) Plans	2	2			4	2				8	$454
	9	Pavement Marking Plans	2	2			6	2				10	$561
	10	Pavement Marking Details	1					1				1	$46
	11	Electrical Symbols, Data Table - Diagram	1		1		1					2	$125
	12	Electrical Lighting Layout/Circuiting	2		1		2					3	$179
	13	Electrical Details	2		1		1					2	$125
	14	Circuit Maps	1		1		2					3	$179
	15	Technical Supervision and Review		8								8	$593
		Subtotal	21	20	4		30	16				70	$4,108
	Quantities & Cost Estimate												
	1	Calculate Quantities					2					2	$107
	2	Cost Estimate											
		- Update Final Review (95%) Cost Estimates					1					1	$54
	3	Technical Supervision and Review		1								1	$74
		Subtotal		1			3					4	$235

Economy Lot Covered Parking Expansion Improvements
Mesa Gateway Airport
Mesa Gateway Airport Authority

Economy Lot Covered Parking Expansion Improvements

DATE: September 2025

			Project Mgr.	Electrical/ Comm. Engineer	Prof. Engineer I	Senior Analyst	Analyst	Designer	Finance/ Project Accountan	Admin/ Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
Project Specifications												
	1	Project Specification-General										
	2	Specification - Special Provisions										
	3	Technical Specification										
	4	Technical Supervision and Review	2								2	$148
		Subtotal	2								2	$148
		Subtotal Task 003	23	4		33	16				76	4,491
004	**Issued For Construction Submittal (IFC)**											
	1	Construction Drawings				10	6				16	$811
	2	Quantities & Cost Estimate	1			2					3	$181
	3	Project Specifications	1								1	$74
	3	Technical Supervision and Review	4								4	$296
		Subtotal Task 004	6			12	6				24	$1,362
SUBTOTAL - DESIGN			62	24	36	104	30	6	6	2	270	15,904

TRACE CONSULTING

September 15, 2025

Mr. Jarrett Moore, PE
Kimley-Horn and Associates, Inc.
2046 Riverview Auto Drive, Suite 400
Mesa, AZ 85201

Phone: (623) 552-3185
Email: Jarrett.moore@kimley-horn.com

Re: Scope of Services and Fee Proposal for
MGAA Economy Lot Shaded Parking Expansion
Topographic Survey Services

Dear Mr. Moore:

TRACE Consulting, LLC (TRACE) is pleased to submit the enclosed Scope of Services and Fee Proposal for professional survey services for the referenced project**.**

The Scope of Services is prepared based on information in your email dated September 10, 2025 and follow up conversations.

We are excited about the opportunity to work with Kimley-Horn and Associates, Inc. (KHA) and the Mesa Gateway Airport (MGAA) on this project and look forward to providing quality and timely professional services. We are ready to begin work immediately.

If you have any questions, please feel free to contact me at (602) 680-8264.

Sincerely,

TRACE Consulting, LLC.

Chintan S. Jhaveri, PE
Principal

Richard L. Andersen, RLS
Survey Manager

Enclosures:
Scope of Services
Fee Estimate

N:\Proposals\BIDS\Kimley-Horn\PMGAA _ Misc lot surveys\Economy Lot Shaded Parking Expansion\PMGAA Economy Lot Shaded Parking Expansion Survey - SOS - 2025-09-15.docx

SCOPE OF SERVICES

MGAA ECONOMY LOT SHADED PARKING EXPANSION
TOPOGRAPHIC SURVEY SERVICES

PROJECT DESCRIPTION

This task includes providing topographic survey support for the MGAA Economy Lot Shaded Parking Expansion project, as requested by Kimley-Horn and Associates, Inc. (Client) for the Mesa Gateway Airport Authority (Owner). Attached Exhibit A shows the requested topographic survey limits.

PROJECT TASKS

1.0 TOPOGRAPHIC SURVEY

Survey Control: Horizontal control will be tied to NAD83, Arizona state plane coordinate system, scaled to ground values, vertical control will be NAVD88 unless otherwise provided by the Client. Two (2) secondary control points will be set near the project location an attempt will be made to set these points in areas that are not anticipated to be disturbed by limits of project construction.

Field Survey: Topographic survey will be performed using RTK GPS to determine locations and elevations of existing pavement of the area shown on Exhibit A shaded in blue at +/- 25' grid. Additionally, TRACE shall collect points for any visible utilities, storm drain pipes and structures, walls and fences, building corners and finish floors, shade structures, pavement markings, and curb and gutter. It is anticipated survey work for this project will be during the day and all work will be landside.

DELIVERABLES

- ASCII point file (.txt)
- 2D topographic survey file (.dwg)
- 3D surface file (.xml)

ASSUMPTIONS

- Landside access to the area will be provided by MGAA to perform this work.

EXCLUSIONS

- Aerial Mapping / setting panels
- Preparation of any construction drawings / plans.
- Tasks not explicitly included above are excluded from this Scope of Work.

SCHEDULE

Topographic Survey will be completed within three (3) weeks from Notice to Proceed subject to Airport's scheduling availability to accommodate field work. If delays occur due to limited access based on airport operation's needs, additional time may be requested.

FEE ESTIMATE

CONTRACT TASK/PHASE	Sr. Engg. Technician	Survey Manager	Survey Crew	TOTAL HOURS	TOTAL LABOR
	$ 99.90	$ 120.93	$ 149.85		
TOPOGRAPHIC SURVEY					
Survey Control		4	8	12	$ 1,682.52
Field Survey			16	16	$ 2,397.60
Base File (.dwg) and DTM (.xml) - Civil 3D	20	4		24	$ 2,481.72
Total (Lump Sum)	**20**	**8**	**24**	**52**	**$ 6,561.84**

EXHIBIT A





ECONOMY LOT SHADED PARKING EXPANSION

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

SURVEY REQUESTED ITEMS (APPROX: 2.63 ACRES):
ALL VERTICAL CURBS, ISLANDS, SIDEWALKS, PAVEMENT MARKINGS, PAY KIOSKS, GATE ARMS, EXIT PLAZA EQUIPMENT, ALL ABOVE GRADE AND BELOW GRADE UTILITIES (INCLUDING: MANHOLES, HANDHOLES, JUNCTION BOXES, INLETS, GRATES, VALVES, ACCESS PANELS, ETC...), FENCING, BOLLARDS, LIGHTING, BUILDINGS, STRUCTURES, PAVEMENT LIMITS, MAJOR GRADE BREAKS, AND A 25'X25' (MAX) GRID FOR TOPO.

NO.	REVISION	BY	DATE

FIRM'S NAME
Kimley»Horn
KIMLEY-HORN AND ASSOCIATES, INC.
2045 RIVERVIEW AUTO DR SUITE 400
Mesa, Arizona 85201 (480) 207-2666

FIRM'S SEAL

SCALE
Horiz. ____
Vert. ____
Date 9/10/2025
Designed by JMM
Drawn by JCC
Checked by JMM
Approved by SHR

Mesa Gateway Airport
MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212
(480) 988-7600
www.phxmesagateway.org

PROJECT NAME
MESA GATEWAY AIRPORT
POTENTIAL PROJECT EXHIBIT
ECONOMY LOT SHADED PARKING EXPANSION
(REQUESTED SURVEY LIMITS)

PROJECT NO.
091134051
FILE NO.
REQUESTED SURVEY LIMITS

EXHIBIT
SHEET 1 of 1

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

Board Action Item

Re: Resolution 25-51

To: Board of Directors
From: Lori Collins, Director, Business & Economic Development
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: AmpliFLY Mesa Gateway LLC – Land Lease
Date: October 21, 2025

Proposed Motion

To authorize a Land Lease Agreement with AmpliFLY Mesa Gateway, LLC for 9.634 acres (419,652 SF) located near the intersection of Velocity Way and Taxiway Circle. The lease term is forty (40) years with the option to extend the term for two (2) additional periods of five (5) years each. The initial Base Rent is $230,808.60 annually, payable in equal monthly installments of $19,234.05 plus applicable taxes.

Narrative

In late 2023, Mesa Gateway Airport Authority (MGAA) demolished several old Air Force buildings to make way for a modern aeronautical development. This 9.6-acre development parcel on Taxiway T, is generally located west of the intersection of Velocity Way and Taxiway Circle (the "Premises"). AmpliFLY Mesa Gateway, LLC ("Lessee") plans to construct a corporate hangar building of no less than 100,000 square feet (the "Improvements") on the Premises.

Agreement Term and Rate

The Term of this agreement is for forty (40) years with the option of extending the term for two (2) additional periods of five (5) years each (each, individually, "Extension"). The initial Base Rent is $230,808.60 annually ($0.55 per sq. ft.) payable in monthly installments of $19,234.05 plus applicable taxes. The agreement also includes an annual increase of two and one-half percent (2.5%) to the base rent and is subject to market rate adjustments on each fifteen (15) year anniversary of the Effective Date of the Lease.

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

Attachment(s)

Land Lease Agreement AmpliFLY Mesa Gateway, LLC

RESOLUTION NO. 25-51

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

WHEREAS the Authority desires to authorize a Land Lease Agreement with AmpliFLY Mesa Gateway, LLC for 9.634 acres (419,652 SF) located near the intersection of Velocity Way and Taxiway Circle. The lease term is forty (40) years with the option to extend the term for two (2) additional periods of five (5) years each. The initial Base Rent is $230,808.60 annually, payable in equal monthly installments of $19,234.05 plus applicable taxes;

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

The Board of Directors of the Authority hereby authorizes a Land Lease Agreement with AmpliFLY Mesa Gateway, LLC for 9.634 acres (419,652 SF) located near the intersection of Velocity Way and Taxiway Circle. The lease term is forty (40) years with the option to extend the term for two (2) additional periods of five (5) years each. The initial Base Rent is $230,808.60 annually, payable in equal monthly installments of $19,234.05 plus applicable taxes. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 21st day of October, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport Authority

LAND LEASE

with

AmpliFLY Mesa Gateway, LLC

Effective Date: November 1, 2025

4899-2871-0002
4896-6629-1315

Page

1. .... LEASE 1
2. .... TERM 3
3. .... NONEXCLUSIVE RIGHTS 3
4. .... RENT 3
5. .... PERFORMANCE GUARANTEE 6
6. .... AIRPORT OPERATING AGREEMENT 8
7. .... IMPROVEMENTS 8
8. .... MAINTENANCE 13
9. .... ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS 14
10. .. IDENTIFICATION SIGNS 16
11. .. DEFAULT; TERMINATION BY LESSOR 16
12. .. ASSUMPTION OF CRITICAL OPERATIONS 18
13. .. INDEMNIFICATION 18
14. .. ENVIRONMENTAL PROTECTION 19
15. .. PROTECTION OF WETLANDS 24
16. .. INSURANCE 24
17. .. SURRENDER OF POSSESSION 25
18. .. INSPECTION BY LESSOR 26
19. .. NOTICES 26
20. .. SEVERABILITY 27
21. .. APPROVALS, CONSENTS AND NOTICES 27
22. .. LIENS AND MORTGAGES 27
23. .. GOVERNING LAW; ATTORNEY'S FEES 29
24. .. COMPLIANCE WITH LAWS, RULES AND REGULATIONS 29
25. .. CORPORATE AUTHORIZATION 29
26. .. UTILITY LINES AND SERVICE CHARGES 29
27. .. RESERVATIONS TO LESSOR 30
28. .. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES 30
29. .. TITLE VI 32
30. .. FEDERAL FAIR LABOR STANDARDS ACT 35
31. .. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 35
32. .. INCORPORATION OF QUITCLAIM DEED 35
33. .. REQUIRED PROVISIONS OF QUITCLAIM DEED 35
34. .. AIRPORT SECURITY 36

35. .. DEFAULT BY LESSOR 37
36. .. BROKERS..... 37
37. .. SALE BY LESSOR 37
38. .. ESTOPPEL CERTIFICATE 38
39. .. UNAVOIDABLE DELAY..... 38
40. .. MISCELLANEOUS 38
41. .. INCORPORATION OF RECITALS 39

EXHIBIT A Legal Description of the Premises A-1
EXHIBIT A-1 Premises Use Plan……..……A-1-1
EXHIBIT B Airport Rates & Charges Schedule and Airport Fees, Services and Rental Rates Schedule B-1
EXHIBIT C Airport Minimum Standards and Airport Rules and Regulations C-1
EXHIBIT D Intentionally Deleted D-1
EXHIBIT E Depiction of Proposed Improvements E-1
EXHIBIT F Memorandum of Lease F-1
EXHIBIT G Guaranty of Lease G-1
EXHIBIT H Permitted Exceptions H-1

Mesa Gateway Airport Authority

LAND LEASE

This Land Lease ("**Lease**") is executed to be effective the FIRST (1st) day of NOVEMBER 2025 ("**Effective Date**") between the **MESA GATEWAY AIRPORT AUTHORITY**, formerly Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **AMPLIFLY MESA GATEWAY, 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 Mesa Gateway Airport ("**Airport**") generally located at the intersection of Ray Road and Sossaman Road, City of Mesa ("**City**"), Maricopa County, Arizona; and

B. Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

C. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport, consisting of FOUR HUNDRED NINETEEN THOUSAND SIX HUNDRED FIFTY-TWO (419,652) square feet, comprised of Lots 45, 50A, 50B, and 50C, as set forth in **EXHIBIT A** attached hereto ("**Premises**"); and

D. Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, as follows:

1. LEASE

Lessor hereby leases the Premises to Lessee, subject to the matters set forth on **EXHIBIT H** (the "**Permitted Exceptions**"), and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use and development of the Premises without hindrance from Lessor and those claiming through Lessor. Lessee specifically acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an "as is, where is" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed, except for representations and warranties contained in this Lease. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee's sole expense. Lessor agrees to cooperate with Lessee, at no or nominal cost to Lessor, in connection with such activities and undertakings.

1.2 Right of Entry Agreement. Lessor and Lessee are parties to that certain Right of Entry Agreement dated April 1, 2025 (the "Right of Entry Agreement"). Notwithstanding anything to the contrary

in the Right of Entry Agreement, the "Term" of the Access Agreement as defined therein shall continue upon execution of this Lease sand shall terminate upon the commencement of the Term (as defined in SECTION 2.1) of this Lease on November 1, 2025.

1.3 Access. Lessee and Lessee's agents, contractors, lenders, partners, employees, licensees, invitees and customers are granted the right of reasonable access to and from the Premises via such portions of the Airport as are or may be necessary to allow Lessee to develop the Premises and 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.

1.4.1 Subject to the provisions of SECTION 1.5, Lessee may use the Premises to develop and construct aircraft hangar(s), including integrated office and/or manufacturing and shop space, as well as all related ramp and aircraft parking areas, automobile parking facilities, loading areas, and fenced, gated and secured areas, and only use the Premises for the following, specifically described uses and no other, unless Lessee has obtained the prior written consent of the Lessor's Executive Director/CEO or his, or her, designee:

(a) Portions of Premises with direct access to airfield (aeronautical use) as generally depicted in **EXHIBIT A-1** ("**Premises Use Plan**"): Commercial aviation and general aviation uses, including but not limited to: aircraft manufacturing, aircraft management, commercial or general aviation aircraft maintenance/repair/overhaul, and other ancillary aeronautical uses, provided that all such activities are limited to operations involving Federal Aviation Administration ("FAA") Aircraft Design Group ("ADG") III aircraft or smaller, consistent with the design classification of the taxiway adjacent to the Premises.

(b) Portions of the Premises without direct access to airfield (non-aeronautical use) as generally depicted on the Premises Use Plan: Lessee may construct and use non-aeronautical portions of the Premises for an entryway, automobile parking facilities, and commercial Light Industrial applications, as per current Zoning, including light manufacturing and assembly, general office, and other uses related or incidental hereto.

1.4.2 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*, the Permitted Exceptions, 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. Lessor may change such manager from time to time during the Term by providing prior written notice thereof to Lessor.

1.7 Lessee Acknowledgement. Lessee acknowledges and agrees that, except as otherwise set forth in SECTION 14.14, its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) the Permitted Exceptions; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM

2.1 Initial Term. The initial term of this Lease shall be for a period of FORTY (40) years, commencing on the Effective Date and terminating on OCTOBER 31, 2065 ("**Term**").

2.2 Renewal Term(s). Provided Lessee is not then in default of this Lease, Lessee shall have the option of extending the Term for TWO (2) additional periods of FIVE (5) years each (each, individually, "**Extension**"). Lessee may initiate an/the Extension by giving written notice to Lessor of its desire to do so no later than ONE HUNDRED EIGHTY (180) calendar days prior to the expiration of the Term, as set forth in SECTION 2.1 herein. If Lessee has properly notified Lessor of its desire to exercise an/the Extension and Lessor approves such in writing, then Lessee's Extension of the Term of this Lease shall become effective and all references herein to "Term" shall mean the initial term as extended.

3. NONEXCLUSIVE RIGHTS

Lessee shall have the exclusive right to occupy, use, and develop the Premises 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 (but not the Premises) that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with Lessee's use, occupancy or development of the Premises.

4. RENT

4.1 Base Rent. Subject to SECTIONS 4.2 and 4.3 herein, Lessee agrees to pay Lessor rent for the use of the Premises ("**Base Rent**") as follows, plus applicable taxes.

Period	Rent PSF Per Year	Monthly Installment	Annual Rent
Effective Date through day immediately prior to the SECOND (2nd) anniversary of the Effective Date	$0.00	$0.00	$0.00
SECOND (2nd) anniversary of the Effective Date through day immediately prior to the FOURTH (4th) anniversary of the Effective Date.	$0.55	$19,234.05	$230,808.00

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 Percentage Annual Increases. Beginning on the Fourth (4th) anniversary of the Effective Date and on every anniversary of the Effective Date thereafter, other than on an anniversary where the annual Base Rent will be adjusted pursuant to SECTION 4.3 below, the annual Base Rent paid by Lessee shall be increased (but never decreased) by a percentage equal to TWO AND ONE-HALF PERCENT (2.5%).

4.3 Market Adjustments to Base Rent.

4.3.1 Notwithstanding the Base Rent increases referenced in SECTION 4.3, the annual Base Rent shall be increased (but never decreased) on each FIFTEEN (15) year anniversary of the Effective Date of this Lease (each an "**Adjustment Date**") as hereinafter set forth in this SECTION 4.3. On each such Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, and value) airport-related facilities ("**Fair Market Base Rent**"). No single adjustment to the annual Base Rent pursuant to this paragraph shall increase the annual Base Rent by more than TEN PERCENT (10%) from the annual Base Rent in effect immediately prior to the increase pursuant to this paragraph.

4.3.2 Lessor's determination of such Fair Market Base Rent for the Premises shall be delivered to Lessee no later than SIX (6) months prior to the Adjustment Date, along with any and all substantiated information used by Lessor in connection with such determination. If Lessee disputes Lessor's determination of such Fair Market Base Rent, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such Fair Market Base Rent, to Lessor within THIRTY (30) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such Fair Market Base Rent. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within SEVEN (7) calendar days thereafter, mutually appoint an appraiser to determine the Fair Market Base Rent. Said appraiser shall have at least FIVE (5) years of full-time commercial appraisal experience and be a member of the Appraisal Institute or comparable professional organization. Within SEVEN (7) calendar days of the appointment of the appraiser, the Parties shall submit to the appraiser, with a copy to the other Party, their respective determinations of the Fair Market Base Rent and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal and shall select ONE (1) Party's submittal as representing the most reasonable approximation of such Fair Market Base Rent. The appraiser shall promptly notify the Parties of their decision, which shall be final and binding upon Lessor and Lessee. The appraiser's fees and expenses shall be paid by the Party whose submittal was not selected.

4.3.3 If the Parties are unable to agree upon an appraiser pursuant to SECTION 4.3.2 within such SEVEN (7) calendar days, then within THREE (3) business days after expiration of the SEVEN (7)-day period, Lessor and Lessee shall each (a) appoint an appraiser with the above qualifications, and (b) give notice to the other identifying that Party's appraiser. If a Party fails to timely appoint an appraiser, the other Party may send a notice to the Party failing to appoint an appraiser that must include the language in bold, 12-point font "**FAILURE TO APPOINT AN APPRAISER WITHIN TEN (10) BUSINESS DAYS WILL RESULT IN THE OTHER PARTY'S APPRAISER DETERMINING THE FAIR MARKET BASE RENT IN ACCORDANCE WITH SECTION 4 OF THE LEASE.**" If the Party receiving such notice fails to timely appoint an appraiser within such ten (10)-business day period, than the other Party's appraiser shall determine the Fair Market Base Rent in accordance with this SECTION 4. Not later than SEVEN (7) calendar days after both appraisers have been appointed, Lessor and Lessee shall each submit to each appraiser, with a copy to the other Party, their respective determinations of the Fair Market Base Rent and any/all substantiated information. Within TWENTY-ONE (21) calendar days after receipt of both Parties'

proposals, the appraisers shall review the submissions and shall select ONE (1) Party's submittal as representing the most reasonable approximation of such Fair Market Base Rent. The appraisers shall promptly notify the Parties of their decision, which shall be final and binding upon Lessor and Lessee. Each Party shall be responsible for the fees and expenses of their own selected appraiser.

4.3.4 If the appraisers selected pursuant to SECTION 4.3.3 do not agree as to which Party's proposal is closest to the actual Fair Market Base Rent, then not later than TEN (10) business days after the appraisers have notified the Parties of this fact, unless both Lessor and Lessee direct otherwise, the appraisers shall jointly select an arbitrator who shall determine which proposal is the closest to the actual Fair Market Base Rent. The arbitrator must have the same qualifications stated for an appraiser under SUBSECTION 4.3.2 above. The arbitrator shall conduct an arbitration under the provisions of the commercial arbitration rules of the American Arbitration Association. The arbitrator shall decide only which Fair Market Base Rent submission is closest to the actual Fair Market Base Rent for the Premises. The arbitrator's decision shall be binding on all Parties and shall apply retroactively as of the Adjustment Date. The arbitrator shall make a final decision within THIRTY (30) calendar days of the arbitrator's appointment.

4.4 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 *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.

4.5 Payment.

4.5.1 Unless otherwise specified herein, the FIRST (1st) 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 (1st) day of each calendar month. 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:

Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 South Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee.

4.6 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 (but not to exceed the maximum interest rate permissible by law), from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than TEN (10) calendar days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.7 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 4.5. Such taxes to be paid directly to Lessor include, without limitation, payment of all rent taxes, i.e., taxes imposed specifically on the gross receipts in the form of rent received by Lessor, excluding, however, penalties and interest thereon if Lessor fails to timely remit the same to the applicable taxing authority, and in all instances federal and state taxes on income, corporate franchise taxes, estate and inheritance taxes, and transfer taxes.

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

5. PERFORMANCE GUARANTEE

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equivalent to THIRTY EIGHT THOUSAND FOUR HUNDRED SIXTY-EIGHT AND 10/100 DOLLARS ($38,468.10), 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 within Thirty (30) days following the expiration or earlier termination of this Lease. 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 (1) of the following instruments, chosen at Lessee's discretion:

(a) Payment Bond. Lessee shall require the contractor to provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of A.R.S. § 33-1003 as it may be amended or renumbered from time to time. The Parties agree that Lessee is not a public body, and the Improvements to be constructed under this Lease by Lessee at Lessee's sole cost are not public buildings, public works or public improvements. The bond shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety. The bond and a copy of the contract shall be recorded in the office of the Maricopa County Recorder as required under A.R.S. § 33-1003, and a copy of the bond shall be provided to Lessor; or

(b) Letter of Credit. 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 and be issued to Lessee by a financial institution ("**Bank**") reasonably acceptable to Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date which is TWENTY-FOUR (24) months thereafter, after which date it shall be renewed on a year-to-year basis until construction of the Improvements are completed, and final and unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Should Lessee utilize the Letter of Credit option hereunder, and should Lessee fail to pay any sum owing to contractors supplying labor and materials in connection with the construction then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled to apply to the Bank, following a period of THIRTY (30) calendar days prior written notice to Lessee (which notice shall include a reasonably-detailed description of Lessee's failure to pay any sum owing), for release to Lessor (in accordance with the terms of the Letter of Credit) from the Letter of Credit of a dollar amount sufficient to pay amounts owing to contractors supplying labor and materials in connection with the construction and obtain final, unconditional lien waivers in connection therewith. Lessor's application shall contain evidence of the failure of payment and the estimated dollar amount needed to satisfy payment obligations. The terms of the Letter of Credit shall require prompt payment to Lessor for the amount set forth in Lessor's application upon satisfaction of the conditions set forth in the Letter of Credit. Upon and following any partial payment to Lessor, the Letter of Credit shall remain in full force for the remaining undisbursed amount of the Letter of Credit to accommodate further applications, if any, and shall not be subject to cancellation or revocation until fully drawn or otherwise released or satisfied upon completion of construction of the Improvements and final, unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Lessor must approve the form and content of any Letter of Credit in writing, which approval shall not be unreasonably withheld, conditioned, or delayed.

5.2.2 Performance Guarantee. In addition to the Security Deposit, Lessee's obligation to timely complete the Improvements shall be secured, at Lessee's sole cost and expense and prior to

commencement of construction of said Improvements, by any ONE (1) of the following instruments, chosen at Lessee's discretion:

(a) Performance Bond. Lessee shall require the contractor to provide a performance bond in the full contract amount conditioned upon the faithful performance of the contract in accordance with plans, specifications and conditions thereof. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.; or

(b) Completion Bond. Lessee shall deliver to Lessor a completion bond in form and substance reasonably acceptable to Lessor pursuant to which Lessor shall have the unconditional, direct and unilateral right to draw upon or use such bond for completion of construction of the Improvements under SECTION 7.1 of this Lease if an Event of Default occurs and is continuing under SECTION 7.2 of this Lease. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.

5.3 Guaranty of Lease. The Guaranty of Lease, as attached hereto as **Exhibit G**, shall be executed by the Guarantor of Lease (as defined in the Guaranty of Lease). The Guarantor of Lease 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 of this Lease and the truth and accuracy of each and all of the representations and warranties of Lessee contained in this Lease, including without limitation, the payment of Base Rent, as defined in Section 4 contained herein, and any and all other sums payable thereunder (the "Guaranty of Lease"). In lieu of providing a Guaranty of Lease, Lessee may elect to increase the Security Deposit (as defined in Section 5.1.1) to an amount equivalent to eighteen (18) months of Base Rent, or $346,212.90. The Security Deposit shall be in place until Lessee is substantially complete with construction and has paid three (3) years of Base Rent. Upon meeting those requirements, the Security Deposit shall be reduced to the amount set forth in Section 5.1.1, and the difference shall be returned to Lessee within ten (10) days after Lessee's written request to Lessor and Lessee's satisfaction of the conditions set forth in the prior sentence.

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 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that generally shall consist of one or more aircraft hangar(s), including integrated office and/or manufacturing and shop space, as well as all related ramp and aircraft parking areas, automobile parking facilities, loading areas, and fenced, gated and secured areas, in the aggregate, of no less than ONE HUNDRED

THOUSAND (100,000) square feet as generally depicted in **EXHIBIT E** ("**Improvements**") and in accordance with a site plan prepared by Lessee and approved by Lessor's Design Review Committee, such approval not to be unreasonably withheld, conditioned or delayed, and in compliance with all applicable governmental regulations, restrictions and building codes. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any required connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises, as reasonably required by Lessor; (ii) constructing all Improvements necessary to bring all utilities onto the Premises, including, without limitation, electrical, gas, water, sewer, cable and telephone utilities; (iii) installing all utility meters and water and sewer lines to service all Improvements constructed on the Premises; and (iv) constructing all Improvements necessary to connect the Premises to existing taxiways or taxilanes in accordance with and if allowable under all Airport and FAA rules, regulations and other requirements.

7.2 Construction Milestones. Lessee shall construct its Improvements pursuant to the following schedule (each of which events are herein called a "**Construction Milestone**"):

7.2.1 Lessee shall submit its Improvement design plans to Lessor for review and approval no later than TWELVE (12) months following the Effective Date. Lessor shall promptly, and in all events within TWENTY-ONE (21) calendar days, notify Lessee in writing if Lessor objects to any such plans. Any such notice shall specify in reasonable detail the items to which Lessor objects and the changes, which if made, would cause Lessor to withdraw such objections. Thereafter the Parties will negotiate in good faith to resolve any concerns raised by Lessor. If Lessor fails to timely provide any objections to such plans, such plans shall be deemed to be approved by Lessor.

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

7.2.3 Lessee shall commence construction of the 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, and Lessee shall provide contemporaneous written notice to Lessor of such. Unless due to an Unavoidable Delay (as set forth and defined in SECTION 39) and/or Lessor Delay (defined below), if Lessee fails to commence construction within SIXTY (60) calendar days after the issuance of all necessary construction permits and receipt of all approvals required for such, including any approvals required from the FAA, but subject to any applicable notice and cure periods provided for in SECTION 11, Lessor shall have the right to terminate this Lease by written notice to Lessee delivered at any time prior to commencement of construction. For purposes of this SECTION 7.2.3, "commencement of construction" shall be the date on which Lessee has obtained it permits, has executed a contract for construction of the Improvements and has engaged in material work, such as grading or pouring of footings and slabs. For purposes of this Lease, Lessee shall not be deemed to have obtained, and all permits shall not be deemed issued, unless and until Lessee has physical possession of (i.e. "picked-up") the same from the issuing authority so long as Lessee picks up the permits within Ninety (90) days. As used herein, "**Lessor Delay**" shall mean any actual delay in Lessee meeting a Construction Milestone directly attributable to (a) Lessor's failure to act or respond within a time period or by a deadline as may be expressly required of Lessor under the terms of this Lease, or (b) the acts of Lessor or its agents or contractors, provided, however, no such acts referenced in subsections (a) and (b) above shall be a basis for a "Lessor Delay" unless and until such acts continue for two (2) business days after Lessor's receipt of written notice thereof (which details the conduct of Lessor or its agents or contractors causing the alleged delay) from Lessee.

7.2.4 Lessee shall diligently prosecute construction of all Improvements and shall complete construction of all Improvements to be constructed by Lessee at and on the Premises, and shall have obtained a Certificate of Occupancy (or its equivalent) (a "**CofO**"), or a Certificate of Completion (a

"**CofC**") from the City therefor, no later than TWENTY-FOUR (24) months from the date the City of Mesa issues a building permit for the Improvements and all governmental approvals required for such, including any approvals required from the FAA (the "**Outside Completion Date**"). If Lessee is unable to meet a Construction Milestone due to Unavoidable Delay or due to Lessor Delay, then the Outside Completion Date shall be extended by ONE (1) day for each day of such Unavoidable Delay and/or Lessor Delay, as applicable, impacting the Construction Milestone.

7.2.5 If Lessee fails to obtain a temporary or final CofO by the Outside Completion Date (as the same may be extended as set forth above), Lessee shall pay to Lessor an amount equal to FIVE HUNDRED DOLLARS ($500.00) for each calendar day that Lessee is late in obtaining a temporary or final CofO ("**Late Completion Fee**"), which payment by Lessee shall be in addition to any Base Rent due from Lessee hereunder. Lessee shall pay Lessor all Late Completion Fees to Lessor on the FIRST (1st) day of the month following the date on which such Late Completion Fee first accrues, until such time as all Late Completion Fees are paid in full.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld, conditioned, or delayed and, if and to the extent applicable, without the approval by Lessor's Design Review Committee. Notwithstanding the foregoing, Lessee may make (i) any modification or alterations and improvements to the Premises that do not affect the exterior of the Premises or the mechanical systems or structural components thereof (e.g., changes that require plans from a civil or structural engineer) without the prior consent of Lessor, so long as such modifications or alterations are consistent with the permitted use. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required. Lessor will have THIRTY (30) days following receipt of a written request by Lessee for approval of material improvements or alterations to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval and suggestions for revisions that would reasonably satisfy Lessor's disapproval. If Lessor fails to respond within such THIRTY (30)-day period, Lessee may send a second request to Lessor that includes the language in bold, 12-point font "**FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS WILL RESULT IN DEEMED APPROVAL**." If Lessor fails to respond within the TEN (10)-business day period, Lessor shall be deemed to have approved the same. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised description of the improvements or alterations for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same.

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

7.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens arising by, through or under Lessee. In the event that any such lien is filed, Lessee shall, at its sole cost, either (a) pay the amount of the lien and cause such lien to be removed from the Premises, or (b) diligently contest such lien and deliver to Lessor a bond or other security reasonably satisfactory to Lessor in either case within THIRTY (30) calendar days after Lessee receives written notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to

applicable City building/construction codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City, if any. To the extent required by applicable City building/construction codes, all such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications. At no cost to Lessor, Lessor shall reasonably cooperate with Lessee to obtain all such required approvals or consents hereunder, and, at no cost to Lessor, take all commercially reasonable steps to obtain the required response from the applicable authorities.

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

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

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

Notwithstanding the foregoing to the contrary, if any damage or destruction occurs to the Premises during the last five (5) years of the Term and the cost to repair the damage exceeds Five Hundred Thousand Dollars ($500,000.00), then, subject to the provisions of SECTION 22 hereof, Lessee may terminate this Lease upon giving Lessor (30) days written notice. In the event Lessee elects to terminate this Lease pursuant to this Section, all property insurance proceeds will be allocated between Lessee and Lessor (with Lessee receiving such proceeds up to the value of the Improvements for the remaining Term [but for the damage and destruction] and Lessor receiving such proceeds up to the residual value of the Improvements after the Term [but for the damage and destruction]); provided, however, Lessee's insurance proceeds shall be applied first to the cost of razing the Improvements and returning the Premises to the condition that existed prior to the construction of the Improvements. Each Leasehold Mortgagee shall have the right to participate in the adjustment of any insurance proceeds for insurance maintained by Lessee. If required by a Leasehold Mortgagee in the Leasehold Mortgage or other loan documents, the senior most Leasehold Mortgagee shall have the right to supervise and control the receipt and disbursement of insurance proceeds payable to Lessee pursuant to this Lease for purposes of the restoration and/or repair of the Improvements.

7.8 Condemnation.

7.8.1 Condemnation of Premises. If any portion of the Premises is taken by a government entity exercising the power of eminent domain or sold to a government entity by Lessor under the exercise of said power (final judicial order that permits the taking is herein referred to as "**Condemnation**"), this Lease shall terminate, without any requirement for consent or approval from a Leasehold Mortgagee, as to the part so taken as of the date the condemning authority takes possession of the condemned portion of the Premises ("**Condemnation Date**"). Upon a partial Condemnation

of the Premises, the Annual Rent and the Monthly Installment shall be adjusted by applying the Rent PSF Per Year to the square footage remaining in the Premises. If so much of the Premises is taken that, in Lessee's business judgment, the Premises is no longer reasonably suitable for Lessee's operations in Lessee's reasonable business judgment, subject to the provisions of SECTION 22.3 hereof, Lessee may terminate this Lease at any time after Lessee receives the Condemnation Notice by giving Lessor THIRTY (30) days written notice, but not later than sixty (60) days following the Condemnation Date. If the entire Premises are condemned, then this Lease shall automatically terminate as of the Condemnation Date. If the Lease is terminated pursuant to this SECTION 7.8.1, the Monthly Installment of Base Rent paid for the month in which the Condemnation Date occurs shall be prorated as of the Condemnation Date The party who receives the condemnor's notice of intention to take ("**Condemnation Notice**") shall immediately give a copy of such notice to the other party.

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

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

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

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

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

(b) restore any damage to the Premises which resulted in an unsafe condition (including, if required, raising any improvements subject to such Condemnation) and then apply the balance of such award proceeds to the payment of a Leasehold Mortgage, if any; provided, however, Lessee shall continue to be obligated to perform its obligations under this Lease (including, without limitation, paying all Rent [subject to adjustment as provided in SECTION 7.8], but excluding any obligation to construct a new building until such time as Lessee elects to commence construction of such new building).

7.8.4 Temporary Taking. In the event of a taking of all or any portion of the Premises for temporary use, the foregoing provisions of this Article shall be inapplicable thereto, this Lease shall continue in full force and effect without reduction or abatement of rent and Lessee, alone (subject to the rights of the Leasehold Mortgagee), shall be entitled to make claim for, recover and retain any award recoverable in respect of such temporary use whether in the form of rental or otherwise. If the award is made in a lump sum covering a period beyond the expiration of the Lease Term, Lessor also

shall be entitled to make claim for and participate in the award proportionately. If any portion of the award for such temporary use is intended to cover the cost of restoration of the Improvements located on the Premises to the condition they were in prior to such temporary use or to make repairs occasioned by or resulting from such temporary use, such portion shall be (i) so long as any portion of the debt securing a Leasehold Mortgage remains unpaid, applied in accordance with the terms of the Leasehold Mortgage, and thereafter, (ii) used by Lessee to cover the cost of such restoration and repair, and any balance remaining shall belong to and be paid to Lessee.

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

8. MAINTENANCE

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

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

8.3 Trash Removal. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall, 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 or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) calendar days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as they occur.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS

9.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. Subject to Lessee's rights under SECTION 24, Liens and Mortgages, Lessee may not transfer or assign or sublet the Premises or any part thereof (individually and collectively, "Transfer") without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. It shall not be considered unreasonable for Lessor to withhold consent if the proposed assignee cannot provide evidence of (a) its ability to satisfy all financial obligations under this Lease; (b) sufficient experience to construct and/or operate facilities on the Premises in compliance with this Lease, including *Airport Minimum Standards* and *Airport Rules and Regulations*; or (c) its ability to otherwise perform all of the terms, conditions and covenants of this Lease. 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. 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. Unless otherwise agreed upon in connection with Lessor's approval of a Transfer, Lessee shall remain liable under the Lease for all of Lessee's obligations under this Lease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this SECTION 9, may irreparably harm Lessor as the requirements set forth herein are directly related to Lessor's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration ("**FAA**"). This SECTION 9 shall remain valid and enforceable even in the event of amendment to or repeal of FAA regulations, so long as this SECTION 9 does not directly conflict therewith.

9.2 Lessee's Required Advance Notice to Lessor of Proposed Transfer. In order for Lessor to consider approval of a Transfer, Lessee must: (i) notify Lessor in writing at least FORTY-FIVE (45) 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. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may send a second notice to Lessor that includes the language in bold, 12-point font "**FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS WILL RESULT IN DEEMED APPROVAL OF A TRANSFER**." If Lessor fails to respond within the TEN (10)-business day period, requesting approval of a Transfer. If Lessor fails to respond in writing to any matter in such second notice within TEN (10) business days following delivery of such notice, Lessee's proposed Transfer shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval, Lessor shall set forth in writing the reason for its disapproval.

9.3 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) if Lessee is a corporation, partnership, limited liability company or other legal entity, the transfer of any ownership interest in such entity resulting in a change in the present control of such entity by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however,

if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; or (ii) the sale of FIFTY PERCENT (50%) or more in value of the assets of Lessee. 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. Notwithstanding the foregoing, in the event of death or disability of a person owning an interest in a corporation, partnership, limited liability company or other legal entity, no Deemed Transfer shall have occurred if the ownership interest transfers to (an)other existing owner(s) of the corporation, partnership, limited liability company or other legal entity.

9.4 Subletting.

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

(a) The sublease (including any amendments or modifications thereto) is in a form that is approved in advance and in writing by Lessor (except for changes that do not materially impact Lessor's rights and interests) pursuant to the approval provisions described in Section 9.1.

(b) Rent for subleased premises shall not be less than fair market value unless otherwise approved in writing by Lessor.

(c) The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

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

(e) The term of any sublease 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 ONE (1) month in advance of its due date under the sublease.

9.4.2 Upon request from Lessee and any sublessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement (in form and substance reasonably acceptable to Lessor, Lessee, sublessee and any applicable Leasehold Mortgagee (as defined in SECTION 22.2)) so long as (i) the conditions of SECTION 9.4.1 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 legal fees incurred by Lessor in connection with any reasonably necessary legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be reimbursed in advance by Lessee.

9.4.3 Lessee shall not permit any sublessee unescorted access to the secured areas of the Airport unless and until the sublessee has obtained its own valid Airport security clearance and media from Lessor. Lessee acknowledges that it may take THIRTY (30) calendar days or more to process sublessee for security clearance and media.

9.4.4 Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than FIVE (5) business days after execution.

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, 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 commenced within such THIRTY (30)-day period and thereafter diligently pursued to completion.

11.1.3 The filing of any mechanic's, materialmen's or other lien of any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee which is not in accordance with SECTION 9 or SECTION 22 of this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, but subject to the provisions of SECTION 22, exercise ONE (1) or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. To the fullest extent permitted by applicable law, Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and shall hold Lessor harmless from all losses, costs or damages occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor. If Lessor elects to terminate Lessee's right to possession without terminating this Lease, and to retake possession of the Premises, Lessor shall use reasonable efforts to relet the Premises.

11.4 Lessor's Current Damages. Upon the occurrence and during the continuance of an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the reasonable costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within TEN (10) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the amount of the Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence ("**Deficiency**"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential or speculative damages under this Lease.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover (without duplication) from Lessee, and Lessee shall pay to Lessor, promptly on demand, as Lessor's final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the Term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of Base Rent and any losses that could have been reasonably avoided, plus (b) reasonable repossession costs, reasonable Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), reasonable attorneys' fees, reasonable legal expenses, and all actual other damages incurred by Lessor as a result of such Event of Default.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it is reasonably calculated to put Lessee on inquiry as to the nature and extent of such default and is made in accordance with SECTION 19 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in SECTION 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate

to protect Lessor's interests. Other remedies that are available to Lessor include self-help and recovery of damages, and nothing in this SECTION 11 shall limit the exercise of any such other remedy.

11.9 Subordination of Landlord's Lien. Lessor hereby agrees from time to time to subordinate to ONE (1) or more Leasehold Mortgagees or Lessee's primary line of credit provider so long as such credit provider is an institutional lender unaffiliated with Lessee, all statutory or common law landlord's lien rights with respect to property or assets of Lessee located on the Premises, including, without limitation, Lessor's rights under A.R.S. §§ 33-361 and 362 and other similar laws. Upon written request from Lessee, Lessor agrees to promptly execute and deliver such commercially reasonable landlord subordination agreement and access agreement that any Leasehold Mortgagee or primary line of credit provider may request of Lessor. Lessee shall reimburse Lessor for reasonable third-party costs, including reasonable attorneys' fees, incurred by Lessor in connection with the review and negotiation of any such agreement within THIRTY (30) calendar days after receipt of an invoice from Lessor.

12. ASSUMPTION OF CRITICAL OPERATIONS

In the event that Lessee voluntarily abandons or is prevented from furnishing any of its required commercial services which have been deemed by Lessor in advance and in writing to Lessee to be critical to the operation of the Airport (other than due to Unavoidable Delay), and Lessee has received and is in agreement with said notification, Lessor shall have the immediate right or, if time permits, upon TWENTY-FOUR (24) hours advance written notice to Lessee, to assume responsibility for providing such critical services until such time as Lessee or another entity acceptable to Lessor assumes responsibility for providing those critical services. In exercising such right, Lessor may take temporary control of the Premises, or any portion thereof involved in providing such commercial services, together with whatever improvements, fixtures and equipment on the Premises as are necessary to provide the critical services without waiving any of Lessor's rights hereunder. In no event shall Lessee be liable or responsible for any actions or omissions of Lessor or its agents, employees, or contractors in connection with Lessor's assumption of responsibility for providing such critical services. In the event Lessor takes temporary control of the Premises or any portion thereof, Lessor shall pay to Lessee such rent or fees reasonably commensurate with Lessor's assumption and use of that portion of the Premises to provide those critical, commercial services.

13. INDEMNIFICATION

13.1 Lessee's Indemnity. To the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this SECTION 13.1) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term; (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this SECTION 13.1) on the Premises or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessor; and/or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor's Indemnity. To the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this SECTION 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions,

losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessor or its agents, employees, contractors or subcontractors; (ii) any negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this SECTION 13.2) on the Premises, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (iii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

14. ENVIRONMENTAL PROTECTION

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this SECTION 14.1 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws.* The term "**Environmental Laws**" shall mean any ONE (1) or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Solid Waste Disposal Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; A.R.S. Title 49; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal Government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient (including indoor and outdoor) air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

14.1.2 *Hazardous Material.* The term "**Hazardous Material**" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any environmental laws, per- and polyfluoroalkyl substances, and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils). For purposes of this definition, per- and polyfluoroalkyl substances shall include aqueous film-forming foams.

14.2 Environmental Compliance.

14.2.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Laws, including any amendments thereto, affecting Lessee's activities on and property interest in the Premises during the period of Lessee's occupancy of thereof under this Lease. To the extent that Lessor, or any Lessor's employees, agents or contractors, conducts any activities on the Premises during the period of Lessee's occupancy, Lessor shall, at Lessor's own expense, comply with all present and hereafter enacted Environmental Laws, including any amendments thereto, affecting any of Lessor's activities on the Premises.

14.2.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee's agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Laws. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Material that is ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that

such use shall comply fully with all applicable Environmental Laws. Lessor shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Premises or by Lessor's agents, employees, contractors for any activity Lessor conducts on the Premises during Lessee's occupancy, without prior notification to and approval by Lessee (which shall not be unreasonably withheld), and any such use or presence shall be in compliance with Environmental Laws.

14.3 Indemnification.

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

14.3.2 Lessor's Indemnity. To the fullest extent permitted by applicable law, Lessor shall indemnify, defend (with counsel reasonably acceptable to Lessee), protect and hold harmless Lessee and its employees and agents for, from and against any and all Environmental Damages which are incurred or assessed as a result of any of Lessor's activities or operations on the Premises. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessor's obligations and liabilities under this SECTION 14.3 shall survive the termination of this Lease. The indemnification of Lessee by Lessor as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessee reserves the right to seek injunctive relief as may be permitted under law and equity. This SECTION 14.3 explicitly excludes Lessor's duty, liability or indemnity to Lessee for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is caused by or exacerbated by Lessor or unknown contamination is caused by or exacerbated by Lessor's negligence.

14.4 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any

Environmental Laws, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this SECTION 14.4, Lessor is not responsible for directing or managing any remediation action. The term "**Release**" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

14.5 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("**Government**") under the Environmental Laws in connection with Lessee's activities or operations on the Premises. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any Release of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.6 Information Sharing. Lessee shall promptly notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a violation of Environmental Laws, and (ii) any significant change in Lessee's activities on the Premises that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to assist in the response to any governmental investigation or claim of liability by third-parties which is related to environmental contamination of the Premises, to the extent that such investigations or claims are related to Lessee's activities thereon.

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

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

14.9 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit ("**MSGP**"). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("**SWPPP**") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent ("**NOI**") that has been received by the Arizona Department of Environmental Quality ("**ADEQ**") and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

14.10 Reserved.

14.11 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* ("**Questionnaire**") to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Material into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.12 Right to Enter Premises. In addition to the rights afforded to Lessor in SECTION 18, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency ("**EPA**"), ADEQ, Lessor, and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof. Provided no Event of Default exists under this Lease and Lessee is then occupying the Premises, Lessee shall be permitted the opportunity to provide an employee of Lessee to accompany Lessor and/or third parties when entering the Premises for the purposes set forth above or in SECTION 18, except in the case of real or apparent emergency.

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

14.13.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force's use of Hazardous Material on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Material or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises, even if such claims or contamination are first discovered or made after the Effective Date. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to any contamination caused by or related to such use or release. For purposes of this SECTION 14.13, "defense" or "environmental response, remediation, or cleanup" shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release.

14.13.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport, including the Premises, has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

14.14 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Material cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense cause delays or interferes with Lessee's use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account

of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above-described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action conducted by governmental authorities or Lessor shall, to the extent practicable, be coordinated with representatives designated by Lessee. Notwithstanding anything contained herein to the contrary, in the event the cleanup requirements as described in this SECTION 14.14 interfere with Lessee's use of and/or access to the Premises for more than NINETY (90) consecutive days, then Lessee shall have the right to either (i) equitably abate Base Rent to the degree of interference with Lessee's use or occupancy of and access to the Premises, or (ii) terminate this Lease without any further obligations in connection herewith except for those accruing prior to termination or which expressly survive termination of this Lease.

14.15 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 Certificate of Occupancy from the City. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the 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.

14.18 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Premises after the Effective Date that: (a) (i) were not placed on or introduced to the Premises by Lessee, and (ii) were present on the Premises prior to the Effective Date (collectively, "**Later-Discovered, Pre-Existing Hazmat**"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Improvements; Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall either (a) conduct such investigations and remedial actions as necessary under applicable Environmental Laws and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this SECTION 14.18, to promptly investigate and remediate the detected contamination in accordance with Environmental Laws, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (b) terminate this Lease upon written notice to Lessor.

15. PROTECTION OF WETLANDS

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the United States Army Corps of Engineers and obtain a permit or waivers under Section 404 of the Clean Water Act (or if such regulatory authority has been delegated to ADEQ, shall obtain the equivalent permit or waivers from ADEQ). For purposes of this SECTION 15, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. INSURANCE

16.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

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

16.1.2 *Commercial Automobile Liability* in the amount of FIVE MILLION DOLLARS ($5,000,000) per occurrence or combined single limit covering all owned, non-owned and hire vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or that are operated within the AOA. If any hazardous materials are transported within Airport boundaries in conjunction with the operator's business activities, an MSC-90 Endorsement is required.

16.1.3 *Builder's Risk* covering the insured's premises and all replacements and/or additions thereto for their full insurable value plus TEN PERCENT (cost + 10%) on a "replacement cost" basis, and requires an ISO Special Causes of Loss form or equivalent until completion of construction of the improvements upon the Premises.

16.1.4 *Environmental Impairment Liability* in the amount of TWO MILLION DOLLARS ($2,000,000) per occurrence 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.

16.1.5 *Property* insurance covering all essential personal property (property essential to continued business operations) and all operator improvements made to buildings or facilities on the Airport, including all replacements and/or additions thereto, for their full insurable value (All Risks) on a replacement cost basis, and requires an ISO Special Causes of Loss form.

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

16.2 Form. Each insurance policy obtained pursuant to this SECTION 16, except for *Worker's Compensation* and *Employer's Liability* policies, shall: (i) name Lessor as a certificate holder and additional named insured via endorsement; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to Lessor not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) calendar days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's

written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

16.3 Certificates of Insurance. Lessee shall deliver a certificate of insurance for each policy required along with an endorsement naming Mesa Gateway Airport Authority as additional insured, herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the Term of this Lease annually or upon sooner renewal or replacement.

16.4 Additional Insurance. At any time during the Term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this SECTION 16 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts subject to not less than THIRTY (30) days' prior written notice provided to Lessee.

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

16.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this SECTION 16. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

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

17. SURRENDER OF POSSESSION

17.1 Condition of the Premises.

17.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear, casualty (subject to Lessee's obligations under SECTION 7.7) and condemnation (subject to Lessee's obligations under SECTION 7.8). All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed to the building shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Premises and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall be deemed abandoned, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the reasonable cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

17.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required by Lessor, be permanently removed from the Premises by Lessee, at Lessee's expense, within FIVE (5) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures,

equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

17.1.3 Lessee shall not be responsible for the removal or remediation of any Hazardous Material that was present on, under or near the Premises prior to occupancy, regardless of the date of discovery of such Hazardous Material, except and only to the extent contamination that is known to Lessee is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence, it being agreed that the mere discovery of any contamination by Lessee shall not be deemed exacerbated by Lessee.

17.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee.

18. INSPECTION BY LESSOR

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

TO LESSEE: AmpliFLY Mesa Gateway, LLC
Attn.: Devon Gentry
PO Box 44633
Phoenix, AZ 85064

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 Mortgaging of the Leasehold.

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

22.2.2 Leasehold Mortgage. 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 (1) 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. If, from time to time, Lessee or Lessee's permitted successors or assigns encumbers this Lease with a Leasehold Mortgage, and if the Leasehold Mortgagee delivers to Lessor: (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 22 shall apply. There shall be no material modification in the Leasehold Mortgage or related documentation without Lessor's prior written consent.

22.3 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 22.6 and SECTION 22.7 hereof), nothing herein shall be deemed to prohibit Lessor from terminating this Lease in accordance with its terms.

22.4 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 22.2 hereof.

22.5 Curative Rights of Leasehold Mortgagees. Leasehold Mortgagee shall have an additional period of THIRTY (30) calendar days to remedy or cause to be remedied any default of which it receives notice pursuant to SECTION 22.4, provided such Leasehold Mortgagee shall reimburse Lessor, at the time of so remedying the default, for all reasonable costs and expenses of Lessor for maintaining, protecting, insuring, and operating the Premises during the additional THIRTY (30)-day period.

22.6 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 SIX (6) months after the timing specified in SECTION 22.5 hereof if the Leasehold Mortgagee: (a) has cured, or has caused to be cured, any then-existing money or non-monetary Event of Default (with the exception of Lessee's non-monetary defaults of such a nature that they cannot be cured by Leasehold Mortgagee); and (b) pays the Base Rent and all 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 22.6 Leasehold Mortgagee shall be actively engaged in steps 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 nature that they cannot be cured by Leasehold Mortgagee), the time for Leasehold Mortgagee to comply with the provisions of this SECTION 22.6 shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity. In no event shall Leasehold Mortgagee have any obligation to cure any default of Lessee under this Lease.

22.7 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 ("**Mortgagee Lease**") of the Premises with the Leasehold Mortgagee for the remainder of the Term effective as of the date of termination, at the same Base Rent and on the same terms, provisions, covenants, and agreements as contained in this Lease, provided;

22.7.1 Leasehold Mortgagee shall request Lessor execute such a Mortgagee Lease within THIRTY (30) calendar days after the date of termination and shall, within THIRTY (30) calendar 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);

22.7.2 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;

22.7.3 Leasehold Mortgagee shall remedy any matters that Lessee was obligated to perform under the terms of this Lease; and

22.7.4 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.

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

22.9 Limitation on Liability of Leasehold Mortgagee. Notwithstanding any other provision of this Lease, Lessor agrees that Leasehold Mortgagee shall in no manner or respect whatsoever be liable or responsible

for any of Lessee's obligations or covenants under this Lease (nor shall any rights of such Leasehold Mortgagee be contingent on the satisfaction of such obligations or covenants), unless and until Leasehold Mortgagee becomes the owner of said leasehold estate by foreclosure, sale in lieu of foreclosure, or otherwise, in which event such Leasehold Mortgagee shall remain liable for such obligations and covenants only while it remains the owner of said leasehold estate.

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

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 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.

25. CORPORATE AUTHORIZATION

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

26. UTILITY LINES AND SERVICE CHARGES

26.1 Connections and Services. Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested in advance to do so by Lessee, Lessor will grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

26.2 Payment. Lessee shall pay for all utilities, including trash collection, used in its operations at the Airport and the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

26.3 Continued Use and Repair. Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises and the right to repair the same when necessary in Lessor's 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.

26.4 Later Discovered Impediments. If there are any below ground utility, water and sewage lines or connections that are not disclosed in the Permitted Exceptions or otherwise within a recorded easement ("**Undisclosed Utilities**"), and the location of such Undisclosed Utilities create a material adverse impact on the design and development of the Improvements ("**Utility Impediment**"), Lessee shall promptly notify Lessor of such conditions. Within thirty (30) days after such discovery, Lessee shall provide written notice to Lessor of its election to either (a) subject to the approval of the utility provider, relocate the Undisclosed Utilities within the Premises and continue development activities; (b) subject to Section 7, redesign the site plan to work around the Undisclosed Utilities; or (c) terminate this Lease upon written notice to Lessor. The discovery of a Utility Impediment shall be treated as an Unavoidable Delay. If the cost to proceed under subsection (a) is extraordinary and subsection (b) is not commercially feasible, the Parties shall discuss in good faith alternatives to mitigate the extraordinary cost. Lessee elects to terminate pursuant to subsection (c), Lessee shall raze any Improvements and return the Premises to the condition that existed prior to the construction of the Improvements. In the event Lessor requires access to any Undisclosed Utilities during the Term, the requirements of Section 27 with respect to access and restoration shall apply.

27. RESERVATIONS TO LESSOR

The Premises are accepted "as is, where is" by Lessee, subject to the Permitted Exceptions. Lessor reserves the right to grant reasonable easements and rights-of-way over, on, or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to unreasonably interfere with or disrupt Lessee's or Lessee's Occupants' activities on the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. The location of any such easements and rights-of-way on the Premises shall be subject to Lessor's prior written consent which shall not be unreasonably withheld, conditioned or delayed. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this SECTION 27 and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or Lessee's Occupants' activities on the Premises. All work shall be in compliance with all applicable laws, including Environmental Laws, and the surface of the Premises shall be restored to its original condition, including any necessary remediation in accordance with Environmental Laws of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to, at a minimum, the same conditions applicable to Lessor under this SECTION 27, including but not limited to that the surface of the Premises and the Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

28. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES

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

28.1 Lessee agrees that in the event 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 General Civil Rights. Lessee agrees to comply with pertinent statues, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("**Title VI**") in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

29.2 Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);

- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 (2005)); and

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

29.3 Compliance with Nondiscrimination Requirements. During the Term, Lessee, for itself, its assignees, and successors in interest agrees as follows:

29.3.1 Compliance with Regulations. Lessee will comply with the Title VI List of Pertinent Non-Discrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

29.3.2 Non-discrimination. Lessee, with regard to the work performed by it during Lease, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

29.3.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee's obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

29.3.4 Information and Reports. Lessee will provide all information and reports required by the acts, the regulations and directives issued pursuant thereto and will permit access to its books,

records, accounts, other sources of information, and its facilities as may be determined by Lessor or the FAA be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish the information, Lessee will so certify to Lessor or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.

29.3.5 Sanctions for Noncompliance. In the event of Lessee's noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such default remedies as it or the FAA may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(b) cancelling, terminating, or suspending the Lease, in whole or in part.

29.3.6 Incorporation of Provisions. Lessee will include the provisions SUBSECTIONS 29.3.1 through 29.3.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by acts, the regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as Lessor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

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

29.4.1 In the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

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

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

29.5.1 Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (a) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (b) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (c) that Lessee will use the

premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts And Authorities.

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

30. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. To the extent required by applicable law, Lessee has full responsibility to monitor compliance to the referenced 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. To the extent required by applicable law, Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

32. INCORPORATION OF QUITCLAIM DEED

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government ("**Deed**"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

32.1 That this Lease is subject to all terms and conditions of the Deed; and

32.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

33. REQUIRED PROVISIONS OF QUITCLAIM DEED

33.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

33.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

33.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

33.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

33.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

34. AIRPORT SECURITY

34.1 Airport Security Plan.

34.1.1 Lessor's Operations Department maintains an approved Airport Security Plan ("**Security Plan**") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with Lessor's Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

34.1.2 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by Lessor's Operations Department.

34.1.3 Lessee shall promptly upon written request from Lessor correct physical or procedural deficiencies caused by Lessee that are located on the Premises which are contrary to Lessor's Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future. Within TWENTY-FOUR (24) hours of Lessor notifying Lessee of any deficiency, Lessor shall provide Lessee with a reasonably-detailed explanation of the deficiencies. Lessee shall be given a reasonable period of time (under the circumstances) to correct such deficiencies.

34.1.4 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold Lessor harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

34.1.5 Lessee shall conduct and document all self-audits and self-inspections as required by Transportation Security Administration ("**TSA**") or Lessor's Operations Department and make such audits available for inspection.

34.1.6 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

34.1.7 Lessor reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. Lessor's Operations Department shall notify the Lessee security coordinator regarding modifications that effect Lessee.

34.2 Airport Security Badge.

34.2.1 Lessee's employees and contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by Lessor's Operations Department, TSA or other entity having security jurisdiction at the Airport. Lessee, Lessee's employees, and contractors will surrender security badges upon request by Lessor's Operations Department; physical security media (badges and keys) remain the property of Lessor. Within SEVENTY-TWO (72) hours of Lessor's confiscation of any security badges, Lessor shall provide Lessee

with a reasonably-detailed explanation of the violations that caused Lessor to confiscate the security badges.

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

34.2.3 Lessee will promptly return badges to Lessor's badging office when badge holders employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

34.2.4 Misuse of a badge or security procedures will bring about action, including, but not limited to, retraining of badge holders, and/or suspension or revocation of ONE (1) or all misused badges.

35. DEFAULT BY LESSOR

In the event of any alleged breach by Lessor of its covenants or obligations contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly permitted in Sections 14.14 and 14.18 of this Lease. In no event shall Lessor be liable for punitive, consequential or speculative damages under this Lease.

36. BROKERS

Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessor and Lessee each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party's representation and warranty in this SECTION 36.

37. SALE BY LESSOR

Lessee agrees to look solely to Lessor's interest in the Premises and any insurance proceeds, including rents, profits, proceeds and awards for the recovery of any judgment against Lessor, it being agreed that neither Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

38. ESTOPPEL CERTIFICATE

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within Ten (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (a) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the existence of any default hereunder to the best of such Party's knowledge; (c) as to the date on which such Party was obligated to commence paying any charges hereunder and the expiration date of the Term; (d) as to whether such Party has assigned or transferred its interests or any portion thereof in this Lease; and (e) as to any other matters relating to this Lease and the Premises as may be reasonably requested. The requesting Party and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

39. UNAVOIDABLE DELAY

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "**Unavoidable Delay**" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, entitlement approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic/pandemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (s) delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under SECTION 14 (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), (t) unavailability or shortage of materials or labor that could not be reasonably anticipated, or (u) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) calendar days after the commencement of such Unavoidable Delay.

40. MISCELLANEOUS

40.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

40.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

40.3 Non-Waiver of Rights. No waiver or default by Lessor of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Lessee shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to

be performed, kept or observed by Lessee, and Lessor shall not be restricted from later enforcing any of the terms and conditions of this Lease.

40.4 Amendment. This Lease contains all agreements of the Parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence, or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the Party.

40.5 Litigation Expenses. In the event of litigation between Lessor and Lessee in connection with this Lease, the prevailing Party shall be entitled to recover its attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

40.6 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

40.7 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

40.8 Memorandum of Lease. Upon request of a Party, the Parties will execute a Memorandum of Lease, at the requesting Party's expense, in the form attached hereto as **EXHIBIT F**, and the requesting Party may record the memorandum against the Premises in the Official Records of Maricopa County, Arizona. If Lessee elects to record a Memorandum of Lease and Lessor requests in writing the removal of same upon the expiration or earlier termination of the Lease, Lessee shall (at Lessee's expense) remove the recorded Memorandum of Lease from the title record.

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

41. INCORPORATION OF RECITALS

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

(*Signatures appear on the following pages.*)

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

LESSOR:

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

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

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

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

NOTARY PUBLIC

My Commission Expires:

_____

LESSEE:

AMPLIFLY MESA GATEWAY, LLC, an Arizona Limited Liability Company

By: _____
Michael Hsiung, Manager

Date:

STATE OF _____)
) ss.
County of _____)

ACKNOWLEDGED before me this ___ day of _____, 2025, by Michael Hsiung, in his capacity as Manager, AMPLIFLY MESA GATEWAY, LLC an Arizona limited liability company, for and on behalf of said limited liability company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

LEGAL DESCRIPTION
LEASE AREA
MESA GATEWAY AIRPORT

October 13, 2025
Job No. 7499
Page 1 of 1

A PARCEL OF LAND BEING LOT 45, LOT 50A, LOT 50B, PORTION OF LOT 50C, AND PORTION OF A FORMER TAXIWAY OF MESA GATEWAY AIRPORT SITUATED IN THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32, A FOUND BRASS CAP IN HANDHOLE FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 32, A FOUND AN ALUMINUM CAP FLUSH STAMPED LS 38588, BEARS SOUTH 89 DEGREES 29 MINUTES 18 SECONDS EAST, A DISTANCE OF 2637.97 FEET;

THENCE NORTH 00°59'50" WEST, ALONG THE WEST LINE OF SAID SECTION 32, A DISTANCE OF 3,850.00 FEET;

THENCE DEPARTING SAID WEST LINE NORTH 89°00'10" EAST, A DISTANCE OF 652.16 FEET, TO THE POINT OF BEGINNING;

THENCE SOUTH 44°35'31" EAST, A DISTANCE OF 650.65 FEET, TO THE NORTHERLY LINE OF LOT 47;

THENCE SOUTH 45°23'19" WEST, ALONG THE NORTHERLY LINE OF LOT 46 AND LOT 47, A DISTANCE OF 346.81 FEET, TO THE NORTHWESTERLY CORNER OF LOT 46;

THENCE DEPARTING SAID NORTHERLY LINE SOUTH 44°36'41" EAST, ALONG THE WESTERLY LINE OF LOT 46, A DISTANCE OF 314.06 FEET, TO A NON-TANGENT CURVE CONCAVE NORTHWEST, WHOSE RADIUS POINT BEARS NORTH 43°26'59" WEST, A RADIAL DISTANCE OF 760.00 FEET AND THE NORTHERLY RIGHT OF WAY LINE OF E. VELOCITY WAY;

THENCE DEPARTING SAID WESTERLY LINE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 12°23'32", A DISTANCE OF 164.38 FEET, ALONG THE NORTHERLY RIGHT OF WAY LINE OF SAID E. VELOCITY WAY, TO A NON-TANGENT LINE AND THE SOUTHWESTERLY CORNER OF LOT 45;

THENCE DEPARTING SAID NORTHERLY RIGHT OF WAY LINE, NORTH 44°36'38" WEST, ALONG THE WESTERLY LINE OF LOT 45, A DISTANCE OF 293.25 FEET;

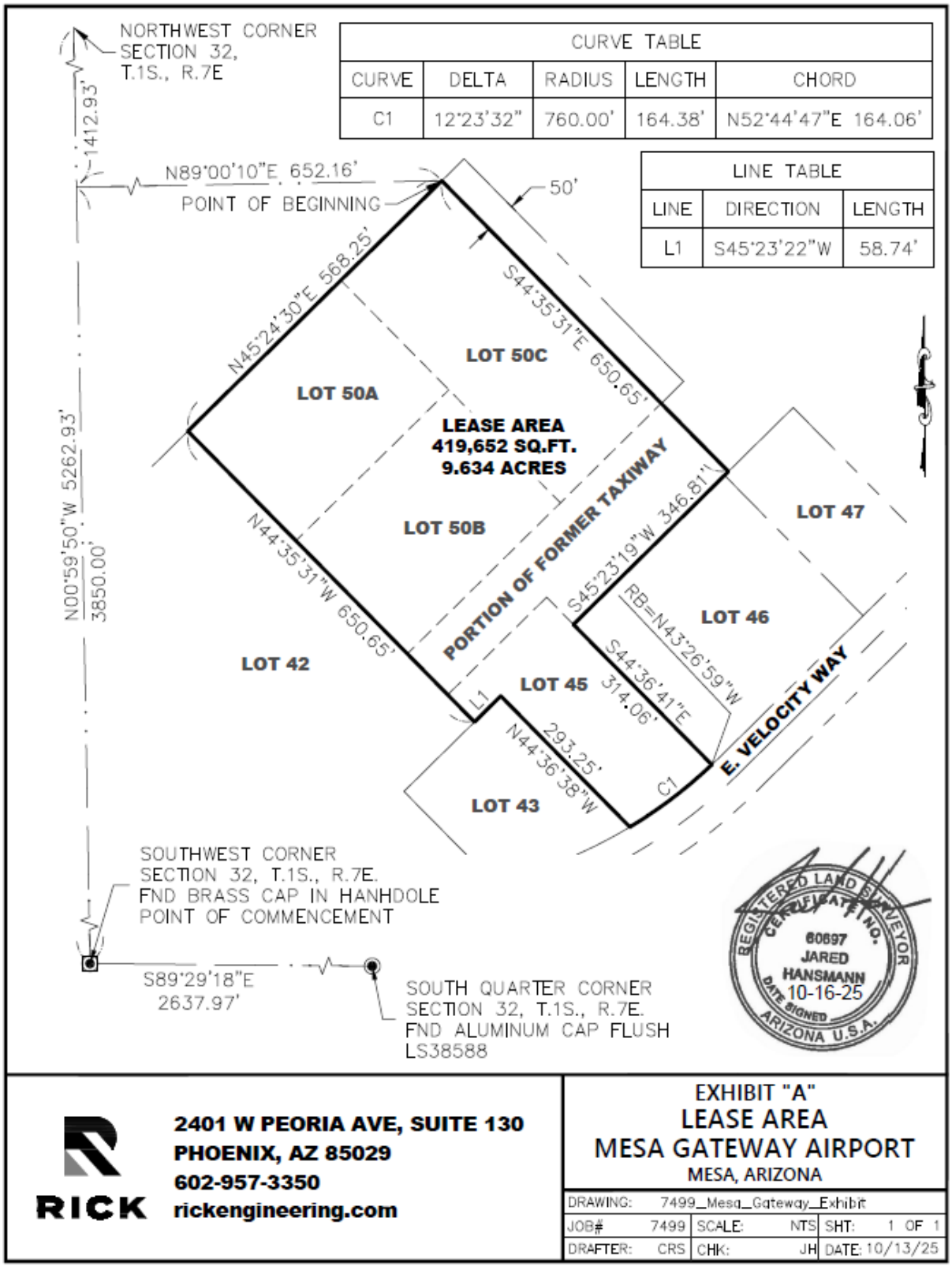
THENCE CONTINUING ALONG SAID WESTERLY LINE, SOUTH 45°23'22" WEST, A DISTANCE OF 58.74 FEET;

THENCE NORTH 44°35'31" WEST, ALONG THE WESTERLY LINE OF LOT 45, AND PROLONGATION OF LOT 50A AND LOT 50B, AND PORTION OF A FORMER TAXIWAY, A DISTANCE OF 650.65 FEET, TO THE NORTHWESTERLY CORNER OF LOT 50A;

THENCE DEPARTING SAID WESTERLY LINE NORTH 45°24'30" EAST, ALONG THE NORTHERLY LINE OF LOT 50A, AND A PORTION OF LOT 50C, A DISTANCE OF 568.25 FEET, TO THE POINT OF BEGINNING.

CONTAINS 419,652 SQUARE FEET OR 9.634 ACRES, MORE OR LESS.





CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	12°23'32"	760.00'	164.38'	N52°44'47"E 164.06'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S45°23'22"W	58.74'

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

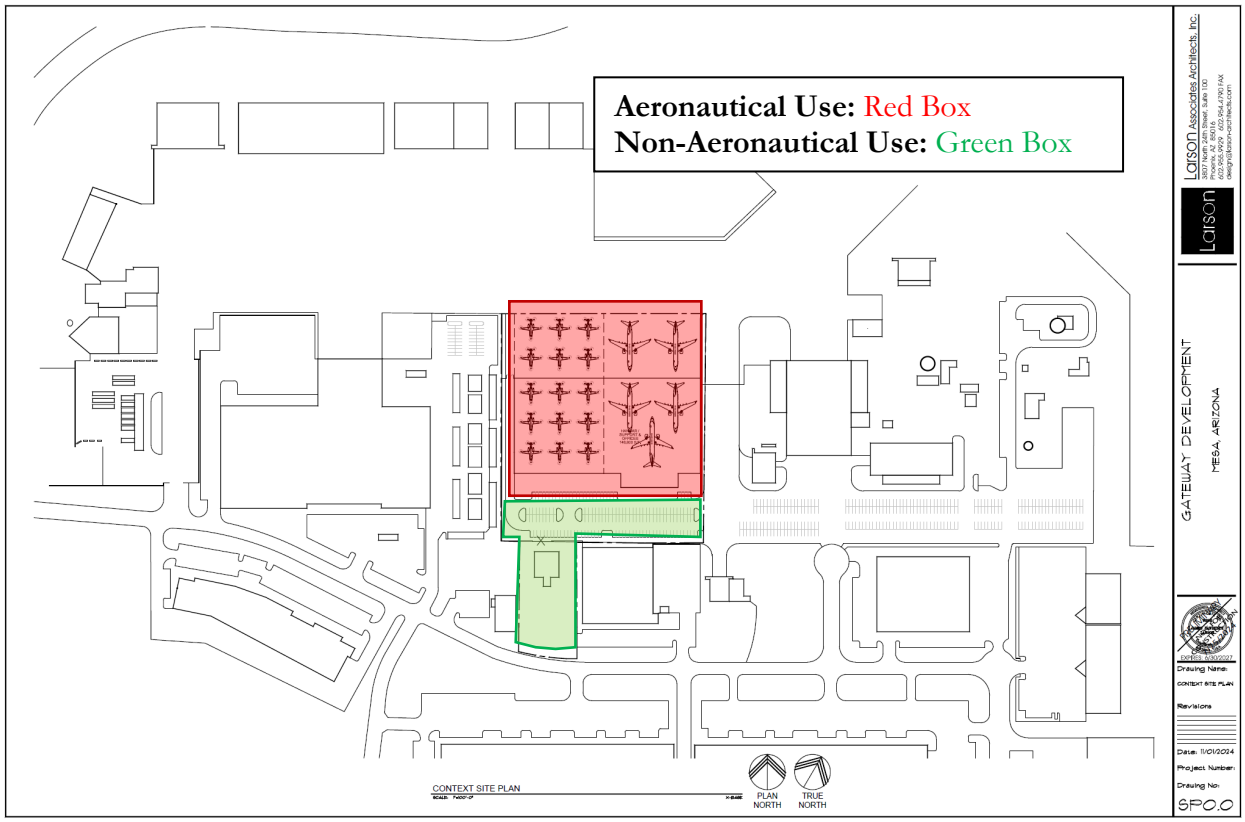
EXHIBIT "A"
LEASE AREA
MESA GATEWAY AIRPORT
MESA, ARIZONA

DRAWING:	7499_Mesa_Gateway_Exhibit				
JOB#	7499	SCALE:	NTS	SHT:	1 OF 1
DRAFTER:	CRS	CHK:	JH	DATE:	10/13/25

4899-2871-0002
4896-6629-1315

EXHIBIT A-1

PREMISES USE PLAN



4899-2871-0002
4896-6629-1315

EXHIBIT B

AIRPORT RATES & CHARGES SCHEDULE

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

&

AIRPORT FEES, SERVICES AND RENTAL RATES SCHEDULE

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT C

AIRPORT MINIMUM STANDARDS

(*Link*)

https://www.gatewayairport.com/policiesdocumentsandforms

&

AIRPORT RULES AND REGULATIONS

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

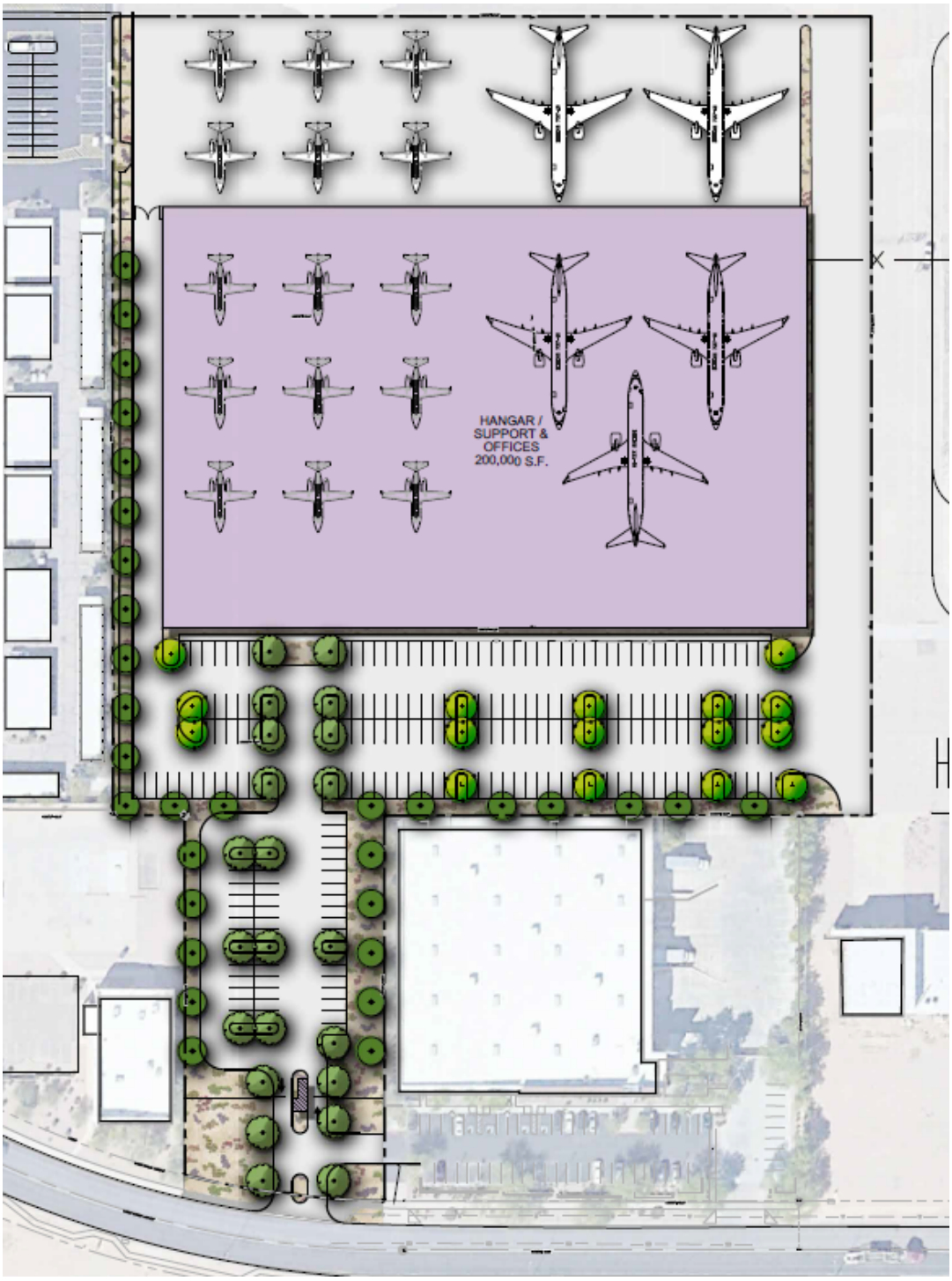
EXHIBIT D

Intentionally Deleted

EXHIBIT E

DEPICTION OF PROPOSED IMPROVEMENTS

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



4899-2871-0002
4896-6629-1315

EXHIBIT F

MEMORANDUM OF LEASE

WHEN RECORDED,
RETURN TO:

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

MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE ("**Memorandum**"), is made and executed as of the [1st day of November, 2025] ("**Effective Date**"), by and between **MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), whose mailing address is Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and **AMPLIFLY MESA GATEWAY, LLC**, an Arizona limited liability company ("**Lessee**"), whose mailing address is PO Box 44633, Attn: Devon Gentry Phoenix, Arizona, 85064.

1. Lease and Premises. Lessor and Lessee entered into that certain Land Lease dated NOVEMBER 1, 2025 ("**Lease**"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "**Premises**"). Subject to the covenants and conditions contained in the Lease, Lessor has leased to Lessee, and Lessee has leased from Lessor, the Premises.

2. Term. The term of the Lease commenced on November 1, 2025, and expires on October 31, 2065, unless earlier terminated pursuant to the terms of the Lease. Subject to the terms of the Lease, Lessee has the right and option extend the term of the Lease for a period of TWO (2) additional periods of FIVE (5) years, in accordance with the terms of the Lease.

3. Use. Lessee may use and occupy the Premises for develop and construct aircraft hangar(s), including integrated office and/or shop space, as well as all related ramp and aircraft parking areas, automobile parking facilities, loading areas, and fenced, gated and secured areas.

4. No Modification. This Memorandum shall not, under any circumstances, be deemed to modify or change any provisions of the Lease, the provisions of which shall in all instances prevail.

5. Counterparts. This Memorandum may be executed in ONE (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(*Signatures appear on the following page.*)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LESSOR:

MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

LESSEE:

AMPLIFLY MESA GATEWAY, LLC,
an Arizona limited liability company

By: _____
Michael Hsiung, Manager

STATE OF _____)
) ss.
County of _____)

ACKNOWLEDGED before me this ___ day of _____, 20__, by Michael Hsiung, in his capacity as Manager, AmpliFLY Mesa Gateway, LLC, an Arizona limited liability company, for and on behalf of said limited liability company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION

[LESSEE TO PROVIDE]

EXHIBIT G

GUARANTY OF LEASE

RECITALS

A. Mesa Gateway Airport Authority, a joint powers authority authorized by the State of Arizona ("**Lessor**"), and to AmpliFLY Mesa Gateway, an Arizona limited liability company ("**Lessee**"), are about to execute a document entitled Land Lease dated November 1, 2025 ("**Lease**") concerning the premises commonly known as Lots 45, 50A 50B, and 50C ("**Premises**") wherein Lessor will lease the Premises to Lessee; and

B. <NAME>, and <NAME>, <husband and wife> *[If applicable, if not delete the secondary name and this text]*, and <NAME>, a single <man, woman> (each, individually, collectively, jointly and severally, "**Guarantor**") <has><have> a financial interest in Lessee; and

C. Lessor would not execute the Lease if Guarantor did not execute and deliver to Lessor this Guaranty of Lease.

AGREEMENT

NOW THEREFORE, in consideration of the execution of said Lease by Lessor and as a material inducement to Lessor to execute said Lease:

1. Guarantor hereby unconditionally and irrevocably guarantees the prompt payment by Lessee of all rents and all other sums payable by Lessee under said Lease and the faithful and prompt performance by Lessee of each and every one of the terms, conditions and covenants of said Lease to be kept and performed by Lessee.

2. It is specifically agreed by Lessor and Guarantor that: (i) the terms of the foregoing Lease may be modified by agreement between Lessor and Lessee, and (ii) said Lease may be assigned by Lessor or any assignee of Lessor without the consent of or notice to Guarantor and that this Guaranty shall guarantee the performance of said Lease as so modified.

3. This Guaranty shall not be released, modified or affected by the failure or delay on the part of Lessor to enforce any of the rights or remedies of the Lessor under the Lease.

4. No notice of default by Lessee under the Lease need be given by Lessor to Guarantor, it being specifically agreed that the guarantee of the undersigned is a continuing guarantee under which, subject to the terms of the Lease, Lessor may proceed immediately against Lessee and/or against Guarantor following any breach or default by Lessee or for the enforcement of any rights which Lessor may have as against Lessee under the terms of the Lease or at law or in equity.

5. Subject to the terms of the Lease, Lessor shall have the right to proceed against Guarantor following any breach or default by Lessee under the Lease without first proceeding against Lessee and without previous notice to or demand upon either Lessee or Guarantor.

6. Guarantor hereby waives (a) notice of acceptance of this Guaranty, (b) demand of payment, presentation and protest, (c) all right to assert or plead any statute of limitations relating to this Guaranty or the Lease, (d) any right to require the Lessor to proceed against the Lessee or any other guarantor or any other person or entity liable to Lessor, (e) any right to require Lessor to apply to any default any security deposit or other security it may hold under the Lease, (f) any right to require Lessor to proceed under any other remedy

Lessor may have before proceeding against Guarantor, (g) any right of subrogation that Guarantor may have against Lessee.

7. Guarantor does hereby subordinate all existing or future indebtedness of Lessee to Guarantor to the obligations owed to Lessor under the Lease and this Guaranty.

8. If Guarantor is married, Guarantor expressly agrees that recourse may be had against their separate property for all of the obligations hereunder.

9. The term "Lessor" refers to and means the Lessor named in the Lease and also Lessor's successors and assigns. So long as Lessor's interest in the Lease, the leased Premises or the rents, issues and profits therefrom, are subject to any mortgage or deed of trust or assignment for security, no acquisition by the mortgagee, beneficiary, trustee or assignee under such mortgage or deed of trust of the Lessor's interest in the leased Premises shall affect the continuing obligation of Guarantor under this Guaranty which shall nevertheless continue in full force and effect for the benefit of the mortgagee, beneficiary, trustee or assignee under such mortgage, deed of trust or assignment and their successors and assigns.

10. The term "Lessee" refers to and means the Lessee named in the Lease and also Lessee's successors and assigns.

11. No provision of this Guaranty or right of the Lessor can be waived, nor can the Guarantors be released from their obligations except in writing signed by the Lessor.

12. Any litigation concerning this Guaranty shall be initiated in a state court of competent jurisdiction in Maricopa County, Arizona and the Guarantor consent to the jurisdiction of such court. This Guaranty shall be governed by the laws of the State of Arizona and for the purposes of any rules regarding conflicts of law the parties shall be treated as if they were all residents or domiciles of the State of Arizona.

13. In the event any action is brought by said Lessor against Guarantor hereunder to enforce the obligation of Guarantor hereunder, the unsuccessful party in such action shall pay to the prevailing party therein a reasonable attorney's fee. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be such as to full reimburse all attorneys' fees reasonably incurred. The attorneys' fee award shall be determined by the court and not a jury.

14. If Guarantor is a corporation, partnership, or limited liability company, each individual executing this Guaranty on said entity's behalf represents and warrants that he or she is duly authorized to execute this Guaranty on behalf of such entity. Signatures to this Guaranty accomplished by means of electronic signature or similar technology shall be legal and binding.

15. Guarantor may request release of this Guaranty upon the earlier of: (1) the date of Lessee's increase of the Security Deposit to an amount equivalent to eighteen (18) months of Base Rent, or $346,212.90, or (2) the date that Lessee is substantially complete with construction and has paid three (3) years of Base Rent. Lessor shall release and terminate this Guaranty upon Lessor's verification that such conditions have been met, which verification shall not be unreasonably withheld, conditioned, or delayed.

[*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:**
<Address> <City>, <State> <Zip>	<Guarantor Name>, a <married/single> <man/woman> Date: _____
<Address> <City>, <State> <Zip>	<Guarantor Name>, a <married/single> <man/woman> Date: _____
<Address> <City>, <State> <Zip>	<Guarantor Name>, a <married/single> <man/woman> Date: _____

EXHIBIT H

PERMITTED EXCEPTIONS

3. Reservations contained in the Patent

From: The United States of America
To: Edgar L. Thwaites
Recording Date: October 26, 1911
Recording No: Book 95 of Deeds, page 67

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. Water rights, claims or title to water, whether or not disclosed by the Public Records.

5. Matters contained in that certain document

Entitled: Intergovernmental Agreement
Recording Date: November 13, 1992
Recording No: 92-0646640

Reference is hereby made to said document for full particulars.

6. Matters contained in that certain document

Entitled: Intergovernmental Agreement
Recording Date: September 2, 1993
Recording No: 93-0596938

Reference is hereby made to said document for full particulars.

7. Matters contained in that certain document

Entitled: Joint Powers Airport Authority Agreement
Recording Date: May 19, 1994
Recording No: 94-0400695

Reference is hereby made to said document for full particulars.

8. Matters contained in that certain document

Entitled: Quitclaim Deed
Recording Date: April 30, 1998
Recording No: 98-0354787 and
Re-Recording Date: May 4, 1998
Re-Recording No: 98-0364178

Reference is hereby made to said document for full particulars.

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

Purpose: Underground power and appurtenant facilities
Recording Date: November 16, 1999
Recording No: 99-1045415

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

Purpose: Underground electric lines and appurtenant facilities
Recording Date: November 21, 2002
Recording No: 20021234822, and
Re-Recording Date: November 25, 2002
Re-Recording No: 20021251223, and
Re-Recording Date: December 16, 2002
Re-Recording No: 20021352114

11. Matters contained in that certain document

Entitled: Quitclaim Deed
Recording Date: February 25, 2009
Recording No: 2009-0162752

Reference is hereby made to said document for full particulars.

12. 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: 2007-1041497

13. 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: 2008-0534394

14. 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: 2008-0796938

15. 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: 2009-0039827

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: 2012-0966762

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

Purpose: Waterline and appurtenant facilities
Recording Date: May 23, 2013
Recording No: 20130471660

19. Matters contained in that certain document

Entitled: Avigation Notice - Phoenix-Mesa Gateway Airport Overflight Area
Recording Date: April 27, 2017
Recording No: 20170301390

Reference is hereby made to said document for full particulars.

20. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land.

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 2025 Financials**
Date: **October 21, 2025**

Attached is the monthly Financials Report for August 2025.

Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
August, 2025

	Month of August 2025				Y-T-D as of August 2025			
	August FY25 Actual	August FY26 Actual	YOY Variance	B/(W)	YTD FY25 Actual	YTD FY26 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	41,966	35,069	(6,897)	-16%	76,215	75,682	(533)	-1%
Fuel Flowage Fees	44,264	67,544	23,280	53%	102,123	131,752	29,629	29%
Landing Fees	110,654	156,651	45,997	42%	270,077	330,312	60,235	22%
Lease Income Aero	319,257	393,422	74,165	23%	759,520	907,734	148,214	20%
Fuel Sales	648,742	1,074,297	425,555	66%	1,360,744	2,321,537	960,793	71%
Services Sold - Aero	339,993	470,284	130,291	38%	885,623	945,833	60,210	7%
Sub-total Aero Operating Revenues	1,504,876	2,197,267	692,391	46%	3,454,302	4,712,850	1,258,548	36%
Non-Aeronautical Operating Revenues								
Concessions	93,457	104,391	10,934	12%	230,035	232,026	1,991	1%
Lease Income Non-Aero	114,152	114,723	571	1%	223,725	250,211	26,486	12%
Parking	464,655	498,662	34,007	7%	1,147,725	1,179,768	32,043	3%
Rental Car Fees	157,833	133,522	(24,311)	-15%	323,254	310,332	(12,922)	-4%
Svcs Sold - Non Aero	14,531	14,820	289	2%	20,706	35,025	14,319	69%
Sub-total Non-Aero Operating Revenues	844,628	866,118	21,490	3%	1,945,445	2,007,362	61,917	3%
Total Operating Revenues	**2,349,504**	**3,063,385**	**713,881**	**30%**	**5,399,747**	**6,720,212**	**1,320,465**	**24%**
Operating Expenses								
Cost of Goods Sold	424,152	806,097	(381,945)	-90%	869,548	1,701,332	(831,784)	-96%
Personnel	819,482	883,147	(63,665)	-8%	1,685,487	1,755,260	(69,773)	-4%
Comm & Utilities	128,581	139,120	(10,539)	-8%	264,260	280,113	(15,853)	-6%
Contractual Services	606,676	673,356	(66,680)	-11%	1,196,079	1,307,836	(111,757)	-9%
Insurance	59,569	52,724	6,845	11%	116,964	100,255	16,709	14%
Other	24,671	30,520	(5,849)	-24%	60,136	70,567	(10,431)	-17%
Repair & Maintenance	45,694	48,463	(2,769)	-6%	79,948	104,640	(24,692)	-31%
Supplies & Materials	68,101	73,674	(5,573)	-8%	143,888	154,399	(10,511)	-7%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,176,926**	**2,707,101**	**(530,175)**	-24%	**4,416,310**	**5,474,402**	**(1,058,092)**	-24%
Operating Income (Loss) Before Depreciation	**172,578**	**356,284**	**183,706**	106%	**983,437**	**1,245,810**	**262,373**	27%
	7.3%	11.6%			18.2%	18.5%		
Depreciation		1,494,205				2,870,294		

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 21, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Invitation for Bid	2026-002-IFB	Passenger Boarding Ramps	October 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	October 2025
Request for Qualifications	2026-004-RFQ	Website Redesign Services	January 2026

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2026-003-IFB	Baggage Tractor	October 2025	December 2025
Request for Qualifications	2026-005-RFQ	Taxiway Golf Realignment	December 2025	March 2026

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $23,572.

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

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: **Fire Line Repair – Emergency Procurement**
Date: **October 21, 2025**

On September 27, 2025, a 10" underground fire line broke at 6250 S. Taxiway Circle. The break resulted in significant flooding of the back lot and complete drainage of the Airport's 1083 pump house fire suppression system.

Due to the location and extent of the break, the fire protection system for the Air Traffic Control Tower, Building 1086, Building 1092, and Building 1084, serving the Allegiant Hangar, was inoperable. This constituted a critical life safety issue and left multiple facilities vulnerable in the event of a fire.

Staff quickly secured two (2) quotes, but due to time constraints, they were unable to obtain a third. Delaying this repair to obtain an additional quote would have extended the period during which critical facilities remain without fire protection, presenting an unacceptable safety risk. In response to this emergency, staff initiated procurement actions as permitted under the emergency provisions of the Airport's Procurement Policy, which allow for immediate action when necessary to protect public safety and infrastructure, even when three quotes are not available.

Staff reviewed the quotes to ensure pricing was in line with the expected material and services to provide satisfactory work results and selected the lowest of the two (2) quotes received.

Vendor Selected: Red Mountain Machinery, Inc.
Scope of Work: Emergency excavation and repair of 10" underground fire line
Total Cost: $18,411.00

Red Mountain Machinery was able to mobilize quickly and had all the necessary repairs completed by October 3, 2025.

This report is submitted in accordance with the Airport's Procurement Policy, which requires notification to the Board of Directors of any emergency procurement where the standard requirement for obtaining three quotes is not met.

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 Mesa Gateway Airport Authority Board of Directors scheduled for Tuesday, November 18, 2025, has been cancelled.

The next Regular Meeting of the Mesa Gateway Airport Authority Board of Directors is scheduled for Tuesday, December 16, 2025 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 November, 2025.

I Misty Johnson, , do hereby certify that I caused to be posted this 3rd day of November, 2025, the Notice of Cancellation of the Tuesday, November 18, 2025 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 MESA GATEWAY AIRPORT AUTHORITY BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, December 16, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Lt. Governor Regina Antone, Chair)
   Members of the Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Pledge of Allegiance**

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

4. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **October 21, 2025**.

   b) **Resolution No. 25-52 –** Authorizing the revised **Airport Rates and Charges** schedule with an effective date of January 1, 2026.

   c) **Resolution No. 25-53 –** Authorizing the purchase of one new Kubota agricultural tractor from **Bingham Equipment Company** in an amount not to exceed $74,861.41**.**

   d) **Resolution No. 25-54 –** Authorizing the procurement of server equipment from **Dell Marketing**, **L.P**. in an amount not to exceed $103,185.77.

   e) **Resolution No. 25-55 –** Authorizing the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with **Allegiant Air, LLC** for commercial air service at the Airport.

   f) **Resolution No. 25-56 –** Authorizing the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with **Sun Country, Inc**. for commercial air service at the Airport.

Consideration and Approval of:

5. **Resolution No. 25-57 –** Authorizing the updated Master Plan concept for the **SkyBridge Arizona** development.

6. **Resolution No. 25-58 –** Authorizing a Development Lease with **Boyer Gateway East Mesa Retail 1, L.C.**, a Utah limited liability company, for 2.47 acres (107,651 square feet), located within the Gateway

East project and identified as Lots 200 and 202B, with a lease term of SIXTY-FIVE (65) years commencing on January 1, 2026, and to authorize a Third Amendment to the Master Lease with **Boyer Gateway East L.C.,** to concurrently remove Lots 200 and 202B from the Master Lease Agreement..

7. **Board Member Comments/Announcements**

8. **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.

9. **Next Meeting: Tuesday, January 20, 2026 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.

Mesa Gateway Airport

- Mesa Gateway Airport Sets New Passenger Activity Record for October
- Allegiant Adding Three New Nonstop Destinations in February
- New TSA Checked Baggage Inspection Facility Gets Underway
- Virgin Galactic's Launch Vehicle Visits Gateway Airport
- Cold Beers and Cheeseburgers Coming to Gateway Airport Terminal
- Gateway East to Add Retail Shops Next to Planned Springhill Suites Hotel
- SkyBridge Arizona Moving Forward with New Dual-Brand Wyndham Hotel
- Gateway Airport Expanding Covered Parking in Ray Road Economy Parking Lot

Executive Director's Report
December 2025



Orange County, CA

Begins February 12, 2026

La Crosse, WI

Begins February 6, 2026

Bloomington-Normal, IL

Begins February 13, 2026

Allegiant Adding Three New Nonstop Destinations at Mesa Gateway Airport

Financial Snapshot

OPERATING INCOME	October		Month Variance	FYTD Comparison		FYTD Variance
	2024	2025		FY25	FY26	
Revenues	$2,861,751	$3,166,529	**$304,778**	$10,536,631	$12,714,632	**$2,178,001**
Less Expenses	$2,444,320	$2,784,483	**$340,163**	$9,112,652	$10,959,460	**$1,846,808**
Operating Income *(Before Depreciation)*	**$417,431**	**$382,046**	**($35,385)**	**$1,423,979**	**$1,755,172**	**$331,193**

Investment Fund Balances: As of October, the Local Governmental Investment Pool (LGIP) 700 = $3,818,511; Wells Fargo; Collateralized Money Market = $10,025,473 and Commercial/Paper Brokered CD's = $60,814,983; Total $74,658,967. MGAA invests in fixed rate instruments.

Finance and Accounting

Mesa Gateway Airport Authority (MGAA) is reporting a net operating income of $382,046 for the month of October 2025. These are strong monthly financial results for the month of October, which has historically produced mixed financial results. Fiscal-year-to-date 2026 (FYTD26), MGAA is reporting net operating income of $1,755,172, a $331,193 increase compared to the same time period last fiscal year.

October aeronautical revenues increased by 14% and non-aeronautical revenues increased by 4% on a year-over-year monthly comparison. The aeronautical revenue increase was generated by landing fees (25%) and fuel sales (43%). The increase in non-aeronautical revenue was the result of increased vehicle parking revenue (11%).

Operating expenditures for October 2025 increased by 14% and totaled $2,784,483. The increase was due to an increase in fuel related cost-of-goods-sold due to increased aviation fuel sales volume.

Fiscal-year-to-date operating expenditures are $1,105,332 over FY26 Budget due to the increased fuel cost-of-goods sold.

MGAA staff are currently working on the FY27 Operating and Capital Budgets and plan to present them to the MGAA Board of Directors for approval at their May 2026 meeting.

Active/Pending Solicitations

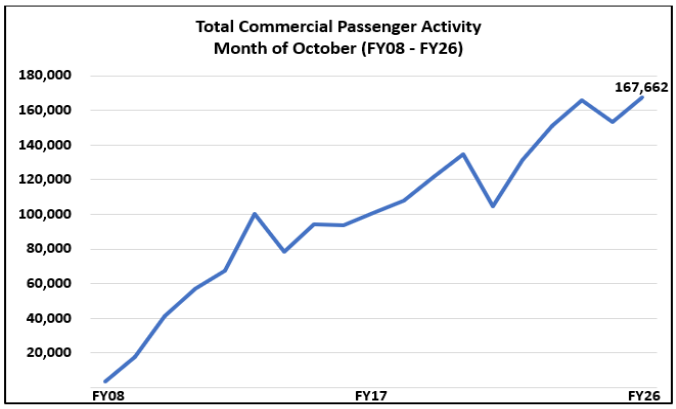
TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2026-004-RFQ	Website Redesign Services	January 2026

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2026-005-RFQ	Taxiway Golf Realignment	March 2026

Airport Operations

Mesa Gateway Airport Sets New Passenger Activity Record for October



Record Passenger Activity in October 2025

Thanks to the growing popularity of Mesa Gateway Airport's (Airport, Gateway Airport) two airlines, Allegiant and Sun Country, the Airport set a new passenger activity record for the month of October in 2025. Gateway Airport welcomed 167,662 total passengers during the month, a 9% increase compared to passenger activity last October.

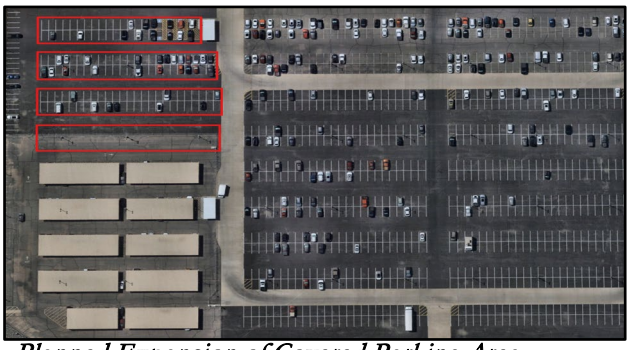
For more information visit www.allegiant.com and www.suncountry.com.

PASSENGERS AND AIR CARGO		October		% Change	FYTD		% Change
		2024	2025		FY25	FY26	
Passengers	TOTAL	153,438	167,662	9%	545,809	559,662	3%
	Deplaned	80,586	88,118	9%	280,084	287,539	3%
	Enplaned	72,852	79,544	9%	265,725	272,123	2%
Allegiant		148,302	161,786	9%	539,894	551,938	2%
Sun Country		5,136	5,876	14%	5,915	7,724	31%
Air Cargo (lbs.)		137,042	997,584	628%	270,084	4,881,629	1,707%

OPERATIONS	October		% Change	FYTD		% Change
	2024	2025		FY25	FY26	
Air Carrier	1,096	1,267	16%	4,343	4,305	-1%
Military	368	193	-48%	664	794	20%
General Aviation	28,785	27,905	-3%	97,638	99,244	2%
TOTAL	**30,249**	**29,365**	**-3%**	**102,645**	**104,343**	**2%**

Engineering, Planning, and Facilities

Gateway Airport Expanding Covered Parking in Ray Road Economy Parking Lot

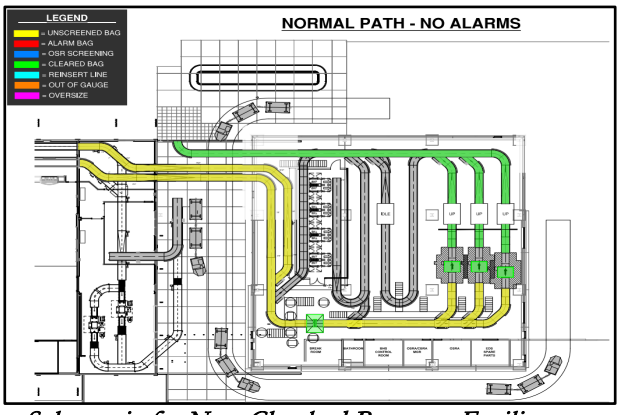


Planned Expansion of Covered Parking Area

During a challenging Arizona summer, shade can make a 40-degree difference in temperature. Several years ago, in an effort to enhance the customer experience, Gateway Airport erected shade structures covering 200 parking spaces in the Ray Road Economy Parking Lot. The covered parking spaces have become so popular, the Airport is now planning to add another 200 covered parking spaces before next summer.

New TSA Checked Baggage Inspection Facility Gets Underway

Gateway Airport is partnering with the Transportation Security Administration (TSA) to construct a new $46MM Checked Baggage Inspection Facility that will enhance both security and system capacity. The Airport's current facility has two older Explosive Detection System (EDS) machines capable of processing 400 checked bags per hour. The new facility, initially having two state-of-the-art EDS machines, will be capable of processing 1,500 checked bags per hour with room for a third EDS machine for additional capacity as the Airport continues to grow.



Schematic for New Checked Baggage Facility

Business Development

Cold Beers and Cheeseburgers Coming to Gateway Airport Terminal



Rendering of the New Cold Beers and Cheeseburgers

You arrive for your afternoon flight at Gateway Airport. You park, check your bag, and breeze through security screening. Your flight is leaving out of Gate 5 and you're hoping to grab a bite to eat before you board.

Then it hits you! The smell of a delicious grilled cheeseburger coming from the new Cold Beers and Cheeseburgers Restaurant located next to your gate. You choose a seat outside on the patio, the waitress comes and greets you with a smile, and the rest is history!

Gateway East to Add Retail Shops Next to Planned Springhill Suites Hotel

At their September meeting, the MGAA Board of Directors approved a land lease with the Boyer Company for a new five-story, 129-room Springhill Suites by Marriot Hotel in Gateway East. In December, the MGAA Board will be asked to consider and approve another land lease for a commercial retail/restaurant development adjacent to the proposed hotel.

Gateway East is a 273-acre first-class Airport Business Park located on the east side of Gateway Airport near Ellsworth Rd., SR24, and SR202.



Rendering of Commercial Retail and Restaurant Space

Virgin Galactic's Launch Vehicle Visits Gateway Airport



Virgin Galactic's Unique Launch Vehicle, Eve

As assembly of the first two six-seat Delta Class spaceships progresses, Virgin Galactic's unique launch vehicle, Eve, visited Gateway Airport to familiarize the aircraft with the Airport, the airfield, and the new Virgin Galactic facilities.

Eve is a large, custom-built, four engine, dual-fuselage jet that carries the spaceship to a high altitude, where it is released to then ignite its rocket motor for the suborbital flight.

SkyBridge Arizona is Moving Forward with New Dual-Brand Windham Hotel

SkyBridge Arizona has constructed and fully leased more than 635,000 sq. ft. of facilities at Gateway Airport. The experienced master developer has also invested more than $30MM in infrastructure and utilities to ready the 360-acre parcel for development.

The next project SkyBridge Arizona plans to develop is a 127-room dual-brand Wyndham Hotel along So. Sossaman Road. The new hotel will have an extended stay option for longer-term guests and an option for guests looking for one or more nights.



Rendering of New SkyBridge Arizona Hotel

Gateway Aviation Services

Gateway Aviation Services, the Mesa Gateway Airport Authority owned and operated Fixed Base Operator (FBO), pumped 1,659,500 gallons of aviation fuel during the month of October 2025, an 8% increase compared to last October. FYTD26, Gateway Aviation Services has pumped a total of 5,932,475 gallons, an eight percent increase over the same time period last fiscal year.

FUEL (Gallons)	October			FYTD		
	2024	2025	% Change	FY25	FY26	% Change
AvGas	60,518	65,436	8%	198,803	199,577	0%
Retail Jet A	95,649	197,220	106%	316,819	883,192	179%
Contract	290,215	161,017	-45%	1,040,413	801,685	-23%
Commercial	1,063,422	1,136,629	7%	3,893,316	3,809,264	-2%
Cargo	29,044	99,198	242%	34,384	238,757	594%
TOTAL	**1,538,848**	**1,659,500**	**8%**	**5,483,735**	**5,932,475**	**8%**

Community Noise Report

CALLERS	October		FYTD	
	2024	2025	FY25	FY26
Total	7	9	25	34

AIRCRAFT TYPE	October		FYTD	
	2024	2025	FY25	FY26
	Callers	Callers	Callers	Callers
Commercial	3	3	11	18
GA Total	2	4	12	14
Helicopter	2	1	2	1
Military	0	1	0	1
Total	7	9	25	34

MGAA received communications from a total of nine individuals regarding aircraft noise issues during the month of October 2025, compared to seven individuals last October.

LOCATION	October		FYTD	
	2024	2025	FY25	FY26
Mesa	2	3	6	16
Gilbert	5	1	13	7
Gold Canyon	0	1	0	2
Queen Creek	0	3	1	8
Queen Valley	0	0	3	0
Apache Junction	0	0	0	0
San Tan Valley	0	1	1	1
Chandler	0	0	0	0
Florence	0	0	1	0
Goodyear	0	0	0	0
Phoenix	0	0	0	0
Tempe	0	0	0	0
TOTAL	7	9	25	34

MGAA Team Member Spotlight



Employee Name: Suzanne Peralta
Employee Title: Property and Revenue Program Specialist
MGAA Department: Finance
Years with MGAA: 11+

What are your job responsibilities for MGAA? I am currently leading the implementation of our new lease revenue management system and will assume full ownership once it is complete. My responsibilities include entering contracts in the current lease software and updating necessary data, generating monthly billing, processing payments, submitting quarterly ADOT reports for based aircraft, and preparing monthly passenger statistics for management. I am also training to reconcile and review AR balances to support audits and financial statements, while cross-training in AP functions to ensure proficiency in both primary and backup roles. In addition, I serve on the Employee Engagement Committee and have collaborated on multiple events.

What is your most memorable Gateway Airport moment? During my time as a customer service agent at the FBO, I had the privilege of witnessing a truly special moment. A World War II veteran was visiting, and a group of U.S. Air Force pilots happened to fly in. When I mentioned that a WWII Air Force pilot was in the waiting area, they immediately gathered around him. I watched as these younger pilots listened intently, captivated by his stories and eager to learn from his experiences. It was inspiring to see the respect and admiration they showed, and equally moving to see the veteran's passion for aviation. To this day, I'm grateful to have witnessed such a beautiful moment.

What is something people may not know about you? I am a lifelong Arizona resident and grew up with beauty of the Sonoran Desert and wildlife as my back yard. I enjoy the brilliant sunrises and sunsets and think this is the best state to live in because I can experience vastly different environments within just a few hours' drive.

MINUTES OF THE PUBLIC MEETING OF THE
MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | October 21, 2025

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, October 21, 2025, beginning at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Lt. Governor Regina Antone, Gila River Indian Community
Mayor Mark Freeman, Mesa
Mayor Scott Anderson, Gilbert
Mayor Chip Wilson, Apache Junction
Councilmember Jeff Brown, Queen Creek

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

** Neither present nor represented*

1. **Call to Order** at 9:00 a.m. (Lt. Governor Regina Antone, Chair)

2. **Pledge of Allegiance**

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

4. **Audited Financials Report** – Jean Dietrich, Principal, CliftonLarsonAllen
   Ms. Dietrich provided a brief overview of the Fiscal Year 2025 Audited Financials, resulting in the issuance of an unmodified (clean) opinion for Mesa Gateway Airport Authority. No significant deficiencies or material findings were reported. The Federal Office of Management and Budget has not yet issued the final 2025 Compliance Supplement for single audits. This delay impacts the single audits for entities with a fiscal year ending on or after June 30, 2025. Once the final compliance supplement is issued, CliftonLarsonAllen will provide the single audit report.

5. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on MGAA financial performance, passenger activity, the community noise report, and various Airport projects.
   - Fiscal Year-to-Date 2026 (FYTD) Net Operating Income is $1,245,810 compared to $983,437 FYTD25.
   - Mesa Gateway Airport (Airport, Gateway Airport) welcomed 121,717 commercial passengers during August 2025. This is lower than the 122,066 passengers during August of last year.
   - MGAA Briefs
     - *Airport Magazine* is a publication of the American Association of Airport Executives (AAAE). Mesa Gateway Airport received international exposure in the October/November edition that highlighted the private development going on at the Airport. https://online.flippingbook.com/view/24908382/
     - The Authority's five (5) member communities will be featured in the terminal's pedestrian walkway, with each showcasing a unique display. In addition, welcome messages from elected officials will be played across the terminal's public address system for all airport passengers.

DRAFT

- The federal government is advancing its Advanced Air Mobility (AAM) Program, which includes electric Vertical Take-Off and Landing (eVTOL) vehicles. The State of Arizona is also included in the conversation. The City of Mesa and the Authority are seeking a leadership role in the statewide initiative. Given its unique positioning, the Authority is an ideal location for this emerging technology. Ryan Smith and Lori Collins are representing the Authority as members of the Statewide AAM Stakeholder Group.
- Despite the ongoing federal government shutdown, the airport has not experienced any operational impacts. There have been no delays resulting from federal employee absences. In a show of solidarity with unpaid Transportation Security Administration (TSA) employees, the Airport Authority is providing breakfast for working federal employees.
- The 2025 National Business Aviation Association – Business Aviation Convention & Exposition (NBAA-BACE) was held in Las Vegas October 14-16, 2025. This an annual event attracts more than 20,000 aviation-related companies. Each year Mesa Gateway Airport is represented by members of its business development team, the FBO, and select private development partners at the Airport.
- 2025 TakeOff North America Air Service Conference will be held November 4th – 6th in Tallahassee, FL. Executive Director O'Neill has requested to meet with representatives from eight airlines.

- MGAA Private Development
  - The two-building Gateway Commerce Center III project at the corner of Sossaman Road and Velocity Way totals approximately 100,000 sq. ft. Final paint touch-ups are being completed and the developer is actively leasing the two buildings.
- MGAA Project Updates
  - Thanks to continued strong support from the FAA, the substantial reconstruction of Runway 12R-30L will be completed within a two-year time frame. Phase I began in October 2024 and was completed in May 2025. Phase II, the northern half of Runway 12R-30L, began reconstruction in October 2025. This important infrastructure project totals approximately $45MM.
  - A new Transportation Security Administration (TSA) Checked Baggage Inspection System will replace two older explosive detection machines that can only clear 200 checked bags an hour. The new upgraded explosive detection equipment will be capable of clearing 750 bags an hour. This additional capacity will be necessary as the Airport continues to grow. The Authority and the TSA are splitting the $45MM project cost. The project is scheduled to get underway at the end of October.
  - In FY25, the 200 covered parking spaces, located within the Ray Road Economy Lot, completed its payback period years ahead of schedule and experienced tremendous growth in customer use. To meet this increasing demand, and to continue to bolster the customer experience, the Authority will be constructing an additional 200 covered parking spaces.
  - The Taxiway Golf Realignment Project will correct existing pavement issues and non-standard geometry. Construction is contingent on grant funding and is scheduled for completion within two years.

6. AmpliFLY Mesa Gateway Presentation –Jimmy Lindblom, Partner

AmpliFLY Mesa Gateway presented their design plans for a corporate hangar facility exceeding 100,000 square feet. This significant facility is planned for a 9.6-acre aeronautical redevelopment site at the south end of the Airport.

7. Consent Agenda

a) Minutes of the Board Meeting held on **September 16, 2025**.

b) **Resolution No. 25-44 –** Authorizing a purchase with **CDW Government LLC** for annual Microsoft licensing renewals, for three (3) years in an amount not to exceed $235,408.94.

c) **Resolution No. 25-45 –** Authorizing Mesa Gateway Airport Authority'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, 2026 through December 31, 2026 with an estimated plan cost of $1,478,565 for the calendar year.

d) **Resolution No. 25-46 –** Authorizing the purchase of two ADA Passenger Boarding Ramps from **Timberline GSE, Inc.** in an amount not to exceed $173,198.80.

e) **Resolution No. 25-47 –** Authorizing an Amendment of the **FY26 Capital Budget** to provide $1,089,040.95 in funding, for the Design of the Taxiway G Rehabilitation and Realignment**.**

f) **Resolution No. 25-48 –** Authorizing an Authorization of Services with **Kimley-Horn & Associates** to Design the Taxiway G Rehabilitation and Realignment Project in an amount not to exceed $1,089,040.95.

g) **Resolution No. 25-49 –** Authorizing a modification to the Memorandum of Agreement with **U.S. Customs and Border Protections** changing the minimum staffing assigned to the Gateway User Fee Facility from one officer to two officers.

h) **Resolution No. 25-50 –** Authorizing an Authorization of Services to provide Engineering Design Services with **Kimley-Horn & Associates** for the expansion of the Covered Parking in the Ray Road Economy Lot, in an amount not to exceed $58,391.47.

Mayor Mark Freeman moved to approve the Consent Agenda.
Councilmember Jeff Brown seconded the motion.
The motion was carried unanimously.

Consideration and Approval of:

8. **Resolution No. 25-51 –** Authorizing a Land Lease Agreement with **AmpliFLY Mesa Gateway, LLC** for 9.634 acres (419,652 SF) located near the intersection of Velocity Way and Taxiway Circle. The lease term is forty (40) years with the option to extend the term for two (2) additional periods of five (5) years each. The initial Base Rent is $230,808.60 annually, payable in equal monthly installments of $19,234.05 plus applicable taxes.

Councilmember Jeff Brown moved to approve Resolution No. 25-51.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

9. **Board Member Comments/Announcements.**
A groundbreaking celebration is being held for FlightSafety International's new 100,000-square-foot-Learning Center following today's board meeting. The private event is on the Airport across the street from the new Gulfstream West Coast Service Center at the intersection of Ellsworth Road and Gateway Boulevard.

10. **Next Meeting: Tuesday, November 18, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference.

11. **Adjournment.**
    The meeting adjourned at 9:53 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 25-52

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, 2026**
Date: **December 16, 2025**

Proposed Motion
To authorize the revised MGAA Board Approved Airport Rates and Charges schedule with an effective date of January 1, 2026.

Narrative
Airport staff is recommending the below changes to the current MGAA Board Approved Airport Rates & Charges schedule.

1) Aircraft Landing Fee - Signatory Commercial Carriers – a 3% rate increase from $1.44 to $1.48 per 1,000 lbs. maximum gross landing weight (MGLW).
2) Aircraft Landing Fee **-** Non-Signatory Commercial Carriers, Scheduled Cargo, General Aviation, and other eligible aircraft - a 3% rate increase from $2.16 to $2.22 per 1,000 lbs. MGLW.

   Landing fee exemptions will be the following:

   - U.S. government owned aircraft
   - All aircraft up to 12,500 MGLW

3) Parking Lot Rates
   - Daily Parking Lot maximum rate will increase from $13 to $15.
   - Economy Parking Lot Uncovered daily maximum rate will increase from $9 to $10.

Fiscal Impact:
For the remainder of FY26, an additional $29,856 of Landing Fees revenue and $146,428 in Parking revenue will be generated from these proposed increases.

Attachment(s)
Proposed changes to MGAA Board Approved Airport Rates & Charges

RESOLUTION NO. 25-52

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

WHEREAS the Authority desires to authorize the revised Airport Rates and Charges schedule with an effective date of January 1, 2026;

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 revised Airport Rates and Charges schedule with an effective date of January 1, 2026. 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 December, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

MGAA Board Approved
Airport Rates and Charges

Effective January 1, 2026

This schedule of Airport Rates and Charges is subject to frequent updates. For the latest schedule, please visit the 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.		
Scheduled Cargo Carriers	Scheduled FAR Part 121 and 129 cargo operators, with a 90-day rolling average of less than 90 departures per month.		
Aircraft Landing Fees	Signatory Commercial Carriers, ~~$1.44~~ $1.48 per 1,000 lbs. maximum gross landing weight (MGLW) Non-Signatory Commercial & Scheduled Cargo Carriers, General Aviation and other eligible aircraft, ~~$2.16~~ $2.22 per 1,000 lbs. MGLW. Exemptions: 1. U.S. Government owned aircarft 2. ~~Non-revenue and flight training~~ All 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 & Scheduled Cargo Carriers - $.05 per gallon		
	All Others - $0.12 per gallon		
Parking Rates	**Fee by Location**	**Rate**	**Daily Maximum Charge**
	Hourly Parking Lot	$1.00 / 30 minutes*	$48
	Daily Parking Lot	$1.00 / 30 minutes*	~~$13~~ $15
	Ray Rd Economy Parking Lot Uncovered	$1.00 / 30 minutes*	~~$9~~ $10
	Ray Rd Economy Parking Lot Covered	$1.00 / 30 minutes*	$11
	Lost Ticket Fee with itinerary = Days of Stay x Parking Lot Rate + $20 Lost Ticket & Admin Fee Lost 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)		

All Airport Rates and Charges may vary due to terms defined in specific agreements. Late payments, unless otherwise specified, are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified. Any returned payment items are subject to a $25 returned item fee.

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, unless otherwise specified, are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified. Any returned payment items are subject to a $25 returned item fee.

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

Ground Transportation Fees			
Item	**Category**	**Description**	**Rate**
Annual Vehicle Permit	Limousine	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.	$270
	Livery / Sedan	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.	$270
	Courtesy Shuttle	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	$370
	Shared Ride Service	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.	$370
Per Trip Fee	TNC	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.	$2.50
Per Pick Up Fee	Taxicab	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.	$4.00

All Airport Rates and Charges may vary due to terms defined in specific agreements. Late payments, unless otherwise specified, are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified. Any returned payment items are subject to a $25 returned item fee.

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

Board Action Item

Re: Resolution 25-53

To:	**Board of Directors**
From:	**Margi EvanSon, Director of Operations, Security & Maintenance**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**CIP 1024 – Tractor Replacement**
Date:	**December 16, 2025**

Proposed Motion
To authorize the purchase of one new Kubota agricultural tractor from Bingham Equipment Company in an amount not to exceed $74,861.41.

Narrative
The approved FY26 capital plans includes replacement of one airport utility tractor. Mesa Gateway Airport Authority's Airfield Maintenance Department utilizes this equipment primarily for (but not limited to) grass, brush, and vegetation control.

The airport's existing tractor, a 2011 John Deere has reached the end of its useful life cycle and has exhibited maintenance failures beyond economic feasibility to repair. The replacement unit, a 2026 Kubota M5-111, provides increased operator efficiency, lower operating costs, and better dependability along with more modern safety features.

MGAA is a member of the Sourcewell cooperative purchasing organization. Under Sourcewell, Kubota Tractor Company, in partnership with Bingham Equipment Company, was awarded contract #082923-KBA and it is through this competitive selection that MGAA will utilize Bingham Equipment Company to purchase the tractor. This contract is available upon request.

Fiscal Impact
This purchase was included in the FY26 capital budget and is funded with non-grant funds as CIP 1024.

Attachment(s)
Quote

RESOLUTION NO. 25-53

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

WHEREAS the Authority desires to authorize the purchase of one new Kubota agricultural tractor from Bingham Equipment Company in an amount not to exceed $74,861.41;

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 new Kubota agricultural tractor from Bingham Equipment Company in an amount not to exceed $74,861.41. 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 December, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Sourcewell
Ground Maintenance, CE, Utility
Tractors, Mowers, RTV's - 112624-KBA
Ag Tractors with Related Attachments - 082923-KBA
NJPA Arkansas 4600041718
Nebraska 14777 (OC)
Mississippi 8200067336

M5-111HFC-1 WEB QUOTE #2925668
Date: 11/24/2025 11:34:12 AM
-- Customer Information --
Burwell, Jeff
40858
Phoenix-Mesa Gateway Airport Authority
shaun.spilsbury@binghamequipment.com
4809887532

Quote Provided By
BINGHAM EQUIPMENT COMPANY
Shaun Spilsbury
1655 S. COUNTRY CLUB DR.
MESA, AZ 85210
email:
shaun.spilsbury@binghamequipment.com
phone: 6029805671

-- Standard Features --

Kubota
M Series

M5-111HFC-1
2WD, HYDRAULIC SHUTTLE TRANSMISSION & CAB
* * * EQUIPMENT IN STANDARD MACHINE & SPECIFICATIONS * * *

DIESEL ENGINE
Kubota V3800 Direct Injection
3.8L (230 cu. In.) 4 Cyl
EPA Tier 4 Final Compliant
Common Rail Electronic Fuel Injection
Electronic Engine Management
Turbocharged
w/Wastegate and Intercooled
Fuel Tank Capacity: 27.7 Gal
60 Amp Alternator ROPS
80 Amp Alternator Cab
12V 900 CCA Battery
SAE Gross HP: 105.6
Engine Net HP: 100
Max . PTO HP: 89
Cab @ 2600 Engine RPM
ROPS @ 2400 Engine RPM

EXHAUST EMISSION CONTROL TYPE
DPF System (Diesel Particulate Filter)
SCR System

HYDRAULICS / HITCH / DRAWBAR
Open Center Gear Pump
Max. Flow @ Rated Engine Speed: ROPS: 2400 rpm
Cab: 2600 rpm
Power Steering:5.4 gpm
Impl. Flow ROPS: 15.9 gpm
Impl. Flow Cab: 17.0 gpm
Total Flow - ROPS: 21.3 gpm
Total Flow - Cab: 23.1 gpm

REMOTE VALVES
(1) SCD (Self Canceling Detent)
(1) FD (Float Detent) on -1 models (2 Total standard)

3 POINT HITCH & DRAWBAR
Cat II 3-point Hitch
8 Speed Models
@ Lift Points: 7055 lbs
(ASAE) @ 24" Behind: 5181 lbs
12/24 Speed Models
@ Lift Points: 8600 lbs
(ASAE) @ 24" Behind: 7275 lbs
2 External Lift Cylinders
Telescoping Lower Links
Stabilizers
Swinging Drawbar - Straight

POWER TAKE OFF (540)
Live-Independent Hyd. PTO
SAE 1 3/8" Six Spline
540 rpm @ 2205 Eng. rpm
540 rpm @ 2035 Eng. rpm 12/24 speed
540E* @ 1519 Eng. rpm
* if equipped 12/24 Standard

TRANSMISSION
8F/8R Two Range, 4-Speed
12F/12R Two Range, 6-Speed
540/540E
24F/24R Two Range, 6-Speed Hi/Lo
540/540E
24 speed on M5-111 only
Auto 4WD Function
Electro-Hydraulic Shuttle Shift
Clutch - Multi Plate Wet
Planetary Final Drives
Hydraulic Wet Disc Brakes

FRONT AXLE
Hydrostatic Power Steering
2WD: Tubular Steel Beam Telescoping
4WD: Cast Iron, Bevel Gear 55 deg
Planetary Final Drives
Adj. (Rim) Tread Spacing

FLUID CAPACITY
Fuel Tank Capacity: 27.7 gal
DEF Tank Capacity: 3.2 gal
Cooling System: 11 qts
Crankcase: 11.3 qts
Hydraulics/Trans: 15.85 gal

INSTRUMENTS
LCD readout for MPH and PTO rpm
RPM Memory
Tachometer/Hour meter
Oil Pressure
Fuel Gauge
Coolant Temperature
Gear Speed Digital Light Indicator
Digital Light Indicator F/R Direction

ULTRA GRAND CAB II
4-post, ROPS Certified
RH & LH Doors
Tinted Glass Doors and Windows
In-roof window
Tilt Steering Wheel
Dual Level Air Conditioning & Heater
Front and Wiper/Washer
Front Sun Visor
Retractable Seat belt
LH & RH Side Mirrors
Radio Ready Cab
Steps, Left and Right Side
Interior Dome Light
12V – 30-Amp 2 Wire Coupler
12V – 3 Pin 30-Amp Coupler
12V - Outlet
Cup Holder
Instructor Seat Ready
Horn

SAFETY EQUIPMENT
Flip-Up PTO Shield

-- Custom Options --

M5-111HFC-1 Base Price:	$72,946.38
Selected Kubota Attachments	
(1) DUAL SPEED PTO KIT (540/1000) PNF M7623A-DUAL SPEED PTO KIT (540/1000) PNF	$1,515.00
(1) DRAWBAR CLEVIS M9594-DRAWBAR CLEVIS	$94.00
(1) AIR RIDE SEAT SUSPENSION UPGRADE KIT M9270-AIR RIDE SEAT SUSPENSION UPGRADE KIT	$736.00
(1) M5 AIR RIDE SEAT WIRING HARNESS PNF M9205-M5 AIR RIDE SEAT WIRING HARNESS PNF	$29.00
(1) REAR WINDOW WIPER KIT W/WASHER M7649-REAR WINDOW WIPER KIT W/WASHER	$313.00
(1) INSIDE MIRROR KIT FOR M5 CAB TRACTOR PNF M9128-INSIDE MIRROR KIT FOR M5 CAB TRACTOR PNF	$59.00
(1) HIGH CAPACITY ALT KIT / M5 CAB TRA PNF M9134-HIGH CAPACITY ALT KIT / M5 CAB TRA PNF	$990.00
(1) 3RD PTN LEVER KIT/M5-091/M5-111 CAB PNF M9116-3RD PTN LEVER KIT/M5-091/M5-111 CAB PNF	$193.00
(1) SCD (SELF CANCELING DETENT) M7610-SCD (SELF CANCELING DETENT)	$927.00
Total Kubota Attachments:	$4,856.00
Total Attachments:	$4,856.00
Configured Price:	$77,802.38
Sourcewell Discounts:	
Kubota Items:	($17,116.52)
Total Discount:	($17,116.52)
SUBTOTAL:	$60,685.86
Factory Assembly:	$325.00
Kubota Item Fees:	
Dealer Assembly:	$929.50
Freight Cost:	$793.75
PDI:	$400.00
Flexxaire Reversing Fan with Freight and Tariff	$4,830.00
Labor to Install Flexxaire Reversing Fan	$1,160.00
Total Unit Price:	$69,124.11
Quantity Ordered:	1
Final Sales Price:	$69,124.11

Purchase Order Must Reflect Final Sales Price.

To order, place your Purchase Order directly with the quoting dealer

Sales tax 8.3% $ 5,737.30
Total sale price: $ 74,861.41

DRAFT

LIGHTING

2 Headlights - Tail lights
4 Hazard Flasher Lights w/ Turn Signals
2 Grille Mounted Worklights
2 Front Cab Halogen Worklights
2 Rear Halogen Worklights

Electric Key Shut Off
Parking Brake
Turn Signals
SMV Sign
7-Pin Electrical Trailer Connector

SELECTED TIRES

sub261
FRONT - 7.5-18 F2 TITAN TRU TT
REAR - 18.4-30 R1W GOODYEAR OPTITRAC

***All equipment specifications are as complete as possible as of the date on the quote. Additional attachments, options, or accessories may be added (or deleted) at the discounted price.** All specifications and prices are subject to change. Taxes are not included. The PDI fees and freight for attachments and accessories quoted may have additional charges added by the delivering dealer. These charges will be billed separately. Prices for product quoted are good for 60 days from the date shown on the quote. All equipment as quoted is subject to availability.

© 2018 Kubota Tractor Corporation. All rights reserved.

198.143.56.3

DRAFT

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

Board Action Item

Re: Resolution 25-54

To:	**Board of Directors**
From:	**Art Montoya, Director of Information Technology Services**
Through:	**Chuck Odom, Chief Financial Officer**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Technology Refresh – Server Life Cycle Refresh CIP 1308**
Date:	**December 16, 2025**

Proposed Motion
To authorize the procurement of server equipment from Dell Marketing, L.P. in an amount not to exceed $103,185.77.

Narrative
The Mesa Gateway Airport Authority's (MGAA's) Information Technology Service (ITS) Department ensures the Airport's operation, compliance, and disaster recovery functionality relative to information technology industry standards. FY26 is slated to continue with prior fiscal year's practice of server refresh replacement program per a pre-established schedule. The procurement of six (6) servers will complete a four-year refresh life cycle program.

Servers are a critical component of the Airport's ability to store and access data across the network. A server plays a vital role in business technology and provides a system solution for backing up operating systems and data in the event of primary system data becoming corrupted, deleted, or lost. As part of the strategic direction of the Airport, increased attention and commitment are being placed on providing essential technology systems and services to ensure cost-effective support operations.

As a qualified member of the Arizona Department of Administration State Procurement Office (ADSPO), MGAA is able to procure goods and services under state contracts that have been competitively bid. The State has currently contracted with Dell Marketing, L.P. for computer hardware and support under Contract CTR068890. It is under this contract that MGAA will procure the server equipment. This contract is available upon request.

Fiscal Impact
This purchase is included in the FY26 Capital Improvement Projects and is funded with non-grant funding under CIP 1308.

Attachment(s)
Quote

RESOLUTION NO. 25-54

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

WHEREAS the Authority desires to authorize the procurement of server equipment from Dell Marketing, L.P. in an amount not to exceed $103,185.77;

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 server equipment from Dell Marketing, L.P. in an amount not to exceed $103,185.77. 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 December, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Your quote is ready for purchase.

Complete the purchase of your personalized quote through our secure online checkout before the quote expires on **Jan. 01, 2026**.

You can download a copy of this quote during checkout.

Place your order

Quote Name:	**2025 Server refresh**	Sales Rep	Jill Disorbo
Quote No.	**3000196925568.1**	Phone	1(800) 4563355, 6176445
Total	**$103,185.77**	Email	Jill.Disorbo@Dell.com
Customer #	22980627	**Billing To**	PAYABLE ACCOUNTS PHOENIX-MESA GATEWAY AIRPORT 5835 S SOSSAMAN RD MESA, AZ 85212-6014
Quoted On	Dec. 02, 2025		
Expires by	Jan. 01, 2026		
Contract Name	Dell NASPO Computer Equipment PA - Arizona		
Contract Code	C000001124007		
Customer Agreement #	23026 / CTR068890		

Message from your Sales Rep

Please use the Order button to securely place the order with your preferred payment method online. You may contact your Dell sales team if you have any questions. Thank you for shopping with Dell.

Regards,
Jill Disorbo

Shipping Group

Shipping To

BRIAN WALLACE
PHOENIX-MESA GATEWAY AIRPORT
5835 S SOSSAMAN RD
MESA, AZ 85212
(480) 988-7600

Shipping Method

Standard Delivery

Product	Unit Price	Quantity	Subtotal
PowerEdge R760XD2	**$18,349.93**	**2**	**$36,699.86**
PowerEdge R660	**$14,872.06**	**4**	**$59,488.24**

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Subtotal:	**$96,188.10**
Shipping:	**$0.00**
Non-Taxable Amount:	**$11,878.60**
Taxable Amount:	**$84,309.50**
Estimated Tax:	**$6,997.67**
Total:	**$103,185.77**

Special pricing may be available for qualified customers. Please contact your DFS Sales Representative for details.



Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Shipping Group Details

Shipping To

BRIAN WALLACE
PHOENIX-MESA GATEWAY AIRPORT
5835 S SOSSAMAN RD
MESA, AZ 85212
(480) 988-7600

Shipping Method

Standard Delivery

	Unit Price	Quantity	Subtotal
PowerEdge R760XD2	**$18,349.93**	**2**	**$36,699.86**

Estimated delivery if purchased today:
Jan. 29, 2026
Contract # C000001124007
Customer Agreement # 23026 / CTR068890

Description	SKU	Unit Price	Quantity	Subtotal
PowerEdge R760XD2 Server	210-BGSS	-	2	-
Trusted Platform Module 2.0 V6	461-AAIG	-	2	-
3.5" Chassis with up to 24 SAS/SATA Drives, PERC 11, GPU Capable, 1 or 2 CPU	321-BJLR	-	2	-
Intel Xeon Gold 5418Y 2G, 24C/48T, 16GT/s, 45M Cache, Turbo, HT (185W) DDR5-4400	338-CHSR	-	2	-
Intel Xeon Gold 5418Y 2G, 24C/48T, 16GT/s, 45M Cache, Turbo, HT (185W) DDR5-4400	338-CHSR	-	2	-
Additional Processor Selected	379-BDCO	-	2	-
Heatsink for 2 CPU configuration, Config 2	412-BBDB	-	2	-
Performance Optimized	370-AAIP	-	2	-
5600MT/s RDIMMs	370-BBRX	-	2	-
No RAID	780-BCDI	-	2	-
PERC H355 Adapter, Low Profile	405-ABCU	-	2	-
Performance BIOS Settings	384-BBBL	-	2	-
UEFI BIOS Boot Mode with GPT Partition	800-BBDM	-	2	-
Standard Fan x6	750-BBCG	-	2	-
Dual, Hot Plug, Power Supply, Redundant (1+1) 1400W (100-240Vac)	450-AKWT	-	2	-
Riser Config 2A, 4x16 + 1x8 (x16 connector) LP Slots (Gen4)	330-BCGK	-	2	-
R760XD2 Motherboard with Broadcom 5720 Dual Port 1Gb On-Board LOM, DAO	329-BJKC	-	2	-
Dell Connectivity Client - Enabled	379-BFXS	-	2	-
Dell Connectivity Module	634-CYDF	-	2	-
iDRAC9, Express 16G	528-CTIJ	-	2	-
Broadcom 57416 Dual Port 10GbE BASE-T Adapter, OCP NIC 3.0	540-BCOD	-	2	-
BOSS Blank	403-BCID	-	2	-
iDRAC,Factory Generated Password	379-BCSF	-	2	-
iDRAC Group Manager, Disabled	379-BCQY	-	2	-
Windows Server 2025 Standard,16CORE,FI,No Med,No CAL, Multi Language	634-CVGB	-	2	-

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Cable Management Arm, 2U	770-BDRQ	-	2	-
ReadyRails Sliding Rails Without Cable Management Arm (B23)	770-BFDD	-	2	-
No Systems Documentation, No OpenManage DVD Kit	631-AACK	-	2	-
Dell Luggage Tag	321-BJXD	-	2	-
PowerEdge R760XD2 Shipping	340-DGZR	-	2	-
PowerEdge R760XD2 Shipping Material	340-DGZP	-	2	-
PE R760XD2 No CCC or CE Marking	343-BBVR	-	2	-
ProSupport 7x24 Technical Support and Assistance 5 Years	895-9990	-	2	-
ProSupport Next Business Day On-Site Service After Problem Diagnosis 5 Years	895-9999	-	2	-
Dell Hardware Limited Warranty Plus On-Site Service	896-0042	-	2	-
Thank you choosing Dell ProSupport. For tech support, visit //www.dell.com/support or call 1-800- 945-3355	989-3439	-	2	-
On-Site Installation Declined	900-9997	-	2	-
32GB RDIMM, 5600MT/s, Dual Rank	370-BBRY	-	4	-
8TB Hard Drive SAS ISE 12Gbps 7.2K 512e 3.5in Hot-Plug, AG Drive	161-BCPX	-	24	-
C13 to C14, PDU Style, 12 AMP, 6.5 Feet (2m) Power Cord, North America	492-BBDI	-	4	-
Windows Server 2025 Standard,16CORE,DF Recovery Image, Multi Lang, (Downgrade not included)	528-DHTW	-	2	-
Windows Server 2025 Standard Edition, Add License,16CORE,NO MEDIA/KEY	634-CVFT	-	4	-

		Unit Price	Quantity	Subtotal
PowerEdge R660		**$14,872.06**	**4**	**$59,488.24**

Estimated delivery if purchased today:
Dec. 26, 2025
Contract # C000001124007
Customer Agreement # 23026 / CTR068890

Description	SKU	Unit Price	Quantity	Subtotal
PowerEdge R660 Server	210-BEQQ	-	4	-
Trusted Platform Module 2.0 V6	461-AAIG	-	4	-
2.5" Chassis with up to 10 Hard Drives (SAS/SATA), 2CPU, PERC11	321-BHRW	-	4	-
Intel Xeon Silver 4510 2.4G, 12C/24T, 16GT/s, 30M Cache, Turbo, HT (150W) DDR5-4400	338-CPCH	-	4	-
Intel Xeon Silver 4510 2.4G, 12C/24T, 16GT/s, 30M Cache, Turbo, HT (150W) DDR5-4400	338-CPCH	-	4	-
Additional Processor Selected	379-BDCO	-	4	-
No HBM	379-BFFD	-	4	-
Standard Heatsink for 2 CPU configuration (CPU less than or equal to 185W)	412-ABCJ	-	4	-
Performance Optimized	370-AAIP	-	4	-
5600MT/s RDIMMs	370-BBRX	-	4	-
RAID 5	780-BCDP	-	4	-
PERC H755 SAS Front	405-AAZB	-	4	-
Front PERC Mechanical Parts, rear load	750-ADRI	-	4	-

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Performance BIOS Settings	384-BBBL	-	4	-
UEFI BIOS Boot Mode with GPT Partition	800-BBDM	-	4	-
4 Very High Performance Fans	384-BCUJ	-	4	-
Dual, Redundant(1+1),Hot-Plug Power Supply,1400W MM, Titanium	450-BDHY	-	4	-
Riser Config 1, Low Profile, 3x16 LP Slots (Gen4)	330-BBYX	-	4	-
Motherboard MLK supports ONLY CPUs below 250W. Cannot upgrade to CPUs 250W and above	329-BKBR	-	4	-
Broadcom 57416 Dual Port 10GbE BASE-T Adapter, OCP NIC 3.0	540-BCOD	-	4	-
LOM Blank	540-BDMK	-	4	-
Standard Bezel	325-BEVE	-	4	-
Dell Luggage Tag	350-BCKC	-	4	-
BOSS Blank	403-BCID	-	4	-
No Quick Sync	350-BBXM	-	4	-
iDRAC Factory Generated Password for OCP cards	379-BETG	-	4	-
iDRAC Group Manager, Disabled	379-BCQY	-	4	-
Windows Server 2025 Standard,16CORE,FI,No Med,No CAL, Multi Language	634-CVGB	-	4	-
Dell Connectivity Client - Enabled	379-BFXS	-	4	-
Dell Connectivity Module	634-CYDF	-	4	-
iDRAC9, Express 16G	528-CTIJ	-	4	-
Dell Secure Onboarding Client Disabled	634-CZRQ	-	4	-
ReadyRails Static Rails for 2/4-post Racks (A14)	770-BDMR	-	4	-
No Systems Documentation, No OpenManage DVD Kit	631-AACK	-	4	-
PowerEdge R660 Shipping	340-DBXZ	-	4	-
PowerEdge R660 Shipping Material, 10x2.5", 8x2.5" Smart Flow or 16xEDSFF	340-DBYC	-	4	-
PowerEdge R660 No CCC, No CE Marking	343-BBTU	-	4	-
ProSupport 7x24 Technical Support and Assistance 5 Years	887-1064	-	4	-
ProSupport Next Business Day On-Site Service After Problem Diagnosis 5 Years	887-1073	-	4	-
Dell Hardware Limited Warranty Plus On-Site Service	887-1076	-	4	-
Thank you choosing Dell ProSupport. For tech support, visit //www.dell.com/support or call 1-800- 945-3355	989-3439	-	4	-
On-Site Installation Declined	900-9997	-	4	-
64GB RDIMM, 5600MT/s, Dual Rank	370-BBRN	-	16	-
960GB SSD SATA Read Intensive 6Gbps 512e 2.5in Hot-plug AG Drive, 1 DWPD	400-AXSW	-	12	-
Power Cord - NEMA 5-15P to C13, 3M, 125V, 15A (North America, Guam, North Marianas, Philippines, Samoa, Vietnam)	450-AALV	-	8	-
Broadcom 57416 Dual Port 10GbE BASE-T Adapter, PCIe Low Profile	540-BBVJ	-	4	-
Windows Server 2025 Standard,16CORE,DF Recovery Image, Multi Lang, (Downgrade not included)	528-DHTW	-	4	-

Windows Server 2025 Standard Edition, Add License,16CORE,NO MEDIA/KEY	634-CVFT	-	4	-

Subtotal:	**$96,188.10**
Shipping:	**$0.00**
Estimated Tax:	**$6,997.67**
Total:	**$103,185.77**

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Important Notes

Terms of Sale

This Quote will, if Customer issues a purchase order for the quoted items that is accepted by Supplier, constitute a contract between the entity issuing this Quote ("Supplier") and the entity to whom this Quote was issued ("Customer"). Unless otherwise stated herein, pricing is valid for thirty days from the date of this Quote. All products, pricing, and other information is based on the latest information available and is subject to change for any reason, including but not limited to tariffs imposed by government authorities. Supplier reserves the right to cancel this Quote and Customer purchase orders arising from pricing errors. Taxes and/or freight charges listed on this Quote are only estimates. The final amounts shall be stated on the relevant invoice. Additional freight charges will be applied if Customer requests expedited shipping. Please indicate any tax exemption status on your purchase order and send your tax exemption certificate to Tax_Department@dell.com or ARSalesTax@emc.com, as applicable.

Governing Terms: This Quote is subject to: (a) a separate written agreement between Customer or Customer's affiliate and Supplier or a Supplier´s affiliate to the extent that it expressly applies to the products and/or services in this Quote or, to the extent there is no such agreement, to the applicable set of Dell's Terms of Sale (available at www.dell.com/terms or www.dell.com/oemterms), or for cloud/as-a-Service offerings, the applicable cloud terms of service (identified on the Offer Specific Terms referenced below); and (b) the terms referenced herein (collectively, the "Governing Terms"). Different Governing Terms may apply to different products and services on this Quote. The Governing Terms apply to the exclusion of all terms and conditions incorporated in or referred to in any documentation submitted by Customer to Supplier.

Supplier Software Licenses and Services Descriptions: Customer's use of any Supplier software is subject to the license terms accompanying the software, or in the absence of accompanying terms, the applicable terms posted on www.Dell.com/eula. Descriptions and terms for Supplier-branded standard services are stated at www.dell.com/servicecontracts/global or for certain infrastructure products at www.dellemc.com/en-us/customer-services/product-warranty-and-service-descriptions.htm.

Offer-Specific, Third Party and Program Specific Terms: Customer's use of third-party software is subject to the license terms that accompany the software. Certain Supplier-branded and third-party products and services listed on this Quote are subject to additional, specific terms stated on www.dell.com/offeringspecificterms ("Offer Specific Terms").

In case of Resale only: Should Customer procure any products or services for resale, whether on standalone basis or as part of a solution, Customer shall include the applicable software license terms, services terms, and/or offer-specific terms in a written agreement with the end-user and provide written evidence of doing so upon receipt of request from Supplier.

In case of Financing only: If Customer intends to enter into a financing arrangement ("Financing Agreement") for the products and/or services on this Quote with Dell Financial Services LLC or other funding source pre-approved by Supplier ("FS"), Customer may issue its purchase order to Supplier or to FS. If issued to FS, Supplier will fulfill and invoice FS upon confirmation that: (a) FS intends to enter into a Financing Agreement with Customer for this order; and (b) FS agrees to procure these items from Supplier. Notwithstanding the Financing Agreement, Customer's use (and Customer's resale of and the end-user's use) of these items in the order is subject to the applicable governing agreement between Customer and Supplier, except that title shall transfer from Supplier to FS instead of to Customer. If FS notifies Supplier after shipment that Customer is no longer pursuing a Financing Agreement for these items, or if Customer fails to enter into such Financing Agreement within 120 days after shipment by Supplier, Customer shall promptly pay the Supplier invoice amounts directly to Supplier.

Customer represents that this transaction does not involve: (a) use of U.S. Government funds; (b) use by or resale to the U.S. Government; or (c) maintenance and support of the product(s) listed in this document within classified spaces. Customer further represents that this transaction does not require Supplier's compliance with any statute, regulation or information technology standard applicable to a U.S. Government procurement.

For certain products shipped to end users in California, a State Environmental Fee will be applied to Customer's invoice. Supplier encourages customers to dispose of electronic equipment properly.

Electronically linked terms and descriptions are available in hard copy upon request.

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

Board Action Item

Re: Resolution 25-55

To: **Board of Directors**
From: **Lori Collins, Business & Economic Development Director**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Allegiant Air Carrier Operating Agreement**
Date: **December 16, 2025**

Proposed Motion

To authorize the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with Allegiant Air, LLC for commercial air service at the Airport.

Narrative

Allegiant Air, LLC ("Allegiant"), a wholly owned subsidiary of Allegiant Travel Company, currently provides commercial passenger transportation services to more than forty domestic destinations at 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 and a contractual obligation to adhere to the Airport's Rules and Regulations and Minimum Standards.

The new five-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. 25-55

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

WHEREAS the Authority desires to authorize the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with Allegiant Air, LLC 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/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with Allegiant Air, LLC 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 16th day of December, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport Authority

Air Carrier Operating Agreement

with

Allegiant Air, LLC

Effective Date: January 1, 2026

TABLE OF CONTENTS

1. PERMITTED ACTIVITIES AND CONDITIONS OF AIRPORT USE. 3
2. TERM. 4
3. EXCLUSIVE, PREFERENTIAL, AND NONEXCLUSIVE RIGHTS. 4
4. RENTALS, FEES AND CHARGES 5
5. REPORTING REQUIREMENTS 6
6. INSURANCE 7
7. DISABLED OR ABANDONED AIRCRAFT. 8
8. ENVIRONMENTAL COMPLIANCE. 9
9. TAXES AND RELATED IMPOSITIONS. 9
10. RULES, REGULATIONS AND MINIMUM STANDARDS. 10
11. DEFAULT: TERMINATION BY MGAA 10
12. GOVERNING LAW; ATTORNEY'S FEES 11
13. NONWAIVER 11
14. ASSIGNMENT 11
15. OTHER RESTRICTIONS 11
16. AIRPORT SECURITY. 11
17. AIRPORT SECURITY BADGE. 12
18. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES. 12
19. TITLE VI. 13
20. NOTICE. 14
21. PRIOR AGREEMENTS AND PERMITS. 15
22. CORPORATE AUTHORIZATION 15
23. MISCELLANEOUS. 15
22. INCORPORATION OF RECITALS. 16

EXHIBIT A 18
EXHIBIT B 19
EXHIBIT C 20
EXHIBIT D 21
EXHIBIT E 22

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 2026 (the "Effective Date") between the **MESA GATEWAY AIRPORT AUTHORITY** ("MGAA"), formerly Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized under the laws of the State of Arizona ("MGAA"), and **ALLEGIANT AIR, LLC** ("CARRIER"). MGAA and CARRIER may be referred to collectively as "Parties," and each separately may be referred to as a "Party."

RECITALS:

A. MGAA is the owner and operator of the Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

B. MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA) without first applying for and receiving written approval for such activity from MGAA. 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 MGAA at law or equity, CARRIER hereby agrees to remit to MGAA the sum equal to TEN PERCENT (10%) of gross billings for such unauthorized activity, plus any expenses incurred by MGAA 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 MGAA 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 five (5) years, 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. MGAA may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that MGAA 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 Mesa Gateway Airport without prior coordination with MGAA and confirmation from MGAA of terminal availability.

Pursuant to MGAA's Common Use Facilities Operating Procedures (attached as **EXHIBIT C**), CARRIER shall submit a copy of CARRIER's proposed schedule to MGAA 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 MGAA shall provide CARRIER with exclusive use of the Airport facilities identified in **EXHIBIT D**.

3.3 MGAA 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 MGAA's Common Use Facilities Operating Procedures. Common use requirements shall be scheduled with MGAA's Operations & Maintenance department prior to any planned use.

3.4 MGAA has implemented Common Use Facilities Operating Procedures. MGAA 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 MGAA has implemented an Airport Security Program in a form acceptable to the Transportation Security Administration (TSA). MGAA 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 MGAA, 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 MGAA 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 MGAA 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 MGAA, 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 MGAA 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 MGAA 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 MGAA 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 MGAA, 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 MGAA coterminous with this Agreement.

4.9 Aircraft Ramp Space and Services. CARRIER shall pay MGAA 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 MGAA (collectively, "Additional Services").

4.10 Other Fees. Unless specified otherwise herein, CARRIER shall pay MGAA for its usage or rental of MGAA equipment and the performance of services by MGAA within TEN (10) business days of CARRIER's receipt of an invoice (the "Invoice Due Date") for same from MGAA. The amount of such fees shall be as provided by separate agreement between CARRIER and MGAA, 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 MGAA 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 MGAA 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 MGAA upon request. MGAA 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 MGAA.

4.12 Airport Incentives. As an inducement for CARRIER to initiate additional airline services at the Airport, MGAA 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 MGAA, and total annual emplaned passenger activity. The MGAA Air Service Incentive Program for CARRIER is attached as **EXHIBIT E**. The Parties acknowledge that non-airline revenue-share program thresholds in EXHIBIT E may be formally amended based on the previous fiscal year's enplaned passenger counts.

5. REPORTING REQUIREMENTS

5.1 CARRIER shall file with MGAA 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 MGAA providing for its own submission of activity data to MGAA.

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 MGAA 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 MGAA 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 MGAA'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 MGAA to audit said books and records.

5.4 The cost of audit, with the exception of the aforementioned expenses, shall be borne by MGAA; 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 Mesa Gateway Airport Authority and delivered to:

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 MGAA 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, MGAA 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 MGAA, 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 MGAA 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 MGAA.

6.5 Insurance Form. Each insurance policy obtained pursuant to this SECTION 6, except for Workers' Compensation and Employer Liability policies, shall: (i) name MGAA 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 MGAA 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 MGAA. Operator shall not permit any insurance policy to be canceled or modified without MGAA'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 MGAA.

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 MGAA, 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 MGAA.

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, MGAA shall have the right to remove such aircraft by any means MGAA deems necessary under the circumstances, and CARRIER shall, to the fullest extent permitted by law, indemnify, defend, keep and hold MGAA, 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 MGAA 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 MGAA for any costs incurred by MGAA in removing and storing any aircraft, at MGAA'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 MGAA'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, MGAA 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 MGAA 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 MGAA, 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 MGAA 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 MGAA 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 MGAA of any permits, licenses, or other evidence of compliance with laws upon request.

10.2 MGAA 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 MGAA'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 MGAA

11.1 General Grounds. MGAA 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 MGAA **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 MGAA 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** MGAA of a written notice of such failure.

11.1.4 The filing of any lien against CARRIER because of any act or omission of MGAA which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by MGAA.

11.2 Failure to Pay Fees. MGAA 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, MGAA 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, MGAA 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 MGAA. No waiver by MGAA 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 MGAA, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between MGAA 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.

MGAA's right to revoke this Agreement shall be absolute. Any election by MGAA to not enforce any provision of this Agreement, or any failure by MGAA to exercise any of the remedies allowed MGAA under this Agreement, shall not operate as a waiver by MGAA 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.

MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA, TSA, or other entities having jurisdiction at MGAA.

17.2 CARRIER and employees/contractors shall comply with all security-related audits, inspection, and screenings conducted by MGAA.

17.3 CARRIER will immediately notify MGAA 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. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES.

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

18.1 Compliance with Regulations. CARRIER (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.

18.2 Nondiscrimination. CARRIER, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. CARRIER 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.

18.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding, or negotiation made by CARRIER 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 CARRIER of CARRIER's obligations under this Agreement and the Non-discrimination Acts and Authorities on the grounds of race, color, or national origin.

18.4 Information and Reports. CARRIER 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 MGAA or the Federal Aviation Administration ("FAA") to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of CARRIER is in the exclusive possession of another who fails or refuses to furnish the information, CARRIER will so certify to MGAA or the FAA as appropriate and will set forth what efforts it has

made to obtain the information.

18.5 Sanctions for Non-compliance. In the event of a CARRIER's non-compliance with the Nondiscrimination provisions of this Agreement, MGAA will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

18.5.1 withholding payments, if any, to CARRIER under the Agreement until CARRIER complies; and/or

18.5.2 cancelling, terminating, or suspending the Agreement, in whole or in part.

18.6 Incorporation of Provisions. CARRIER will include the provisions of SECTIONS 18.1 through 18.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the acts, the regulations and directives issued pursuant thereto. CARRIER will take action with respect to any subcontract or procurement as MGAA or the FAA may direct as a means of enforcing such provisions including sanctions for non-compliance. Provided, that if CARRIER becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, CARRIER may request MGAA to enter into any litigation to protect the interests of MGAA. In addition, CARRIER may request the United States to enter into the litigation to protect the interests of the United States.

18.7 CARRIER for itself, its heirs, personal representatives, 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 CARRIER will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.

19. TITLE VI.

19.1 General Civil Rights. In all its activities within the scope of its airport program, CARRIER agrees to comply with pertinent statues, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. CARRIER 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 agreements where MGAA receives federal funding, including the Agreement in this instance.

If the CARRIER transfers its obligation to another, the transferee is obligated in the same manner as the CARRIER.

The above provision obligates the CARRIER for the period during which the property is owned, used or possessed by the CARRIER and the airport remains obligated to the FAA.

19.2 Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, CARRIER, 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 MGAA is required to disclose and include in such Agreement and other agreements,

pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d *et seq*., 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);

- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. §4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. §794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. §6101 *et seq*.) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 U.S.C. §47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. §12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The FAA's Non-discrimination statute (49 U.S.C. §47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 (2005)); and

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

20. NOTICE.

20.1 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 MGAA:	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

20.2 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.

21. PRIOR AGREEMENTS AND PERMITS.

Upon execution hereof, this Agreement shall supersede and cancel any prior air carrier operating agreements between MGAA and CARRIER with respect to the business activities governed hereby. CARRIER shall not construe MGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to MGAA under any prior agreement or license, nor does MGAA waive any claim or cause of action arising therefrom.

22. CORPORATE AUTHORIZATION.

In executing this Agreement, CARRIER represents and warrants to MGAA that if CARRIER is a corporation, CARRIER has obtained and been granted the full right, power and authority to enter into this Agreement.

23. MISCELLANEOUS.

23.1 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.

23.2 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.

23.3 Non-Waiver of Rights. No waiver or default by MGAA 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 MGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.

23.4 Amendment. Only a written instrument executed by the Parties may amend this Agreement.

23.5 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.

23.6 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.

23.7 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:

ALLEGIANT AIR, LLC

By: _____

Name:

Title:

Date: _____

MGAA:

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

Airport Rates & Charges Schedule

https://www.gatewayairport.com/policiesdocumentsandforms

Airport Fees, Services & Rental Rates

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT B

MGAA Minimum Standards

https://www.gatewayairport.com/policiesdocumentsandforms

MGAA Rules & Regulations

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT C

Common Use Facilities Operating Procedures:

MGAA_CUSE Procedures 22-01 20220420
https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT D

Airport Facilities Designated for Exclusive Use[1, 2]:

Space	Amount of SF	Rent per SF
Ticketing Terminal – Suite 207	675 SF	$39.00/ SF / Year
Ticketing Terminal – Suite 201	116 SF	$39.00 / SF / Year
Ground Handler Offices in Terminal	650 SF	$18.50 / SF / Year
Ground Handler Offices on Apron	320 SF	$18.50 / SF/ Year

1. MGAA has all of the building maintenance & utility (water, electricity, etc.) responsibilities for space designated for CARRIER's exclusive use.

2. 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) MGAA's approved Air Service Incentive Program (Effective January 1, 2017) is provided below: https://www.gatewayairport.com/policiesdocumentsandforms

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, MGAA 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 900,000 Threshold**	**Percentage of Incremental Non-Airline Revenue Shared for Incremental Increase in EPAX Above Threshold**
0 – 900,000	Not Applicable	0.0%
900,001 – 950,000	50,000 (900,001 – 950,000)	15.0%
950,001 - 1,000,000	50,000 (900,001 – 950,000) 50,000 (950,001 – 1,000,000)	15.0% 17.5%
1,000,001 – 1,050,000	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%
1,050,001 – 1,100,000	50,000 (900,001 – 950,000) 50,000 (950,001 – 1,000,000) 50,000 (1,000,001 – 1,050,000) 50,000 (1,050,001 – 1,100,000)	15.0% 17.5% 20.0% 22.5%
1,100,001 – 1,150,000	50,000 (900,001 – 950,000) 50,000 (950,001 – 1,000,000) 50,000 (1,000,001 – 1,050,000) 50,000 (1,050,001 – 1,100,000) 50,000 (1,100,001 – 1,150,000)	15.0% 17.5% 20.0% 22.5% 25.0%

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

Board Action Item

Re: Resolution 25-56

To: **Board of Directors**
From: **Lori Collins, C.M., Business & Economic Development Director**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Sun Country, Inc. Air Carrier Operating Agreement**
Date: **December 16, 2025**

Proposed Motion

To authorize the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with Sun Country, Inc. for commercial air service at the Airport.

Narrative

Minnesota-based Sun Country Airlines offers affordable flights and vacation packages to destinations across the U.S. and in Mexico, Central America, and the Caribbean. Sun Country currently operates seasonal, non-stop service from the Mesa Gateway Airport to Minneapolis-St. Paul International Airport.

The Air Carrier Operating Agreement between the Authority and Sun Country outlines the requirements for offering commercial passenger service at the Airport, identifies the applicable charges for facilities and services at the Airport, and contractually obligates Sun Country to adhere to the Airport's Rules and Regulations and Minimum Standards.

Fiscal Impact

Variable revenues are difficult to forecast because they are based on passenger activity. However, the Airport anticipates increases in concessionaire revenue, rental car fees, Car Rental Facility Charges (CFC's), parking fees, Passenger Facility Charges (PFC's) and fuel service charges.

Attachment(s)

Air Carrier Operating Agreement

RESOLUTION NO. 25-56

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

WHEREAS the Authority desires to authorize the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with Sun Country, 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/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with Sun Country, 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 16th day of December, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport Authority

Air Carrier Operating Agreement

with

Sun Country, Inc.

Effective Date: January 1, 2026

TABLE OF CONTENTS

1. PERMITTED ACTIVITIES AND CONDITIONS OF AIRPORT USE. 2
2. TERM. 3
3. NONEXCLUSIVE RIGHTS. 3
4. RENTALS, FEES AND CHARGES. 4
5. REPORTING REQUIREMENTS. 5
6. INSURANCE. 6
7. DISABLED OR ABANDONED AIRCRAFT. 7
8. ENVIRONMENTAL COMPLIANCE. 8
9. TAXES AND RELATED IMPOSITIONS. 8
10. RULES, REGULATIONS AND MINIMUM STANDARDS. 9
11. DEFAULT: TERMINATION BY MGAA 9
12. GOVERNING LAW; ATTORNEY'S FEES 10
13. NONWAIVER 10
14. ASSIGNMENT 10
15. OTHER RESTRICTIONS 10
16. AIRPORT SECURITY. 10
17. AIRPORT SECURITY BADGE. 11
18. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES 11
19. TITLE VI. 12
20. NOTICE. 14
21. PRIOR AGREEMENTS AND PERMITS. 14
22. CORPORATE AUTHORIZATION 14
23. MISCELLANEOUS. 14

EXHIBIT A A-1
EXHIBIT B B-1
EXHIBIT C C-1

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 2026 (the "Effective Date") between the **MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized under the laws of the State of Arizona ("MGAA"), and **SUN COUNTRY, INC.** ("CARRIER"). MGAA and CARRIER may be referred to collectively as "Parties," and each separately may be referred to as a "Party."

RECITALS:

A. MGAA is the owner and operator of the Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

B. MGAA 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 MGAA 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 MGAA 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 MGAA 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 MGAA) without first applying for and receiving written approval for such activity from MGAA. 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 MGAA at law or equity, CARRIER hereby agrees to remit to MGAA the sum equal to TEN PERCENT (10%) of gross billings for such unauthorized activity, plus any expenses incurred by MGAA 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 MGAA Rules and Regulations, as the same may be amended from time to time in the Authority's sole and absolute discretion.

2. TERM.

2.1 Initial Term. Subject to earlier termination as provided herein, the term of this Agreement shall be one (1) year, commencing on the Effective Date (the "Term").

2.2 Renewal Term. Provided CARRIER is not then in default of this Agreement, the Term may be extended for one (1) year, without action by the Parties, unless otherwise terminated as provided herein.

2.3 Either Party may terminate this Agreement by providing the notified Party ninety (90) calendar days advance written notice of the terminating Party's intent to do so.

3. NONEXCLUSIVE RIGHTS.

CARRIER shall have non-exclusive rights 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. MGAA may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that MGAA 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 Mesa Gateway Airport without prior coordination with MGAA and confirmation from MGAA of terminal availability.

Pursuant to MGAA's Common Use Facilities Operating Procedures (attached as **EXHIBIT C**), CARRIER shall submit a copy of CARRIER's proposed schedule to MGAA 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 MGAA 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 MGAA's Common Use Facilities Operating Procedures. Common use requirements shall be scheduled with MGAA's Operations & Maintenance department prior to any planned use.

3.3 MGAA has implemented Common Use Facilities Operating Procedures. MGAA 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.

3.4 MGAA has implemented an Airport Security Program in a form acceptable to the Transportation Security Administration (TSA). MGAA 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 MGAA, its board members, member governments, officers, officials, employees, and agents free and harmless for, from, and

against any violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors.

4. RENTALS, FEES AND CHARGES.

4.1 General. Rent for use of any exclusive use space due and payable at the beginning of each month. All other fees are assessed at the time of each use, flight, or service, as applicable, and are due and payable no later than the twentieth (20th) day of the following month in which the use or activity occurred ("Fee Due Date"). The CARRIER shall self- report its flight activity monthly to MGAA 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 MGAA 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 MGAA, 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.

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 MGAA 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 MGAA 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 MGAA 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 MGAA, on or before the Twentieth (20th) day of each month (the "Due Date"), a PFC in the amount of Four and 50/100 Dollars ($4.50) for each Enplaned Passenger departing the Airport on an CARRIER Revenue Flight during the previous calendar month. The collection of said fees by CARRIER shall be subject to the terms, conditions and methods of collection set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110, at it now exists or is modified hereafter (the "PFC Act") and 14 CFR 158.53.

4.7 Monthly Tie Down Fees. CARRIER shall pay Monthly Tie Down Fees per Rates and Charges.

4.8 Fueling Fees. CARRIER shall execute a Fuel Service Agreement with MGAA coterminous with this Agreement.

4.9 Aircraft Ramp Space and Services. CARRIER shall pay MGAA 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 MGAA (collectively, "Additional Services").

4.10 Other Fees. Unless specified otherwise herein, CARRIER shall pay MGAA for its usage or rental of MGAA equipment and the performance of services by MGAA within TEN (10) business days of CARRIER's receipt of an invoice (the "Due Date") for same from MGAA. The amount of such fees shall be as provided by separate agreement between CARRIER and MGAA, 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 Due Date may result in the suspension of further equipment rentals or services until payment is made to MGAA 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 MGAA in full on or before the applicable due date, CARRIER shall be responsible for interest on the unpaid fee or charge at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any payment is received more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent amount shall be due and payable in addition thereto.

4.11.3 Books and Records. CARRIER shall maintain permanent books, records and ledgers accurately reflecting the total passengers, and total number of monthly aircraft landings for all aircraft subject to a landing fee indicating the make, type (including model designation), registration number, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to MGAA upon request. MGAA 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 MGAA.

5. REPORTING REQUIREMENTS.

5.1 CARRIER shall file with MGAA written reports for the items specified below no later than the TENTH (10th) day of the calendar month following the month in which the specified activities occurred (the "Due Date"). Such reports shall cover all of CARRIER's Airport activities during said month, and include activity handled by CARRIER for other Air Transportation Companies not having an agreement with MGAA providing for its own submission of activity data to MGAA.

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 MGAA 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 MGAA 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 MGAA'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 MGAA to audit said books and records.

5.4 The cost of audit, with the exception of the aforementioned expenses, shall be borne by MGAA; 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 Payments. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Mesa Gateway Airport Authority and delivered to:

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 MGAA 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 $5,000,000.00 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, MGAA 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 MGAA, its board members, and its member governments, officers, officials, employees, and agents (as "indemnitee") free and harmless of, for, from and against any and all Losses caused in whole or in part by (a) any act or omission of CARRIER (including indemnitor's officers, officials, agents, employees, contractors or invitees), (b) CARRIER's operations at the Airport, (c) CARRIER's violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors, or (d) any default by CARRIER hereunder. This indemnification shall exclude responsibility for any consequential damages and for claims arising by reason of the negligent or wrongful act of MGAA 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 MGAA.

6.5 Insurance Form. Each insurance policy obtained pursuant to this SECTION 6, except for Workers' Compensation and Employer Liability policies, shall: (i) name MGAA 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 MGAA 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 MGAA. Operator shall not permit any insurance policy to be canceled or modified without MGAA'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 MGAA.

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 MGAA, 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 MGAA.

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, MGAA shall have the right to remove such aircraft by any means MGAA deems necessary under the circumstances, and CARRIER shall, to the fullest extent permitted by law, indemnify, defend, keep and hold MGAA, 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 MGAA 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 MGAA for any costs incurred by MGAA in removing and storing any aircraft, at MGAA'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 MGAA'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, MGAA 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 MGAA 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 MGAA, 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 MGAA 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 Airport Rules and Regulations, and Minimum Standards established by MGAA 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 MGAA of any permits, licenses, or other evidence of compliance with laws upon request.

10.2 MGAA 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 MGAA'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 MGAA.

11.1 General Grounds. MGAA 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 MGAA **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 MGAA 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** MGAA 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 MGAA which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by MGAA.

11.2 Failure to Pay Fees. MGAA 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, MGAA 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, MGAA 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 MGAA. No waiver by MGAA 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 MGAA, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between MGAA 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.

MGAA's right to revoke this Agreement shall be absolute. Any election by MGAA to not enforce any provision of this Agreement, or any failure by MGAA to exercise any of the remedies allowed MGAA under this Agreement, shall not operate as a waiver by MGAA 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.

MGAA 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 MGAA 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 MGAA harmless for, from, and against any violations of the Security Plan committed by any agents, employees, invitees, subcontractors, or independent contractors of the CARRIER.

16.3 CARRIER shall conduct and document all self-audits and self-inspections as required by the TSA or MGAA 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 MGAA 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 MGAA, TSA, or other entities having jurisdiction at MGAA.

17.2 CARRIER and employees/contractors shall comply with all security-related audits, inspection, and screenings conducted by MGAA.

17.3 CARRIER will immediately notify MGAA 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. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES.

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

18.1 Compliance with Regulations. CARRIER (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.

18.2 Nondiscrimination. CARRIER, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. CARRIER 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.

18.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding, or negotiation made by CARRIER 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 CARRIER of CARRIER's obligations under this Agreement and the Non-discrimination Acts and Authorities on the grounds of race, color, or national origin.

18.4 Information and Reports. CARRIER 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 MGAA or the Federal Aviation Administration ("FAA") to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of CARRIER is in the exclusive possession of another who fails or refuses to furnish the information, CARRIER will so certify to MGAA or the FAA as appropriate and will set forth what efforts it has made to obtain the information.

18.5 Sanctions for Non-compliance. In the event of a CARRIER's non-compliance with the Nondiscrimination provisions of this Agreement, MGAA will impose such contract sanctions as it

or the FAA may determine to be appropriate, including, but not limited to:

18.5.1 withholding payments, if any, to CARRIER under the Agreement until CARRIER complies; and/or

18.5.2 cancelling, terminating, or suspending the Agreement, in whole or in part.

18.6 Incorporation of Provisions. CARRIER will include the provisions of SECTIONS 18.1 through 18.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the acts, the regulations and directives issued pursuant thereto. CARRIER will take action with respect to any subcontract or procurement as MGAA or the FAA may direct as a means of enforcing such provisions including sanctions for non-compliance. Provided, that if CARRIER becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, CARRIER may request MGAA to enter into any litigation to protect the interests of MGAA. In addition, CARRIER may request the United States to enter into the litigation to protect the interests of the United States.

18.7 CARRIER for itself, its heirs, personal representatives, 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 CARRIER will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.

19. TITLE VI.

19.1 General Civil Rights. In all its activities within the scope of its airport program, CARRIER agrees to comply with pertinent statues, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. CARRIER 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 agreements where MGAA receives federal funding, including the Agreement in this instance.

If the CARRIER transfers its obligation to another, the transferee is obligated in the same manner as the CARRIER.

The above provision obligates the CARRIER for the period during which the property is owned, used or possessed by the CARRIER and the airport remains obligated to the FAA.

19.2 Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, CARRIER, 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 MGAA is required to disclose and include in such Agreement and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d *et seq*., 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);

- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. §4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. §794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. §6101 *et seq*.) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 U.S.C. §47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. §12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The FAA's Non-discrimination statute (49 U.S.C. §47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 (2005)); and

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

20. NOTICE.

20.1 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 MGAA:	Mesa Gateway Airport Authority Attn.: Business Development Department 5835 S. Sossaman Road Mesa, Arizona 85212-0614
TO CARRIER:	Sun Country, Inc. Attn: Senior Director of Airport Affairs 2005 Cargo Road Minneapolis, MN 55450

20.2 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.

21. PRIOR AGREEMENTS AND PERMITS.

Upon execution hereof, this Agreement shall supersede and cancel any prior agreements between MGAA and CARRIER with respect to the business activities governed hereby. CARRIER shall not construe MGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to MGAA under any prior agreement or license, nor does MGAA waive any claim or cause of action arising therefrom.

22. CORPORATE AUTHORIZATION.

In executing this Agreement, CARRIER represents and warrants to MGAA that if CARRIER is a corporation, CARRIER has obtained and been granted the full right, power and authority to enter into this Agreement.

23. MISCELLANEOUS.

23.1 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.

23.2 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.

23.3 Non-Waiver of Rights. No waiver or default by MGAA 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 MGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.

23.4 Amendment. Only a written instrument executed by the Parties may amend this Agreement.

23.5 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.

23.6 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.

23.7 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.

24. 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:

SUN COUNTRY, INC.

By: _____

Name: R. Brian Davis

Title: Vice President Ground Operations

Date: _____

MGAA:

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

By: _____

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

Title: Executive Director/CEO

Date: _____

EXHIBIT A

AIRPORT RATES & CHARGES SCHEDULE

AIRPORT FEES, SERVICES AND RENTAL RATES SCHEDULE

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT B

AIRPORT MINIMUM STANDARDS

AIRPORT RULES AND REGULATIONS

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT C

CUSE PROCEDURES

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

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

Board Action Item

Re: Resolution 25-57

To: **Board of Directors**
From: **Lori Collins C.M., Business & Economic Development Director**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **SkyBridge Arizona Master Plan update**
Date: **December 16, 2025**

Proposed Motion
To authorize the updated Master Plan concept for the SkyBridge Arizona development.

Narrative
The Mesa Gateway Airport Authority ("MGAA") and Mesa SkyBridge, LLC ("SkyBridge") entered into a Master Development Agreement on November 21, 2017 for approximately 360-acres located at the southeast corner of Sossaman Road and Velocity Way ("Property"). To date, SkyBridge has constructed Phase 1 utilities and roadway infrastructure including portions of Skybridge Boulevard, International Way and Peak Air Circle and delivered four (4) buildings, totaling nearly 650,000 square feet, all of which are fully leased.

The Initial Master Plan, which was approved by the MGAA Board of Directors in 2019, featured aeronautical development opportunities with a heavy mix of industrial / non-aeronautical buildings. Since then, there have been dramatic changes in the Southeast Valley commercial real estate submarket, with more than 35 million square feet of industrial buildings constructed. SkyBridge has responded to this by proposing to modify their Master Plan by adding an additional taxilane to activate more lots for aeronautical development.

Attachment(s)
Proposed Master Site Plan

RESOLUTION NO. 25-57

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

WHEREAS the Authority desires to authorize the updated Master Plan concept for the SkyBridge Arizona development;

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 updated Master Plan concept for the SkyBridge Arizona development. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of December, 2025.

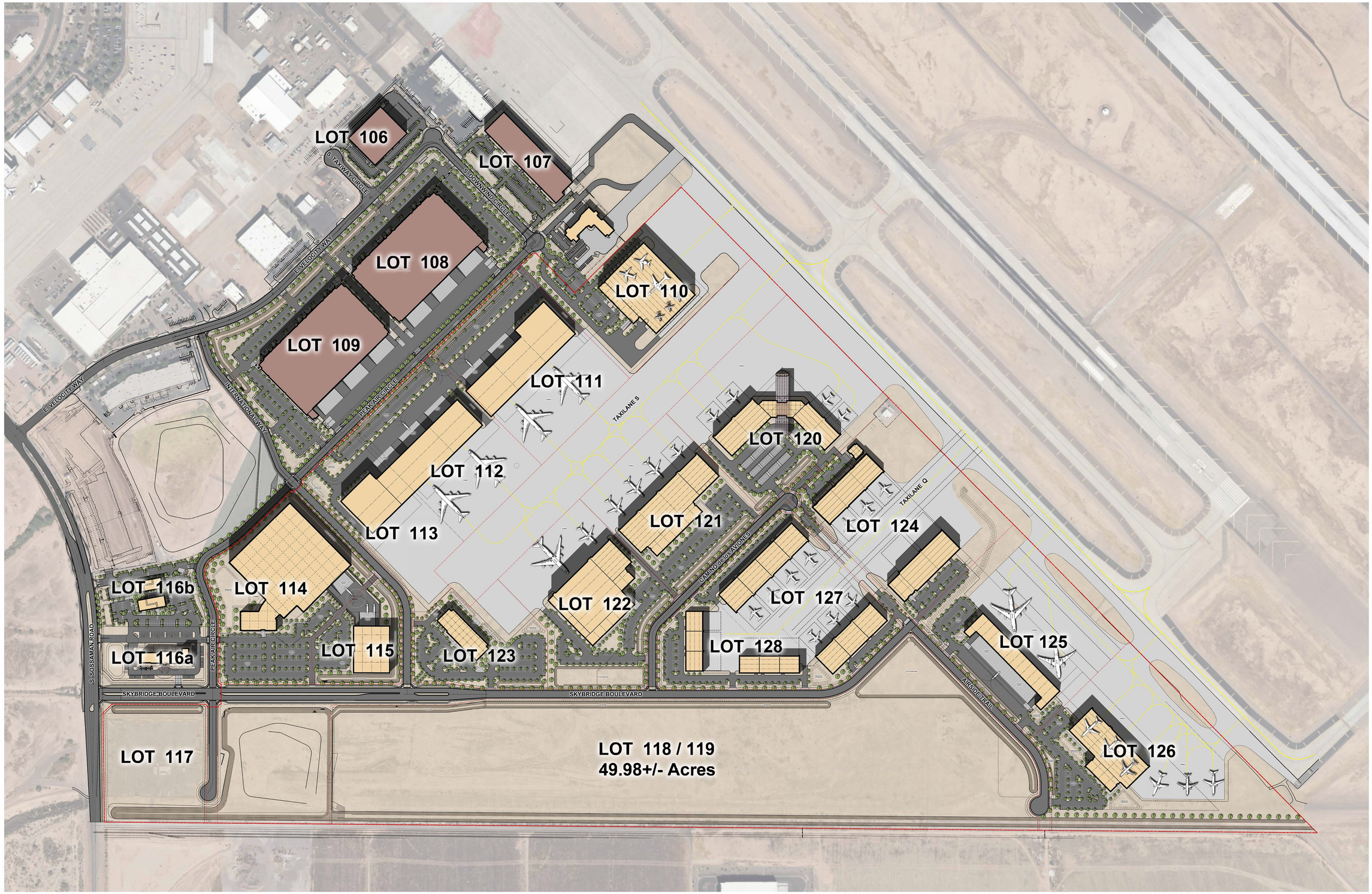
Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney



CONCEPTUAL MASTER SITE PLAN

400' 200' 100' 0'

SCALE = 1" = 200'-0"

N

SkyBridge Arizona

MESA GATEWAY AIRPORT

6033 S Sossaman Rd, Mesa, AZ 85212
JOB NUMBER: 6169
December 04, 2025

adm group

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

Board Action Item

Re: Resolution 25-58

To: Board of Directors
From: Lori Collins, C.M., Business & Economic Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Gateway East – Lots 200 and 202B Development Lease and Amendment
Date: December 16, 2025

Proposed Motion

To authorize a Development Lease with Boyer Gateway East Mesa Retail 1, L.C., a Utah limited liability company, for 2.47 acres (107,651 square feet), located within the Gateway East project and identified as Lots 200 and 202B, with a lease term of SIXTY-FIVE (65) years commencing on January 1, 2026, and to authorize a Third Amendment to the Master Lease with Boyer Gateway East L.C., to concurrently remove Lots 200 and 202B from the Master Lease Agreement.

Narrative

The Mesa Gateway Airport Authority ("MGAA") and Boyer Gateway East, L.C. (Boyer) entered into a Master Lease Agreement on June 21, 2022, for approximately 110 acres located on the east side of the airport, south and west of Ellsworth Road and State Route 24. The Master Lease Agreement transferred leasehold control of the Property to Boyer, but it did not convey vertical development rights. As part of the Master Lease, MGAA and Boyer agreed to "spin out" property from the Master Lease into Development Leases as projects become ready for vertical development.

Boyer intends to construct two (2) single-story multi-tenant retail shop buildings consisting of approximately 17,100 total square feet, along with outdoor patio area, which are estimated to cost in excess of $10,000,000. The lots are 2.47 acres (107,651 square feet) and have been identified as non-aeronautical parcels. A reciprocal easement for the purpose of pedestrian and vehicular access, ingress, and egress and vehicular parking was previously granted on Lot 202B. The proposed development is compliant with the Gateway East Master Plan, City of Mesa Planned Area Development (PAD) zoning and the Gateway East Design Guidelines.

Agreement Term and Rate

The Boyer Gateway East Mesa Retail 1, L.C Development Lease proposes a lease term of SIXTY-FIVE (65) years. The base rent for Lots 200 and 202B will be $0.00 annually through the end of the second (2nd) lease year and $59,208.05 annually beginning on the third (3rd) anniversary of the effective date.

Attachment(s)

Boyer Gateway East Mesa Retail 1, L.C Development Lease
Master Lease Amendment #3

RESOLUTION NO. 25-58

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

WHEREAS the Authority desires to authorize a Development Lease with Boyer Gateway East Mesa Retail 1, L.C., a Utah limited liability company, for 2.47 acres (107,651 square feet), located within the Gateway East project and identified as Lots 200 and 202B, with a lease term of SIXTY-FIVE (65) years commencing on January 1, 2026. WHEREAS the Authority desires to authorize a Third Amendment to the Master Lease with Boyer Gateway East L.C., to concurrently remove Lots 200 and 202B 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 Boyer Gateway East Mesa Retail 1, L.C., a Utah limited liability company, for 2.47 acres (107,651 square feet), located within the Gateway East project and identified as Lots 200 and 202B, with a lease term of SIXTY-FIVE (65) years commencing on January 1, 2026. The Board of Directors of the Authority also authorizes a Third Amendment to the Master Lease with Boyer Gateway East L.C., to concurrently remove Lots 200 and 202B 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 16th day of December, 2025.

Regina Antone, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Mesa Gateway Airport Authority

DEVELOPMENT LEASE

with

BOYER GATEWAY EAST MESA RETAIL 1, L.C.

Effective Date: January 1, 2026

TABLE OF CONTENTS

Section No.	Title	Page
1.	LEASE.	1
2.	TERM.	2
3.	NONEXCLUSIVE RIGHTS.	2
4.	RENT.	2
5.	PERFORMANCE GUARANTEE.	5
6.	INTENTIONALLY DELETED	7
7.	IMPROVEMENTS.	8
8.	MAINTENANCE.	11
9.	ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.	12
10.	IDENTIFICATION SIGNS.	13
11.	DEFAULT; TERMINATION BY LESSOR.	13
12.	INTENTIONALLY DELETED.	15
13.	INDEMNIFICATION.	16
14.	ENVIRONMENTAL PROTECTION.	16
15.	PROTECTION OF WETLANDS.	21
16.	INSURANCE.	21
17.	SURRENDER OF POSSESSION.	22
18.	INSPECTION BY LESSOR.	23
19.	NOTICES.	23
20.	SEVERABILITY.	24
21.	APPROVALS, CONSENTS AND NOTICES.	24
22.	LIENS AND MORTGAGES.	24
23.	GOVERNING LAW; ATTORNEY'S FEES.	27
24.	COMPLIANCE WITH LAWS, RULES AND REGULATIONS.	27
25.	CORPORATE AUTHORIZATION.	27
26.	UTILITY LINES AND SERVICE CHARGES.	27
27.	RESERVATIONS TO LESSOR.	27
28.	FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS.	28
29.	TITLE VI.	29
30.	FEDERAL FAIR LABOR STANDARDS ACT	32
31.	OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970	32
32.	INCORPORATION OF QUITCLAIM DEED	32
33.	REQUIRED PROVISIONS OF QUITCLAIM DEED.	32
34.	INTENTIONALLY DELETED.	33

35. DEFAULT BY LESSOR. 33
36. BROKERS. 33
37. SALE BY LESSOR. 33
38. ESTOPPEL CERTIFICATE. 33
39. UNAVOIDABLE DELAY. 34
40. ADDITIONAL PAYMENTS. 34
41. MISCELLANEOUS. 36
42. INCORPORATION OF RECITALS. 37
43. DECLARATIONS. 37

EXHIBIT A Legal Description and Depiction of the Premises A-1
EXHIBIT B Airport Rates & Charges Schedule and Airport Fees, Services and Rental Rates Schedule B-1
EXHIBIT C Permitted Exceptions C-1
EXHIBIT D Depiction of Proposed Improvements D-1
EXHIBIT E Memorandum of Lease E-1
EXHIBIT F Prohibited Uses F-1

Mesa Gateway Airport Authority

DEVELOPMENT LEASE

This Development Lease (the "**Lease**") is executed to be effective the FIRST (1st) day of JANUARY, 2026 (the "**Effective Date**") between the **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 MESA RETAIL 1, L.C.**, a Utah limited liability company, authorized to do business in the State of Arizona ("**Lessee**"). Lessor and Lessee may be referred to jointly as "**Parties**," and each separately may be referred to as a "**Party**."

WITNESSETH:

A. Lessor is the owner and operator of the Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "**Airport**"); and

B. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at the southeast corner of Aviation Way and Tailwind Avenue, consisting of 107,651 square feet, and described as Lot 200 and Lot 202B, as set forth in **EXHIBIT A** attached hereto (the "**Premises**") on the terms and conditions set forth herein; and

C. The Premises is identified in the Master Plan and the Airport Layout Plan as a Non-Aeronautical Development Parcel;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, as follows:

1. LEASE.

Lessor hereby leases the Premises to Lessee, subject to the matters set forth on **EXHIBIT C**, (the "**Permitted Exceptions**"), and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use 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 restaurants, retail stores, and service-oriented businesses, 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 F**. 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.

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 Permitted Exceptions or applicable laws, rules, regulations and operating policies of any governmental authority, including Lessor, or for any other activity or operation not specified in SECTION 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director.

1.6 On-Site Manager. Upon commencement of business operations at and on the Premises and the Airport, Lessee shall designate a manager for the Term (as defined below) who shall be available to Lessor and Lessee's customers, if any, during normal business hours.

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) the Permitted Exceptions; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM.

The initial term of this Lease shall be for a period of SIXTY-FIVE (65) years, commencing on the Effective Date and terminating on DECEMBER 31, 2090 thereafter (the "**Term**").

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 with respect to the Airport, not including the Premises, are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport (but not the Premises except as set forth in SECTIONS 26.1.3 and 27 below) 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 SECTIONS 4.3 and 4.4 herein, Lessee agrees to pay Lessor rent for the use of the Premises (the "**Base Rent**") as follows:

Period	Rent PSF Per Year	Monthly Installment	Annual Rent
Effective Date through day immediately prior to the SECOND (2nd) anniversary of the Effective Date	$0.00	$0.00	$0.00
SECOND (2nd) anniversary of the Effective Date through day immediately prior to THIRD (3rd) anniversary of the Effective Date	$0.55	$4,934.00	$59,208.05

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 Annual Increases. Starting on the THIRD (3rd) anniversary of the Effective Date and every anniversary of the Effective Date thereafter other than on an anniversary where the annual Base Rent will be adjusted pursuant to SECTION 4.4, the annual Base Rent paid by Lessee shall be increased by TWO AND ONE-HALF PERCENT (2.5%).

4.4 Market Adjustments to Base Rent.

4.4.1 In addition to the annual increases provided for in SECTION 4.3, on (a) the FIFTEENTH (15th) anniversary of the Effective Date of this Lease, and (b) each subsequent FIFTEEN (15) year anniversary of the date set forth in preceding subsection (a), the annual Base Rent shall be increased (but never decreased) (the "**Adjustment Date(s)**") as hereinafter set forth in this SECTION. On each such Adjustment Date, the Base Rent shall be adjusted to the Fair Market Base Rent of the Premises. For purposes hereof, "**Fair Market Base Rent**" shall mean the amount that a willing, comparable, non-equity lessee would pay, and a willing, comparable landlord of in the same market as the Premises would accept, for comparable (in quality, size, and value) airport-related leasehold interest in vacant land, and specifically excluding any improvements constructed or caused to be constructed by Lessee and/or its affiliates to the Premises or the Airport and any lease or sublease for such improvements. No single adjustment to the annual Base Rent pursuant to this SECTION 4.4 shall increase the annual Base Rent by more than TEN PERCENT (10%) from the annual Base Rent in effect immediately prior to the increase pursuant to this SECTION 4.4.

4.4.2 Lessor's determination of such Fair Market Base Rent for the Premises shall be delivered to Lessee no later than NINETY (90) calendar days prior to the Adjustment Date along with any and all substantiated information used by Lessor in connection with such determination. If Lessee disputes Lessor's determination of such Fair Market Base Rent, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such Fair Market Base Rent, to Lessor within THIRTY (30) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such Fair Market Base Rent. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within SEVEN (7) calendar days thereafter, mutually appoint an appraiser to

determine the Fair Market Base Rent. Said appraiser shall have at least FIVE (5) years of full-time commercial appraisal experience and be a member of the Appraisal Institute or comparable professional organization. Within SEVEN (7) calendar days of the appointment of the appraiser, the Parties shall submit to the appraiser, with a copy to the other Party, their respective determinations of the Fair Market Base Rent and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal and shall select one Party's submittal as representing the most reasonable approximation of such Fair Market Base Rent. The appraiser shall promptly notify the Parties of their decision, which shall be final and binding upon Lessor and Lessee. The appraiser's fees and expenses shall be paid by the Party whose submittal was not selected.

4.4.3 If the Parties are unable to agree upon an appraiser pursuant to SECTION 4.4.2 within such SEVEN (7) calendar days, then within THREE (3) business days after expiration of the 7-day period, Lessor and Lessee shall each (a) appoint an appraiser with the above qualifications, and (b) give notice to the other identifying that party's appraiser. If a Party fails to timely appoint an appraiser, the other Party's appraiser shall determine the Fair Market Base Rent in accordance with this SECTION 4. Not later than SEVEN (7) calendar days after both appraisers have been appointed, Lessor and Lessee shall each submit to each appraiser, with a copy to the other Party, their respective determinations of the Fair Market Base Rent and any/all substantiated information. Within TWENTY-ONE (21) days after receipt of both Parties' proposals, the appraisers shall review the submissions and shall select one Party's submittal as representing the most reasonable approximation of such Fair Market Base Rent. The appraisers shall promptly notify the Parties of their decision, which shall be final and binding upon Lessor and Lessee. Each Party shall be responsible for the fees and expenses of their own selected appraiser.

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

4.5 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current *Airport Rates and Charges Schedule* and *Airport Fees, Services and Rental Rates Schedule* are included as **EXHIBIT B** and are subject to change without prior notice to or approval of Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* at any time at Lessor's sole discretion. No fee shall apply to the use of the Premises or access to the Premises.

4.6 Payment.

4.6.1 Unless otherwise specified herein, the first 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. On each such date, Lessee shall pay the full Base Rent payment.

4.6.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.6.3 All payments required by this SECTION 4.6 shall be remitted to the following address by the due date(s) specified hereinabove:

Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee.

4.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum (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.

4.8 Taxes. Lessee shall pay, prior to delinquency, any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax or assessment imposed during the Term against the Premises or as the result of Lessee's occupancy of Premises or conduct of any activity at the Premises under the 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 thereon, Lessee shall pay such amounts to Lessor in the manner set forth in SECTION 4.6. Such taxes to be paid directly to Lessor include, without limitation, payment of all rent taxes, i.e., taxes imposed specifically on the gross receipts in the form of rent received by Lessor.

4.9 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

5. PERFORMANCE GUARANTEE.

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equivalent to the first monthly installment of Base Rent due after the second (2nd) anniversary of the Effective Date (i.e., FOUR THOUSAND NINE HUNDRED THIRTY-FOUR DOLLARS ($4,934.00)), as a security deposit (the "**Security Deposit**") to insure the faithful performance of all of Lessee's obligations hereunder.

5.1.2 The Security Deposit, at the election of Lessor, may be applied in reduction of any loss and/or damage sustained by Lessor by reason of the occurrence of any breach, nonperformance or default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Lessee shall, within FIVE (5) business days after written notice from Lessor, deposit with Lessor immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such Security Deposit and shall have no obligation to pay interest thereon.

Following the timely payment when due by Lessee of THIRTY-SIX (36) consecutive monthly installments of Base Rent due after the SECOND (2nd) anniversary of the Effective Date, Lessor shall return the Security Deposit to Lessee and the terms of this SECTION 5.1 shall thereafter be null and void; provided that, except as otherwise set forth in SECTION 22 with respect to an Enforcement Action (as defined in SECTION 22.11 below), upon any assignment of this Lease to a third party, such assignee shall be required to deposit the Security Deposit with Lessor in accordance with, and subject to, this SECTION 5.1, including, without limitation, the return of such Security Deposit to Lessee upon the timely payment when due of THIRTY-SIX (36) consecutive monthly installments of Base Rent by such assignee.

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 provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of A.R.S. § 33-1003 as it may be amended or renumbered from time to time. The Parties agree that Lessee is not a public body, and the improvements to be constructed under this Lease by Lessee at Lessee's sole cost are not public buildings, public works or public improvements. The bond shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety. The bond and a copy of the contract shall be recorded in the office of the Maricopa County Recorder as required under A.R.S. § 33-1003, and a copy of the bond shall be provided to Lessor; or

(b) Letter of Credit. A letter of credit ("**Letter of Credit**") shall be irrevocable, in an amount equal to the total amount of the construction contract(s) for the construction of the Improvements (as defined in SECTION 7 below) plus TEN PERCENT (10%) of such amount and be issued to Lessee by a financial institution ("**Bank**") reasonably acceptable to Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date which is TWENTY-FOUR (24) months thereafter, after which date it shall be renewed on a year-to-year basis until the earlier of (a) 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, or (b) SIX (6) months after the issuance of a Certificate of Occupancy for the Improvements (as defined below). 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.

(c) Parent Guaranty. A payment guaranty from The Boyer Company, L.C., a Utah limited liability company ("**Guarantor**"), in favor of Lessor guarantying the prompt and complete payment of all amounts due in connection with the construction of the Improvements in form and substance reasonably satisfactory to Lessor, which payment guaranty shall provide that Guarantor shall maintain, during the construction of the Improvements, a minimum net worth of at least $100,000,000 and liquidity of not less than $10,000,000.

5.2.2 Performance Guarantee. 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 7.1 of this Lease if an Event of Default occurs and is continuing under SECTION 7.2 of this Lease. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.

(c) Parent Guaranty. A completion guaranty from Guarantor in favor of Lessor guarantying the timely completion of the Improvements in form and substance reasonably satisfactory to Lessor, which guaranty shall provide that Guarantor shall maintain, during the construction of the Improvements, a minimum net worth of at least $100,000,000 and liquidity of not less than $10,000,000.

6. INTENTIONALLY DELETED

7. IMPROVEMENTS.

7.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that generally shall consist of two (2) single-story multi-tenant retail shop buildings consisting of approximately 17,100 total square feet along with outdoor patio area, if any, which are estimated to cost in excess of $10,000,000, as generally depicted in **EXHIBIT D** (the "**Improvements**") and in accordance in all material respects with a site plan approved by Lessor's Design Review Committee, such approval not to be unreasonably withheld or delayed, and in compliance with all applicable governmental regulations, restrictions and building codes and any declaration of covenants, conditions, restrictions and easements of record affecting the Premises (including, without limitation, the Gateway East Declaration and the Parking Declaration as defined in SECTION 43 hereof) and any design guidelines that are applicable to the Premises. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any required connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises, as reasonably required by Lessor; (ii) constructing all Improvements necessary to bring all utilities onto the Premises, including, without limitation, electrical, gas, water, sewer, cable and telephone utilities; and (iii) installing all utility meters and water and sewer lines to service all Improvements constructed on the Premises.

7.2 Construction Milestones; 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 THREE (3) months from the Effective Date. Lessor shall promptly, and in all events within TWENTY-ONE (21) calendar days, notify Lessee in writing if Lessor believes such plans (or any revised plans submitted by Lessee) would cause the Improvements to fail to comply with the Master Plan. Any such notice shall specify in reasonable detail the items Lessor believes do not comply with the Master Plan and the changes, which if made, would cause the Improvements to comply with the Master Plan. Thereafter the Parties will negotiate in good faith to resolve any concerns raised by Lessor. If Lessor fails to timely provide any objections to such plans, such plans shall be deemed to be approved by Lessor.

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

7.2.3 Reserved.

7.2.4 Lessee shall diligently prosecute construction of all Improvements and shall complete construction of all Improvements to be constructed by Lessee at and on the Premises and shall obtain a certificate of occupancy (a "**CofO**") (or its equivalent) from the City of Mesa therefor, no later than THIRTY (30) months from the date the City of Mesa issues a building permit for the Improvements and all government approvals required for such, including any approvals required from the FAA (the "**Outside Completion Date**"). If Lessee is unable to meet a Construction Milestone due to Unavoidable Delay (as set forth and defined in SECTION 39), then the Outside Completion Date shall be extended by ONE (1) day for each day of such Unavoidable Delay impacting the Construction Milestone.

7.2.5 If Lessee fails to obtain a temporary or final CofO by the Outside Completion Date, Lessee shall pay to Lessor an amount equal to FIVE HUNDRED DOLLARS ($500.00) for each day that Lessee is late obtaining a temporary or final CofO (a "**Late Completion Fee**"), which payment by Lessee shall be in addition to any Base Rent due from Lessee hereunder. Lessee shall pay Lessor all Late Completion Fees to Lessor on the FIRST (1st) day of the month following the date on which such Late Completion Fees first accrues, until such time as all Late Completion Fees are paid in full. If Lessee

fails to obtain a temporary or final CofO within ONE (1) year after the Outside Completion Date, Lessee shall have no further obligation to pay a Late Completion Fee for any days following such one-year period and Lessor can pursue its other remedies available under this Lease.

7.2.6 If Lessee fails to commence construction within SIXTY (60) calendar days after the issuance of all necessary construction permits and receipt of all approvals required for such, including any approvals required from the FAA, but subject to any applicable notice and cure periods provided for in SECTION 11, Lessor shall have the right to terminate this Lease by written notice to Lessee delivered at any time prior to commencement of construction. For purposes of this section "**commencement of construction**" shall be the date on which Lessee has obtained it permits, has executed a contract for construction of the Improvements and engaged in material work, such as grading and pouring of footings and slabs.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the exterior of any building on 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 EIGHT (8) business days after Lessor's request therefor, a quitclaim deed or other instrument satisfactory to Lessor and Lessee 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 arising by, through or under Lessee. 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 SIXTY (60) calendar days of written notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to applicable City of Mesa (the "**City**") building/construction codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City, if any. To the extent required by applicable City building/construction codes, all such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications.

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

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

7.7.2 raze the Improvements and return the Premises to the condition that existed prior to the construction of the Improvements (until such time as Lessee elects to construct additional

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

Notwithstanding the foregoing to the contrary, if any damage or destruction occurs to the Premises during the last FIVE (5) years of the Term and the cost to repair the damage exceeds FIVE HUNDRED THOUSAND DOLLARS ($500,000.00), then, subject to the provisions of SECTION 22 hereof, Lessee may terminate this Lease upon giving Lessor THIRTY (30) days written notice. In the event Lessee elects to terminate this Lease pursuant to this SECTION, all property insurance proceeds will be allocated between Lessee and Lessor, with Lessee receiving such proceeds up to the value of the Improvements for the remaining Term (but for the damage and destruction) and Lessor receiving such proceeds up to the residual value of the Improvements after the Term (but for the damage and destruction); provided, however, Lessee's insurance proceeds shall be applied first to the cost of razing the Improvements and returning the Premises to the condition that existed prior to the construction of the Improvements. Each Leasehold Mortgagee shall have the right to participate in the adjustment of any insurance proceeds for insurance maintained by Lessee. If required by a Leasehold Mortgagee in the Leasehold Mortgage or other loan documents, the senior most Leasehold Mortgagee shall have the right to supervise and control the receipt and disbursement of insurance proceeds payable to Lessee pursuant to this Lease for purposes of the restoration and/or repair of the Improvements.

7.8 Condemnation.

7.8.1 Condemnation of Premises. If any portion of the Premises is taken by a government entity exercising the power of eminent domain or sold to a government entity by Lessor under the exercise of said power (final judicial order that permits the taking is herein referred to as "**Condemnation**"), this Lease shall terminate, without any requirement for consent or approval from a Leasehold Mortgagee, as to the part so taken as of the date the condemning authority takes possession of the condemned portion of the Premises ("**Condemnation Date**"). If so much of the Premises is taken that, in Lessee's business judgment, the Premises is no longer reasonably suitable for Lessee's operations in Lessee's reasonable business judgment, subject to the provisions of SECTION 22.3 hereof, Lessee may terminate this Lease at any time after Lessee receives the Condemnation Notice by giving Lessor THIRTY (30) days written notice, but not later than SIXTY (60) days following the Condemnation Date. If the entire Premises are condemned, then this Lease shall automatically terminate as of the Condemnation Date. The Party who receives the condemnor's notice of intention to take ("**Condemnation Notice**") shall immediately give a copy of such notice to the other Party.

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

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

(b) Lessor shall be entitled to seek and claim and receive the value of its fee interest in the land constituting the part of the Premises taken and the reversionary interest of Lessor in the Improvements.

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

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

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

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

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

8. MAINTENANCE.

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

8.2 Damage to Premises. Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the satisfaction of Lessor. In lieu of such repair or replacement, where required by Lessor, Lessee shall pay to Lessor an amount sufficient to compensate for the loss sustained by Lessor. Any real or personal property of Lessee damaged or destroyed by Lessor shall be promptly repaired or replaced by Lessor to the satisfaction of Lessee. In lieu of such repair or replacement, where required by Lessee, Lessor shall pay to Lessee an amount sufficient to compensate for the loss sustained by Lessee.

8.3 Trash Removal. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall be responsible for all trash removal from the Premises and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as they occur.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. Except as set forth in SECTION 22.11 to a Leasehold Mortgagee or a purchaser at a foreclosure sale, or in accordance with SECTION 9.4 below, in the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (individually and collectively, "**Transfer**"), or sublet the Premises or any part thereof, Lessee must obtain the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. In connection with Lessee's request for Lessor's approval of a Transfer, Lessee and or the proposed transferee shall provide to Lessor written financial assurances, including, but not limited to financial statements, business plans and other information related to the financial condition and plans of any proposed transferee. Unless otherwise agreed upon in connection with Lessor's approval of a Transfer, or as otherwise expressly provided herein, Lessee shall remain liable under the Lease for all of Lessee's obligations under this Lease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this SECTION 9, may irreparably harm Lessor as the requirements set forth herein are directly related to Lessor's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration. 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 FIFTY PERCENT (50%) 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. For clarity, a change in control of The Boyer Company, L.C., shall not be a Transfer.

9.4 Subletting.

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

(a) Rent for subleased premises shall not be less than fair market value as reasonably determined by Lessee unless otherwise approved in writing by Lessor.

(b) The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

(c) The permitted and prohibited uses of the Premises under any sublease shall not violate Permitted Uses under this Lease. Sublessees shall agree in the sublease not to engage in any prohibited use.

(d) The term of any sublease shall not extend beyond the stated expiration of this Lease.

(e) Except for the payment of a security deposit or amounts related to the construction of any tenant improvements, the sublessee under such sublease shall not pay rent more than ONE (1) month in advance of its due date under the sublease.

9.4.2 Upon request from Lessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement (in form and substance reasonably acceptable to Lessor, Lessee, sublessee and any applicable Leasehold Mortgagee) so long as (i) the conditions of SECTION 9.4.1 have been met; and (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) either, (x) Lessor has approved or is deemed to have approved the sublease, or (y) the sublease is on a form previously approved by Lessor. All reasonable legal fees incurred by Lessor in connection with any reasonably necessary legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be reimbursed in advance by Lessee.

9.4.3 Upon receipt of a sublease from Lessor and a request for a Non-Disturbance and Attornment Agreement with respect to such sublease, Lessor shall have TEN (10) business days to either approve or disapprove the same. Lessor agrees that its approval of any sublease shall not be unreasonably withheld, conditioned or delayed. 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 TEN (10)-business-day period the sublease shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval, then Lessee may resubmit a revised sublease for approval in accordance with this SECTION 9.4.3. This cycle will repeat itself until Lessor either approves the sublease or is deemed to have approved the same.

9.4.4 Lessee shall submit a copy of each fully executed sublease to Lessor within FIVE (5) business days after request.

10. IDENTIFICATION SIGNS.

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

11. DEFAULT; TERMINATION BY LESSOR.

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee (an "**Event of Default**"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 A breach of any covenant or failure to perform any of its other obligations under this Lease or failure to perform any of its obligations as an "Occupant" under the Gateway East Declaration or as a "Lessee" under the Access and Parking Declaration, as such obligations relate to the Premises, provided that Lessee does not cure such breach or failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; and further provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is commenced within such THIRTY (30) day period and thereafter diligently pursues such cure to completion.

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 NINETY (90) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 Failure to pay its Common Expense Share of any Common Expenses in accordance with the Gateway East Declaration as provided in SECTION 43 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, but subject to the provisions of SECTIONS 9.4.2 and 22, 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.

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 states in bold letters within the Subject Line (i.e., the Re line): "**Notice of Default**" and is otherwise 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 Lessor'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. INTENTIONALLY DELETED.

13. INDEMNIFICATION.

13.1 Lessee's Indemnity. To the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this SECTION 13.1) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term; (ii) any 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 13.1) on the Premises or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessor; and/or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor's Indemnity. To the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this SECTION 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessor or its agents, employees, contractors or subcontractors; (ii) any grossly negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this SECTION 13.2) on the Premises, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (iii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

14. ENVIRONMENTAL PROTECTION.

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this SECTION 14.1 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws*. The term "**Environmental Laws**" shall mean any one 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 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.

14.2.3 Lessee shall not install any underground storage tanks on the Premises or elsewhere on the Airport.

14.3 Indemnification.

14.3.1 To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment, the presence of Hazardous Material 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. 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 contamination that is known to Lessee is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's gross negligence.

14.3.2 To the fullest extent permitted by applicable law, Lessor shall indemnify, defend (with counsel reasonably acceptable to Lessee), protect and hold harmless Lessee and its employees and agents for, from and against any and all Environmental Damages which are incurred or assessed as a result of any of Lessor's activities or operations on the Premises. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessor's obligations and liabilities under this SECTION 14.3 shall survive the termination of this Lease. The indemnification of Lessee by Lessor as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessee reserves the right to seek injunctive relief as may be permitted under law and equity. This SECTION 14.3 explicitly excludes Lessor's duty, liability or indemnity to Lessee for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is caused by or exacerbated by Lessor or unknown contamination is caused by or exacerbated by Lessor's negligence.

14.4 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any Environmental Laws, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this SECTION 14.4, Lessor is not responsible for directing or managing any remediation action. The term "**Release**" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

14.5 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("**Government**") under the Environmental Laws in connection with Lessee's activities or operations on the Premises. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any Release of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.6 Information Sharing. Lessee shall 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 Sublease. Lessee shall insert provisions substantially identical, or more favorable to Lessor and Lessee (as sublessor or sublandlord under the sublease) to the provisions of this SECTION 14 in any sublease

agreement or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

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

14.9 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit ("**MSGP**"). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("**SWPPP**") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent ("**NOI**") that has been received by the Arizona Department of Environmental Quality ("**ADEQ**") and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

14.10 Reserved.

14.11 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* ("**Questionnaire**") to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Material into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees what actions to take and whom to call in the event of said discharge and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.12 Right to Enter Premises. In addition to the rights afforded to Lessor in SECTION 18, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency ("**EPA**"), ADEQ, Lessor, and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or 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.

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.

14.14.1 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 Premises. 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.

14.14.2 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 Premises. 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.

14.15 Reserved.

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

14.17 Surface Disturbances. After construction of Lessee's Improvements on the Premises as provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

14.18 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Premises after the Effective Date that:

(a) (i) were not placed on or introduced to the Premises by Lessee, and (ii) were present on the Premises prior to the Effective Date (collectively, "**Later-Discovered, Pre-Existing Hazmat**"); and

(b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Improvements;

then Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall either:

(1) conduct such investigations and remedial actions as necessary under applicable Environmental Laws and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this SECTION, to promptly investigate and remediate the detected contamination in accordance with Environmental Laws, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or

(2) obtain approval of any Leasehold Mortgagee, if any, and terminate this Lease upon written notice to Lessor.

15. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the United States Army Corps of Engineers and obtain a permit or waivers under Section 404 of the Clean Water Act (or if such regulatory authority has been delegated to ADEQ, shall obtain the equivalent permit or waivers from ADEQ). For purposes of this SECTION 15, the term, "**new construction**," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. INSURANCE.

16.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

16.1.1 Builder's Risk insurance covering the insured's premises Improvements and all replacements and/or additions thereto for their full insurable value on a "replacement cost" plus ten percent (10%) basis, and requires an ISO Special Causes of Loss form or equivalent.

16.1.2 Comprehensive General Liability ($5,000,000.00 per occurrence) insurance covering third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "host liquor" and "blanket contractual liabilities."

16.1.3 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.

16.1.4 Property (full value of personal property + improvements) insurance covering all essential personal property (property essential to continued business operations) and all operator improvements made to buildings or facilities on the Airport, including all replacements and/or additions

thereto, for their full insurable value (All Risks) on a replacement cost basis, and requires an ISO Special Causes of Loss form or equivalency.

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.

16.1.6 Commercial Automobile Liability ($1,000,000 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. If any hazardous materials are transported within Airport boundaries in conjunction with the operator's business activities, an MSC-90 Endorsement is required. Coverage amounts generally apply to Basic Injury per Person, Basic Injury per Accident and Property Damage.

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 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 or better 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 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 Premises.

17.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear, casualty (subject to Lessee's obligations under SECTION 7.7) and condemnation (subject to Lessee's obligations under SECTION 7.8). All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which can be removed without affecting the structure of the Building shall remain the property of Lessee, and Lessee shall have the

right at any time during the Term of this Lease, to remove the same from the 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 reasonable cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

17.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required by Lessor, be permanently removed from the Premises by Lessee, at Lessee's expense, within FIVE (5) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

17.2 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 or its sublessees on the Premises.

19. NOTICES.

19.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses or at such address as either Party may advise the other from time to time:

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

TO LESSEE: Boyer Gateway East Mesa Retail 1, L.C.
c/o The Boyer Company, L.C.
101 South 200 East, Suite 200

Salt Lake City, Utah 84111

With required copy to: (which shall not constitute notice)	Parr Brown Gee & Loveless Attn.: Barton L. Gertsch, Esq. 101 S 200 E, Suite 700 Salt Lake City, Utah 84111

19.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service.

20. SEVERABILITY.

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

21. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

22. LIENS AND MORTGAGES.

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

22.2 Mortgaging of the Leasehold.

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

22.2.2 Leasehold Mortgage. Notwithstanding anything in this Lease to the contrary, including, without limitation, the provisions of SECTION 9, Lessee, without Lessor's consent may mortgage, collaterally assign, pledge, grant a security interest in, or otherwise encumber Lessee's interest in this Lease and its leasehold interest (including any interest in the Improvements) under this Lease pursuant to one or more Leasehold Mortgages to secure indebtedness, including, without limitation, one or more loans to finance construction and/or acquisition of Improvements and other development on the Premises or the leasehold estate created by this Lease, and including refinancings thereof, provided that (a) such leasehold liens comply with this SECTION 22, and (b) no Leasehold Mortgage shall extend to or affect the fee, the reversionary fee interest or the estate of Lessor in the Premises. If,

from time to time, Lessee or Lessee's permitted successors or assigns encumbers this Lease with a Leasehold Mortgage, and if the Leasehold Mortgagee delivers to Lessor: (i) an executed counterpart of such Leasehold Mortgage; (ii) any assignment thereof; (iii) written notice of the Leasehold Mortgagee's name and address; and (iv) the pertinent recording data for the Leasehold Mortgage, Lessor agrees that from and after the date of receipt by Lessor of such notice and for the duration of such Leasehold Mortgage, the provisions of this SECTION 22 shall apply.

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

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

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

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

22.7 Mortgagee Lease. Lessor agrees that if this Lease is terminated for any reason (other than as provided in accordance with SECTIONS 7.7 (if Leasehold Mortgage has consented to such termination), 7.8 (if there is a Condemnation of the entire Premises or otherwise if Leasehold Mortgage has consented to such termination), and 14.18), or if the Lease is rejected in a bankruptcy proceeding, subject to the rights herein granted to Leasehold Mortgagee, Lessor will enter into a new lease (the "**Mortgagee Lease**") of the Premises

with the Leasehold Mortgagee for the remainder of the Term effective as of the date of termination, at the same Base Rent and on the same terms, provisions, covenants, and agreements as contained in this Lease, provided;

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

22.7.2 Leasehold Mortgagee shall pay to Lessor at the time of the execution and delivery of the 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 in connection with entering into such new Lease;

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

22.7.4 Leasehold Mortgagee, as replacement Lessee under the 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.

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

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

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

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

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

23. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

24. COMPLIANCE WITH LAWS, RULES AND REGULATIONS.

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Premises, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon request.

25. CORPORATE AUTHORIZATION.

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

26. UTILITY LINES AND SERVICE CHARGES.

26.1.1 Connections and Services. Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested in advance to do so by Lessee, Lessor will grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

26.1.2 Payment. 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.

26.1.3 Continued Use and Repair. Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises and the right to repair the same when necessary in Lessor's reasonable discretion, including but not limited to, any utility easements on the Premises. Lessor agrees to coordinate any entry onto the Premises with Lessee and shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities or the activities of Lessee's employees, agents, contractors, subtenants or invitees (collectively, "**Lessee's Occupants**") thereon.

27. RESERVATIONS TO LESSOR.

The Premises are accepted "as is, where is" by Lessee, subject to the Permitted Exceptions. Lessor reserves the right to grant reasonable easements, 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 or and Lessee's Occupant'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. The location of any such easements, rights-of-way and/or permits 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 Lessee's Occupant'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.

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

28.1 Lessee agrees that in the event Lessee's improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation,* as it may be amended.

28.2 Lessee agrees that: (a) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Premises; (b) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (c) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

28.3 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

28.4 Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance therefrom; provided that the foregoing does not give Lessor the right to develop new landing areas on the Premises.

28.5 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

28.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport.

28.7 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

28.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

28.9 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

28.10 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

28.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §§ 40103(e) and 47107(a)(4).

28.12 This Lease and all of the provisions hereof shall be subject to whatever right the United States government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

29. TITLE VI.

29.1 Lessee agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated or identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("**Title VI**") in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

29.2 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, national origin (including limited English

proficiency), creed, sex (including sexual orientation and gender identity), age or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

29.2.3 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 Lessor or the FAA 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 Lessor or the FAA 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 FAA may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(b) cancelling, terminating, or suspending the Lease, in whole or in part, in accordance with, but subject to, SECTIONS 11 and 22.

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 Lessor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

29.3 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, and (c) that Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts and Authorities.

29.4 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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087) (2005); and

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et *seq.*).

29.5 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 dated April 14, 1998 and recorded in the official records of Maricopa County, Arizona on April 30, 1998 as Entry No. 98-0354787 (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. INTENTIONALLY DELETED.

35. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants or obligations contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly permitted in SECTIONS 7.7, 7.8, and 14.18 of this Lease.

36. BROKERS.

Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessor and Lessee each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party's representation and warranty in this Section.

37. SALE BY LESSOR.

Lessee agrees to look solely to Lessor's interest in the Premises and any insurance proceeds, including rents, profits, proceeds and awards for the recovery of any judgment against Lessor, it being agreed that neither Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

38. ESTOPPEL CERTIFICATE.

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly

executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (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 Premises as may be reasonably requested. The requesting Party and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

39. UNAVOIDABLE DELAY.

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "**Unavoidable Delay**" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, entitlement approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (s) delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under SECTION 14 (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), or (t) unavailability or shortage of materials or labor that could not be reasonably anticipated, or (u) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) days after the commencement of such Unavoidable Delay.

40. ADDITIONAL PAYMENTS.

40.1 Within FORTY-FIVE (45) days of the end of each calendar quarter occurring during the Term, Lessee shall pay Lessor an amount equal to TEN PERCENT (10%) of Operating Cash Flow (defined below) received by Lessee from the Premises. Operating Cash Flow shall be determined on a cash basis in accordance with accounting standards currently used by The Boyer Company, L.C. and applied on a consistent basis. Because the use of cash basis accounting may cause distortions, certain adjustments may be made including but not limited to the following: (x) Lessee may establish and increase such reserves as it reasonably deems to be required for the proper management, maintenance and operation of the Premises, and (y) Lessee shall make such adjustments as may be reasonably required fairly to present Operating Cash Flow including, but not limited to, matching rents and expenditures and amortizing capital or extraordinary expenditures over more than one year. To the extent reimbursed by a sublessee, the cost of refurbishing or replacing tenant improvements and performing similar work after initial construction of the building shall be treated as an Expenditure in the year(s) in which the sublessee reimburses Lessee for such tenant improvements. If no such itemized reimbursement is made by a sublessee or to the extent the reimbursement is less than the cost incurred, the net cost of refurbishing or replacing tenant improvements and performing similar work shall be treated as an Expenditure by amortizing the cost thereof on a straight-line method over the term of the sublease. For purposes of this ARTICLE 40, (i) "**Operating Cash Flow**" means all Rent less all Expenditures; (ii) "**Rent**" means all base

annual rents, percentage rents and other rents, revenues and charges actually received by Lessee from sublessees of the Premises, but excluding receipts from loans (including member loans and Refinancing Proceeds (defined below)), Sales Proceeds (defined below), contributions to capital, insurance proceeds, recoveries in connection with eminent domain proceedings or recoveries in connection with other actions (but including as part of Rent recoveries of any unpaid Rent); and (iii) "**Expenditures**" means all costs, expenses and fees incurred by Lessee in connection with the construction, ownership, financing, improvement, operation, leasing, management, maintenance and repair of the Premises and/or horizontal improvements for the Premises (which cost, expenses and fees shall be reasonably allocated to the Premises by Lessee (as so allocated, the "**Applicable Horizontal Expenditures**")) or required by any Leasehold Mortgage including, without limitation, a management fee of 4% of all Rents, income taxes and repayment of advances made by the owners of Lessee or another lender to pay Expenditures in prior periods and all payments of debt service, preferred returns and equity contributions or repayments of member loans made to Lessee. Any payment or demand for return of an overpayment made to Lessor pursuant to this SECTION 40.1. shall be accompanied by a written statement setting forth in reasonable detail the manner in which Operating Cash Flow was calculated. Each such statement shall be conclusive and binding upon Lessor unless within ONE (1) year after receipt of such statement Lessor notifies Lessee in writing that Lessor disputes the correctness of such statement, specifying the particular respects in which the statement is claimed to be incorrect. Lessee shall grant to Lessor and to attorneys or independent certified public accountants retained by Lessor, but not on a contingency basis, at Lessor's sole cost and expense, access to Lessee's books and records upon reasonable notice during normal business hours for the purpose of verifying the amounts calculated and paid pursuant to this SECTION 40.1, and whether such payments were reasonable and proper. If, after audit, the Operating Cash Flow in question is determined to have been understated, Lessee shall pay any deficiency to Lessor, and, if the Operating Cash Flow in question is determined to have been overstated, Lessor shall pay any overpayment to Lessee. To assure that Lessor receives the appropriate payment of Operating Cash Flow as set forth in this SECTION, Lessee shall not distribute any Operating Cash Flow unless and until the Lessor receives payment in an amount proportional to the amount of any Operating Cash Flow received by Lessee, provided, the foregoing shall not prevent Lessee or its affiliates from making payments of any Expenditures.

40.2 In addition, upon a refinance of the initial construction loan or a sale of the leasehold interest in the Premises, Lessee shall pay to Lessor an amount equal to TEN PERCENT (10%) of the Refinancing Proceeds (defined below) or Sales Proceeds (defined below), as applicable. For purposes hereof, (i) "**Refinancing Proceeds**" means the actual amount of cash proceeds derived from the refinancing of a construction mortgage with respect to the Premises, less the following to the extent paid or reimbursed from such cash proceeds (A) the cost and expense of the refinancing including, without limitation, commissions and attorneys' fees and costs; (B) all principal, interest, preferred returns or other payments to lenders on the mortgage or other indebtedness of Lessee related to the Premises including, without limitation, loans or advances made by affiliates of Lessee, including member loans to Lessee, (C) all other Expenditures made from such cash proceeds; (D) the cost of any improvements to the Premises and the Applicable Horizontal Expenditures; and (E) such deposits to cash reserves as Lessee determines are required to pay anticipated Expenditures or liabilities and otherwise satisfy obligations related to the Premises or any mortgage including, without limitation, contingent liabilities; and (ii) "**Sale Proceeds**" means the actual amount of cash proceeds derived from the sale or other disposition of all or any part of the leasehold interest in the Premises, less the following to the extent paid or reimbursed from such cash proceeds: (A) the cost and expense incurred in connection with the sale or other disposition of the leasehold interest in the Premises, including, without limitation, commissions and attorneys' fees and costs; (B) all principal, interest, preferred interests or other payments to lenders on indebtedness related to the Premises including, without limitation, loans or advances made by affiliates of Lessee, including member loans to Lessee; (C) all other Expenditures made from such cash proceeds; (D) the cost of any improvements to the Premises and the Applicable Horizontal Expenditures; and (E) such deposits to cash reserves as Lessee determines are required to pay anticipated Expenditures or liabilities and otherwise satisfy obligations related to the Premises or any mortgage including, without limitation, contingent liabilities. To assure that Lessor receives the appropriate payment of Refinancing Proceeds and Sales Proceeds as set forth in this SECTION, Lessee shall not distribute any Refinancing Proceeds or Sales

Proceeds unless and until the Lessor receives payment in an amount proportional to the amount of any Refinancing Proceeds or Sales Proceeds received by Lessee, provided, the foregoing shall not prevent Lessee or its affiliates from making payments of any Expenditures.

40.3 The obligations under this SECTION 40 are personal to the Lessee named herein (or any affiliate to which Lessee transfers this Lease). Without limiting the generality of the foregoing, upon the sale of the leasehold interest in the Premises at or above fair market value as reasonably determined by Lessee to a party that is not an affiliate of Lessee and the payment by Lessee to Lessor of TEN PERCENT (10%) of the Sales Proceeds, or the sale at or a foreclosure or delivery of a deed in lieu of foreclosure or other Enforcement Action, the provisions of SECTIONS 40.1 and 40.2 automatically shall terminate and be of no further force and effect.

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 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.

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 by persons with full and complete authority to bind the Party.

41.5 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 reasonable attorneys' fees and all 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 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.

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

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

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.

43. DECLARATIONS.

43.1 Subordination. The Premises are subject and subordinate to (a) that certain Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East dated August 28, 2025 and recorded on September 10, 2025 in the Official Records of Maricopa County, Arizona as Instrument No. 2025-0523001 ("**Gateway East Declaration**") and (b) the Declaration of Reciprocal Access and Parking Easements dated August 28, 2025 and recorded on September 10, 2025 in the Official Records of Maricopa County, Arizona as Instrument No. 2025-0523036 ("**Parking Declaration**"). Lessee hereby agrees to fulfill and comply with the duties and obligations (i) of a "Lessee" and an "Occupant" as defined under the Gateway East Declaration with respect to the Premises and (ii) of a "Lessee" as defined under the Parking Declaration with respect to the Premises.

43.2 Assessments and other Obligations. Lessee shall pay its "Common Expense Share" of "Common Expenses" as defined in and set forth in the Gateway East Declaration. Such payment obligation shall constitute "additional rent" under this Lease. Lessee shall fulfil any other obligations it may have as a "Occupant" in accordance with the Gateway East Declaration with respect to the Premises.

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:

MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By:_____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

LESSEE:

BOYER GATEWAY EAST MESA RETAIL 1, L.C., a Utah limited liability company

By: The Boyer Company, L.C., a Utah limited liability company, its Manager

By: _____
Name: _____
Its: Manager

STATE OF UTAH)
) ss.
County of Salt Lake)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 202_, by _____ in his capacity as Manager of The Boyer Company, L.C., a Utah limited liability company, the Manager of Boyer Gateway East Mesa Retail 1, L.C., a Utah limited liability company, for and on behalf of said limited liability company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A

LEGAL DESCRIPTION AND DEPICTION OF THE PREMISES

LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 200

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 423.38 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 246.54 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF GATEWAY BOULEVARD, ALSO BEING THE POINT OF BEGINNING;

THENCE UPON AND WITH SAID NORTHERLY RIGHT OF WAY LINE, SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 37.20 FEET;

THENCE NORTH 01 DEGREES 21 MINUTES 14 SECONDS WEST, A DISTANCE OF 10.00 FEET;

THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 257.16 FEET TO THE BEGINNING OF A TANGENT CURVE, BEING CONCAVE TO THE NORTH, WITH A RADIUS OF 1979.00 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 44 MINUTES 51 SECONDS, A LENGTH OF 25.82 FEET;

THENCE DEPARTING THE AFORESAID NORTHERLY RIGHT OF WAY LINE, NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 164.83 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 52.14 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 31.04 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 74.00 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 134.19 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 40 SECONDS EAST, A DISTANCE OF 1.00 FEET;

DEC 2025
GWE – LOT 200

PAGE 1

DIBBLE

DIBBLE PROJECT NO
1124156

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 53.37 FEET;

THENCE SOUTH 89 DEGREES 38 MINUTES 14 SECONDS EAST, A DISTANCE OF 193.14 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 387.27 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 97,177 SQUARE FEET OR 2.231 ACRES OF LAND, MORE OR LESS.

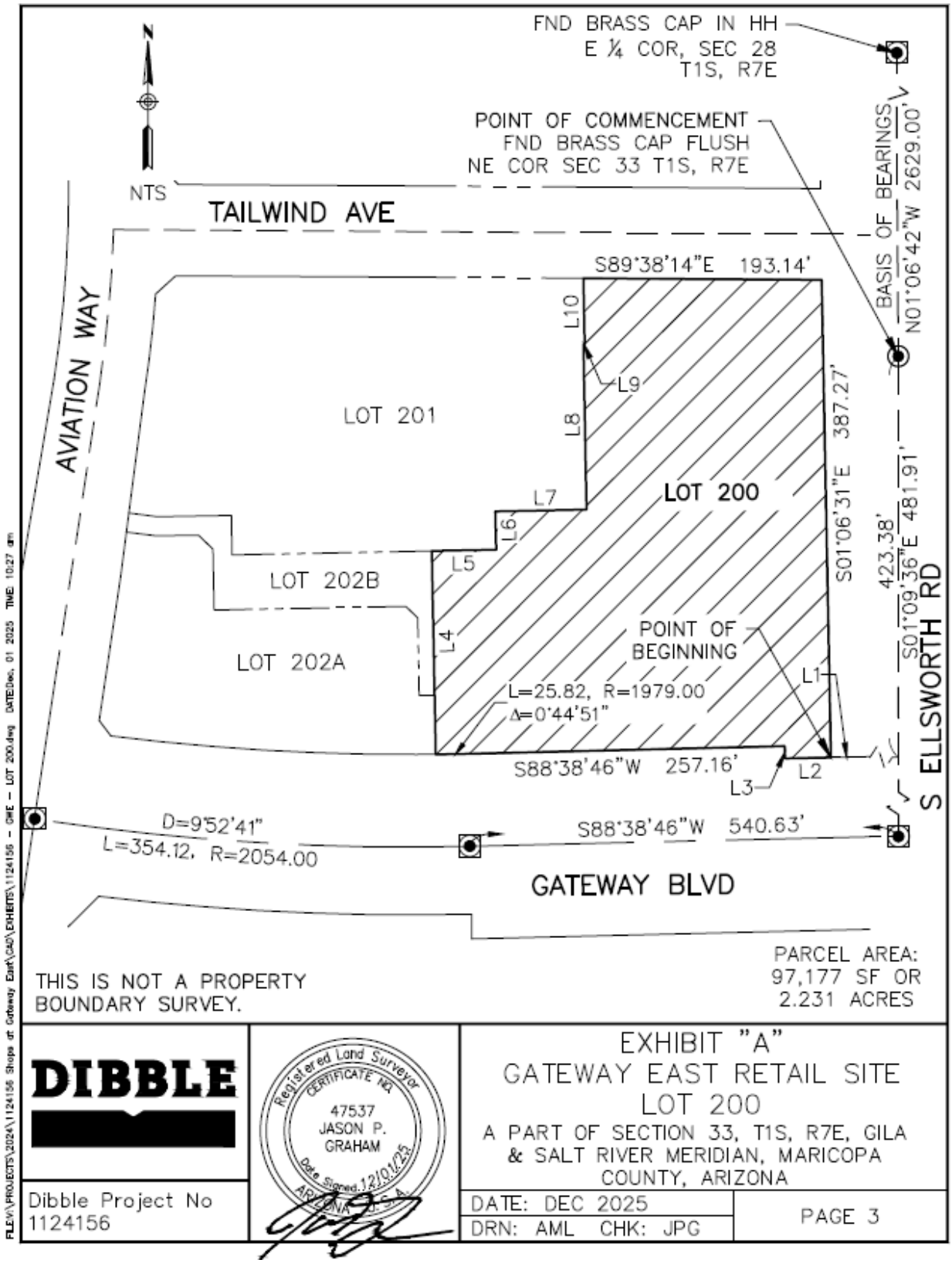


DEC 2025
GWE – LOT 200

PAGE 2

DIBBLE

DIBBLE PROJECT NO
1124156


N
NTS
FND BRASS CAP IN HH
E ¼ COR, SEC 28
T1S, R7E
POINT OF COMMENCEMENT
FND BRASS CAP FLUSH
NE COR SEC 33 T1S, R7E
BASIS OF BEARINGS
N01°06'42"W 2629.00'
TAILWIND AVE
S89°38'14"E 193.14'
AVIATION WAY
LOT 201
LOT 200
LOT 202B
LOT 202A
L10
L9
L8
L7
L6
L5
L4
L1
L2
L3
S01°06'31"E 387.27'
S01°09'36"E 481.91'
423.38'
S ELLSWORTH RD
POINT OF
BEGINNING
L=25.82, R=1979.00
Δ=0°44'51"
S88°38'46"W 257.16'
D=9°52'41"
L=354.12, R=2054.00
S88°38'46"W 540.63'
GATEWAY BLVD
THIS IS NOT A PROPERTY
BOUNDARY SURVEY.
PARCEL AREA:
97,177 SF OR
2.231 ACRES
DIBBLE
Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 12/01/25
ARIZONA U.S.A.
EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 200
A PART OF SECTION 33, T1S, R7E, GILA
& SALT RIVER MERIDIAN, MARICOPA
COUNTY, ARIZONA
Dibble Project No
1124156
DATE: DEC 2025
DRN: AML CHK: JPG
PAGE 3
FILE:V:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 200.dwg DATE:Dec. 01 2025 TIME: 10:27 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N89°50'58"W	246.54'
L2	S88°38'46"W	37.20'
L3	N01°21'14"W	10.00'
L4	N01°06'32"W	164.83'
L5	N88°53'28"E	52.14'
L6	N01°06'32"W	31.04'
L7	N88°53'28"E	74.00'
L8	N01°06'32"W	134.19'
L9	N88°53'40"E	1.00'
L10	N01°06'32"W	53.37'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 200.dwg DATE:Dec. 01 2025 TIME: 10:27 am

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P. GRAHAM
Date Signed 12/01/25
ARIZONA U.S.A.

EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 200
A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: DEC 2025
DRN: AML CHK: JPG

PAGE 4

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 202B

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 256.79 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 566.66 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 116.96 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 29 SECONDS WEST, A DISTANCE OF 12.50 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 63.00 FEET;

THENCE NORTH 46 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 13.44 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 155.48 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 49.46 FEET;

THENCE NORTH 46 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 16.26 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 34.23 FEET;

THENCE NORTH 82 DEGREES 37 MINUTES 17 SECONDS WEST, A DISTANCE OF 24.35 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF AVIATION WAY;

THENCE UPON AND WITH SAID EASTERLY RIGHT OF WAY LINE, NORTH 07 DEGREES 22 MINUTES 43 SECONDS EAST, A DISTANCE OF 15.50 FEET;

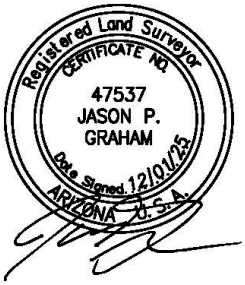
THENCE DEPARTING SAID EASTERLY RIGHT OF WAY LINE, SOUTH 82 DEGREES 37 MINUTES 17 SECONDS EAST, A DISTANCE OF 23.20 FEET;

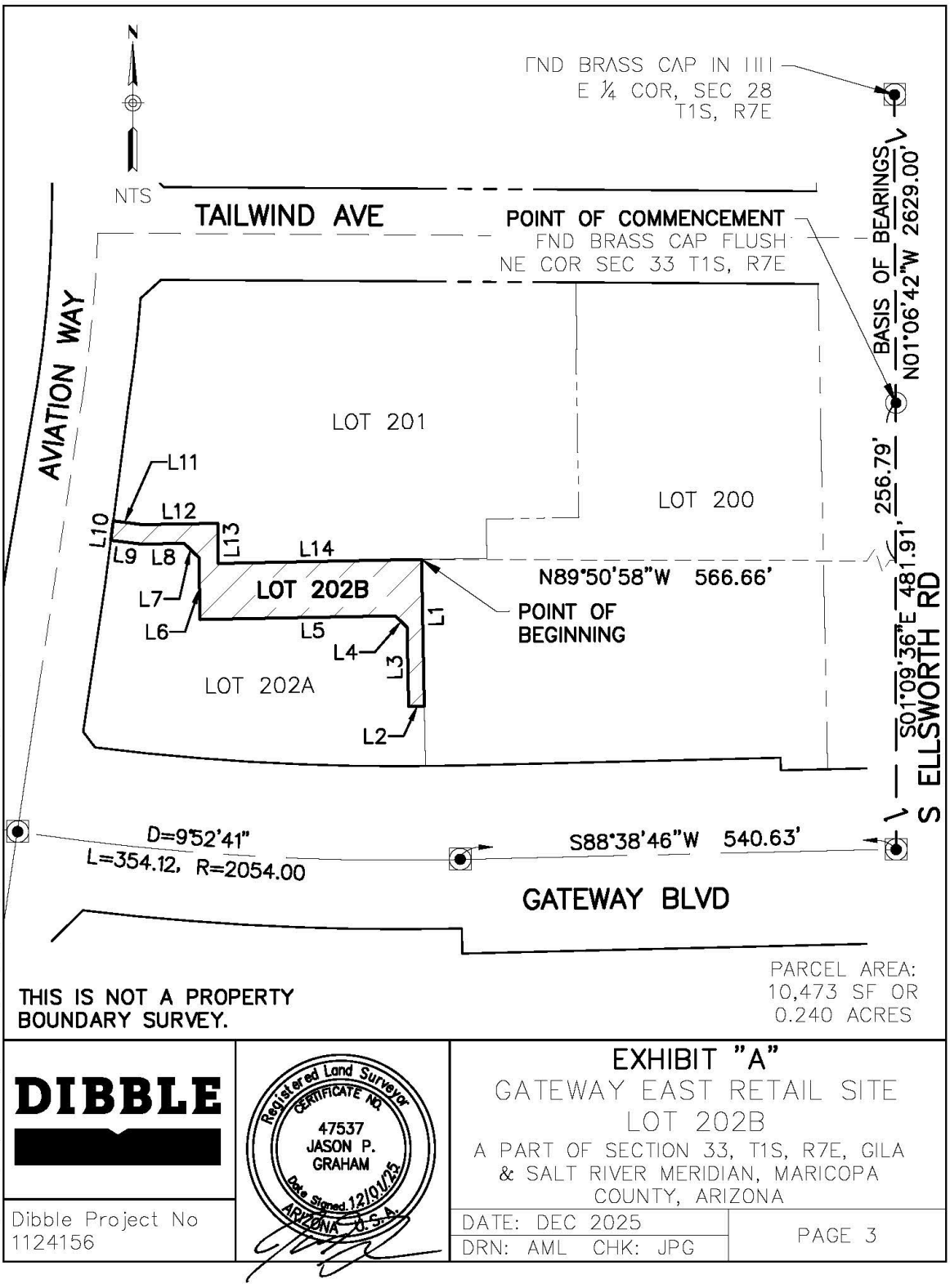
p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 60.08 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 32.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 161.98 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 10,473 SQUARE FEET OR 0.240 ACRES OF LAND, MORE OR LESS.




N
NTS
FND BRASS CAP IN HH
E ¼ COR, SEC 28
T1S, R7E
TAILWIND AVE
POINT OF COMMENCEMENT
FND BRASS CAP FLUSH
NE COR SEC 33 T1S, R7E
BASIS OF BEARINGS
N01°06'42"W 2629.00'
AVIATION WAY
LOT 201
LOT 200
LOT 202B
LOT 202A
L1
L2
L3
L4
L5
L6
L7
L8
L9
L10
L11
L12
L13
L14
256.79'
N89°50'58"W 566.66'
POINT OF
BEGINNING
S01°09'36"E 481.91'
S ELLSWORTH RD
D=9°52'41"
L=354.12, R=2054.00
S88°38'46"W 540.63'
GATEWAY BLVD
THIS IS NOT A PROPERTY
BOUNDARY SURVEY.
PARCEL AREA:
10,473 SF OR
0.240 ACRES
DIBBLE
Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 12/10/25
ARIZONA U.S.A.
EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 202B
A PART OF SECTION 33, T1S, R7E, GILA
& SALT RIVER MERIDIAN, MARICOPA
COUNTY, ARIZONA
Dibble Project No
1124156
DATE: DEC 2025
DRN: AML CHK: JPG
PAGE 3
FILE:V:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 202B.dwg DATE:Dec, 01 2025 TIME: 10:29 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	S01°06'32"E	116.96'
L2	S88°53'29"W	12.50'
L3	N01°06'32"W	63.00'
L4	N46°06'32"W	13.44'
L5	S88°53'28"W	155.48'
L6	N01°06'32"W	49.46'
L7	N46°06'32"W	16.26'
L8	S88°53'28"W	34.23'
L9	N82°37'17"W	24.35'
L10	N07°22'43"E	15.50'
L11	S82°37'17"E	23.20'
L12	N88°53'28"E	60.08'
L13	S01°06'32"E	32.00'
L14	N88°53'28"E	161.98'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

FILE:K:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 202B.dwg DATE:Dec, 01 2025 TIME: 10:29 am

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 12/01/25
ARIZONA U.S.A.

EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 202B
A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: DEC 2025
DRN: AML CHK: JPG

PAGE 4

EXHIBIT B

AIRPORT RATES & CHARGES SCHEDULE

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

AIRPORT FEES, SERVICES AND RENTAL RATES SCHEDULE

(Link)

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT C

PERMITTED EXCEPTIONS

LOT 200:

1. Taxes which may be assessed or levied subsequent to the effective date herein, and subsequent years.

2. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2025.

3. Reservations contained in the Patent

   From: The United States of America
   Recording Date: January 24, 1914
   Recording No: Book 108 of Deeds, page 239

4. Water rights, claims or title to water, whether or not disclosed by the Public Records.

5. Intentionally Omitted

   Recording No: Book 409 of Maps, page 13

6. 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

7. 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 August 6, 1999, in Recording No. 99-0746645.

8. Intentionally Omitted

9. Intentionally Omitted

10. A Notice

    For: Map of Williams Gateway Airport Traffic Pattern Airspace
    Recording Date: August 18, 2000
    Recording No: 2000-0633846; and

    Avigation Notice

    Recording Date: April 27, 2017
    Recording No.: 20170301390

11. Intentionally Omitted

12. Intentionally Omitted

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

Purpose:	Public utilities and appurtenant facilities
Recording Date:	March 7, 2023
Recording No:	20230114267

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

Purpose:	Public utilities and appurtenant facilities
Recording Date:	March 7, 2023
Recording No:	20230114269

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

Purpose:	Sewer line and appurtenant facilities
Recording Date:	June 5, 2023
Recording No:	20230289473

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

Purpose:	Temporary construction
Recording Date:	June 7, 2023
Recording No:	20230295697

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

Purpose:	Power distribution and appurtenant facilities
Recording Date:	February 20, 2024
Recording No:	20240084926

18. Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East dated August 28, 2025 and recorded on September 10, 2025 in the Official Records of Maricopa County, Arizona as Instrument No. 2025-0523001

19. Declaration of Reciprocal Access and Parking Easements dated August 28, 2025 and recorded on September 10, 2025 in the Official Records of Maricopa County, Arizona as Instrument No. 2025-0523036

LOT 202B:

1. Taxes which may be assessed or levied subsequent to the effective date herein, and subsequent years.

2. Property taxes, which are a lien not yet due and payable, including any assessments collected with

taxes to be levied for the year 2025.

3. Reservations contained in the Patent

   From: The United States of America
   Recording Date: January 24, 1914
   Recording No: Book 108 of Deeds, page 239

4. Water rights, claims or title to water, whether or not disclosed by the Public Records.

5. Intentionally Omitted

   Recording No: Book 409 of Maps, page 13

6. 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

7. 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 August 6, 1999, in Recording No. 99-0746645.

8. Intentionally Omitted

9. Intentionally Omitted

10. A Notice

    For: Map of Williams Gateway Airport Traffic Pattern Airspace
    Recording Date: August 18, 2000
    Recording No: 2000-0633846; and

    Avigation Notice

    Recording Date: April 27, 2017
    Recording No.: 20170301390

11. [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]

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

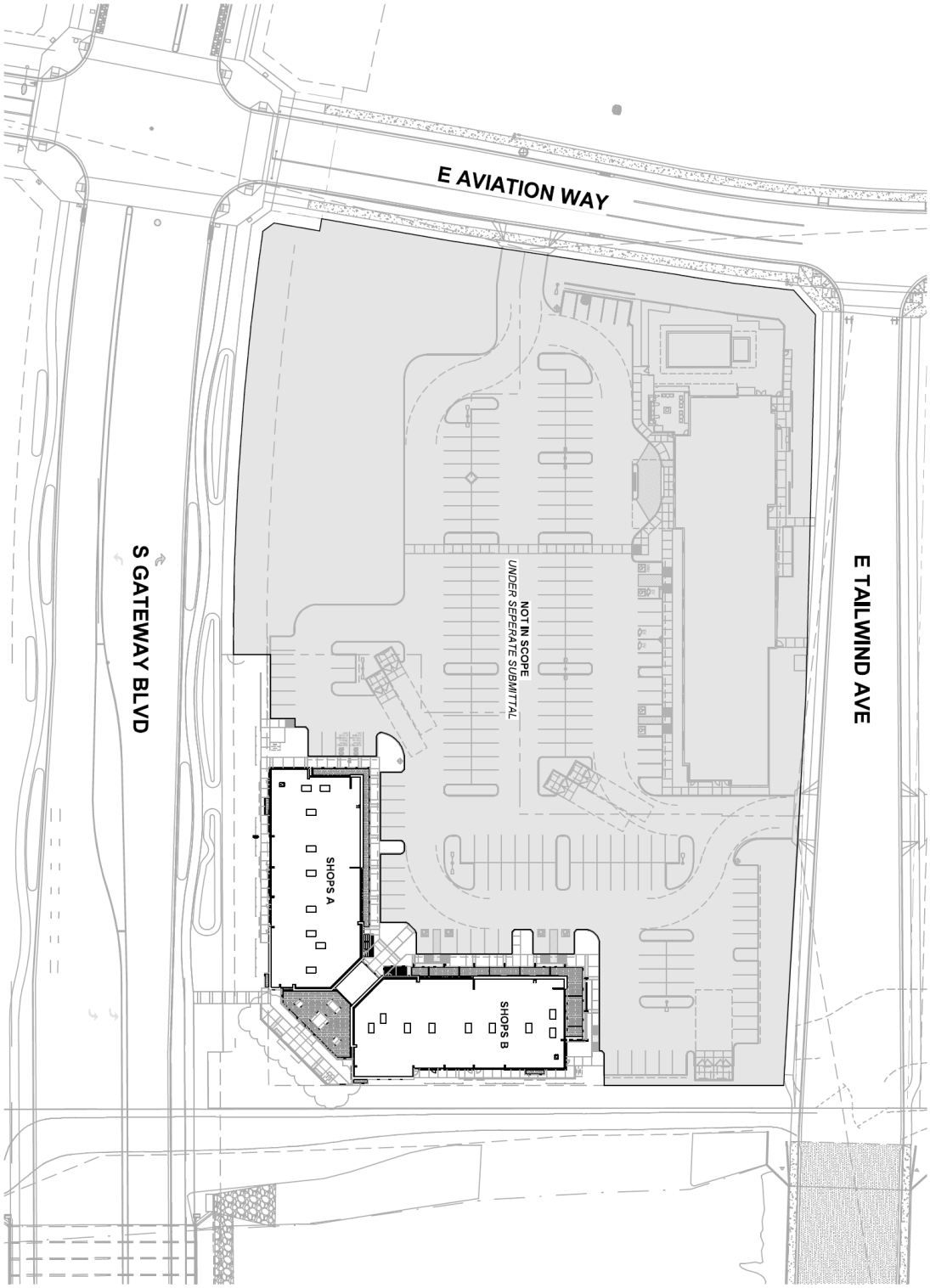
Purpose: Temporary construction
Recording Date: June 7, 2023
Recording No: 20230295697

13. Declaration of Covenants, Conditions, Restrictions and Easements for Gateway East dated August 28, 2025 and recorded on September 10, 2025 in the Official Records of Maricopa County, Arizona as Instrument No. 2025-0523001

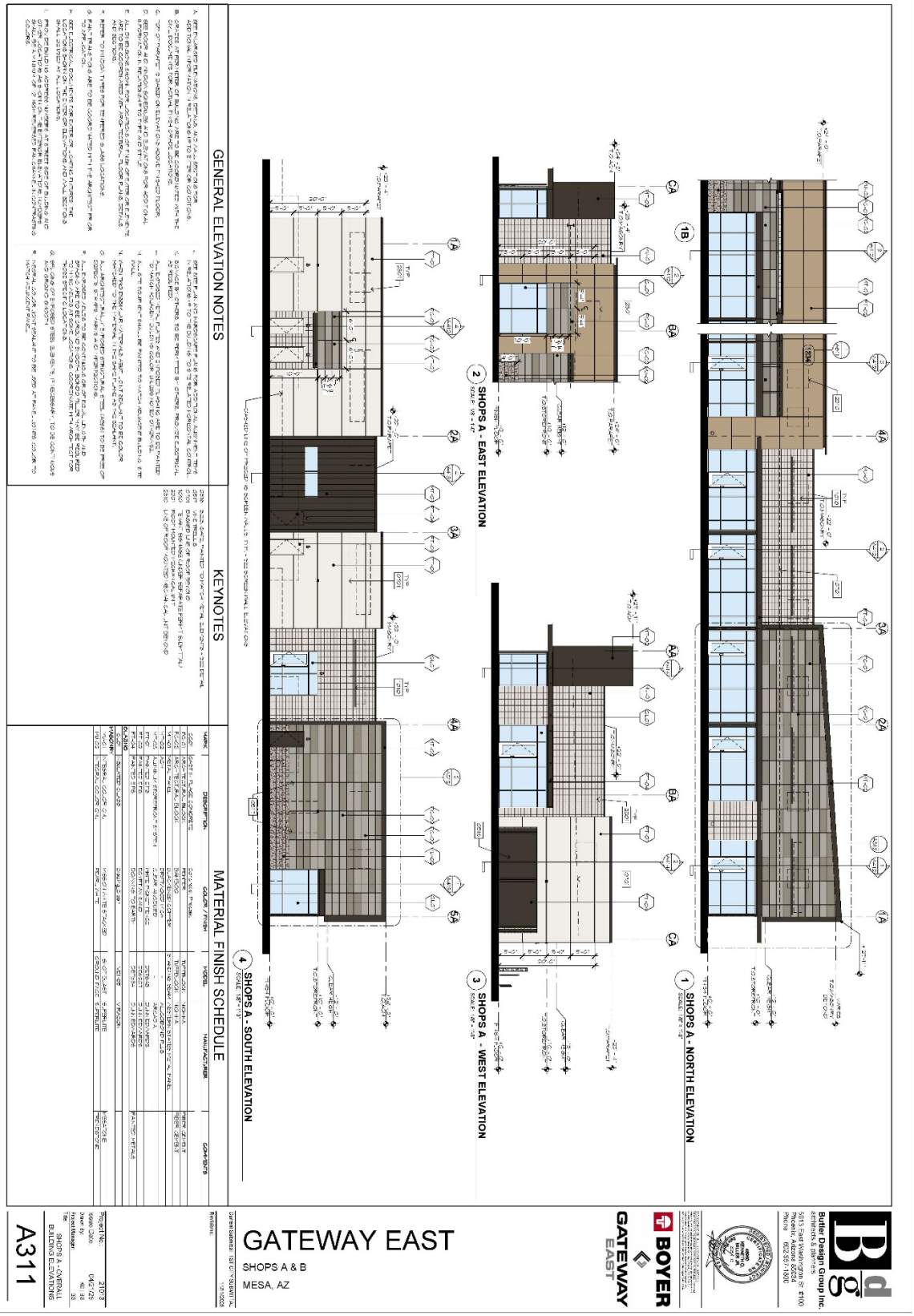
14. Declaration of Reciprocal Access and Parking Easements dated August 28, 2025 and recorded on September 10, 2025 in the Official Records of Maricopa County, Arizona as Instrument No. 2025-0523036

EXHIBIT D

DEPICTION OF PROPOSED IMPROVEMENTS




BURGER BAR


GENERAL ELEVATION NOTES
KEYNOTES
MATERIAL FINISH SCHEDULE
1 SHOPS A - NORTH ELEVATION
2 SHOPS A - EAST ELEVATION
3 SHOPS A - WEST ELEVATION
4 SHOPS A - SOUTH ELEVATION
GATEWAY EAST
SHOPS A & B
MESA, AZ
BOYER
GATEWAY EAST
Butler Design Group Inc.
A311
SHOPS A - OVERALL BUILDING ELEVATIONS

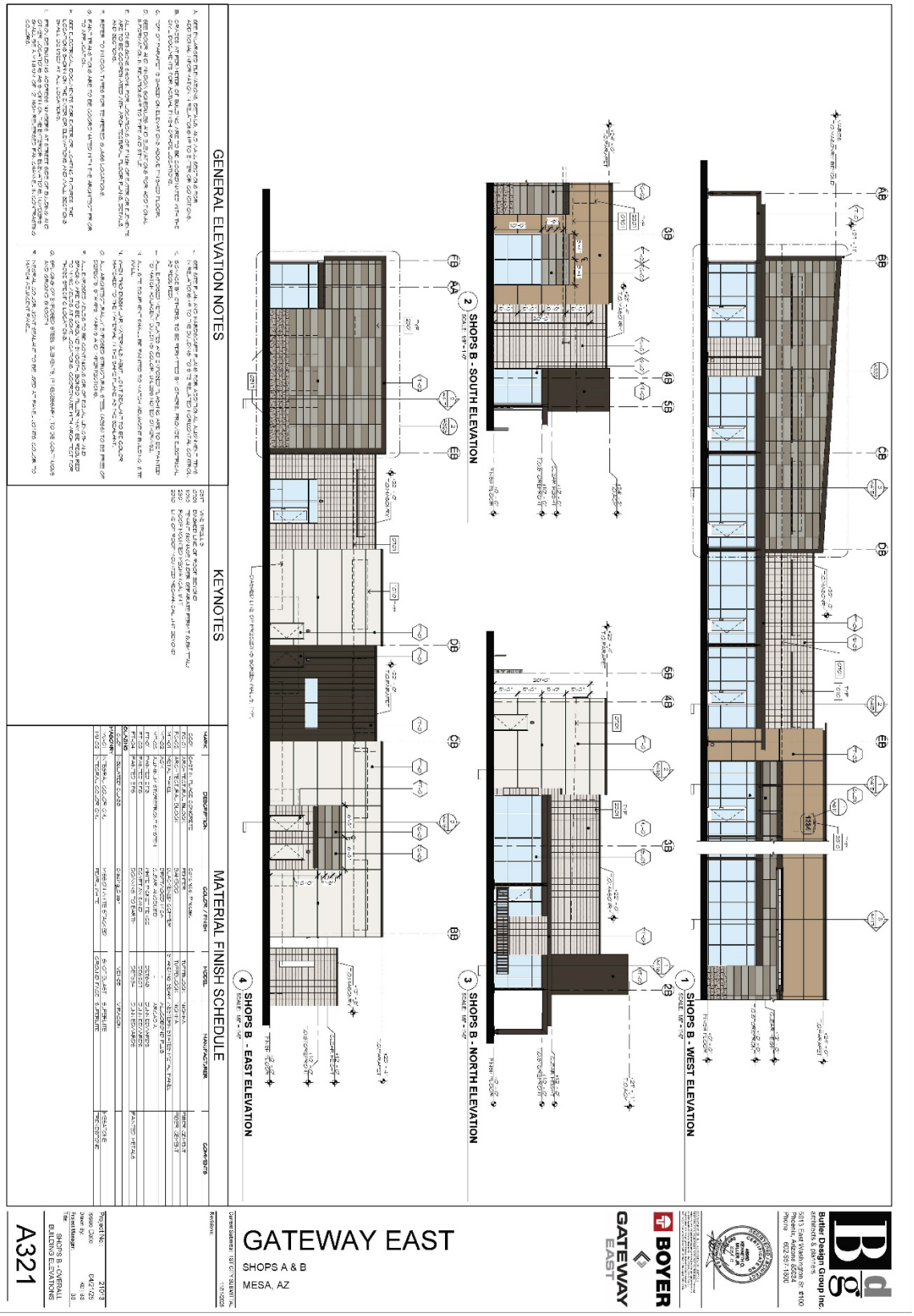

GENERAL ELEVATION NOTES
KEYNOTES
MATERIAL FINISH SCHEDULE
1 SHOPS B - WEST ELEVATION
2 SHOPS B - SOUTH ELEVATION
3 SHOPS B - NORTH ELEVATION
4 SHOPS B - EAST ELEVATION
GATEWAY EAST
SHOPS A & B
MESA, AZ
BOYER
GATEWAY EAST
Butler Design Group Inc.
A321

EXHIBIT E

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_____ ("**Effective Date**"), by and between **MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), whose mailing address is Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and _____ ("**Lessee**"), whose mailing address is _____.

1. Lease and Premises. Lessor and Lessee entered into that certain Development Lease dated _____, 20_____ ("**Lease**"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "**Premises**"). Subject to the covenants and conditions contained in the Lease, Lessor has leased to Lessee, and Lessee has leased from Lessor, the Premises.

2. Term. The term of the Lease commenced on _____, 20__, and expires on _____, unless earlier terminated pursuant to the terms of the Lease.

3. Use. Lessee may use and occupy the Premises for restaurants and retail stores.

4. No Modification. This Memorandum shall not, under any circumstances, be deemed to modify or change any provisions of the Lease, the provisions of which shall in all instances prevail.

5. Counterparts. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(*Signatures appear on the following page.*)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LESSOR:

MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By:_____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

LESSEE:

BOYER GATEWAY EAST MESA RETAIL 1, L.C., a Utah limited liability company

By: The Boyer Company, L.C., a Utah limited liability company, its Manager

By: _____
Name: _____
Its: Manager

STATE OF UTAH)
) ss.
County of Salt Lake)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 202_, by _____ in his capacity as Manager of The Boyer Company, L.C., a Utah limited liability company, the Manager of Boyer Gateway East Mesa Retail 1, L.C., a Utah limited liability company, for and on behalf of said limited liability company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION

PARCEL ONE:

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 200

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 423.38 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 246.54 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF GATEWAY BOULEVARD, ALSO BEING THE POINT OF BEGINNING;

THENCE UPON AND WITH SAID NORTHERLY RIGHT OF WAY LINE, SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 37.20 FEET;

THENCE NORTH 01 DEGREES 21 MINUTES 14 SECONDS WEST, A DISTANCE OF 10.00 FEET;

THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 257.16 FEET TO THE BEGINNING OF A TANGENT CURVE, BEING CONCAVE TO THE NORTH, WITH A RADIUS OF 1979.00 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 44 MINUTES 51 SECONDS, A LENGTH OF 25.82 FEET;

THENCE DEPARTING THE AFORESAID NORTHERLY RIGHT OF WAY LINE, NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 164.83 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 52.14 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 31.04 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 74.00 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 134.19 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 40 SECONDS EAST, A DISTANCE OF 1.00 FEET;

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 53.37 FEET;

THENCE SOUTH 89 DEGREES 38 MINUTES 14 SECONDS EAST, A DISTANCE OF 193.14 FEET;

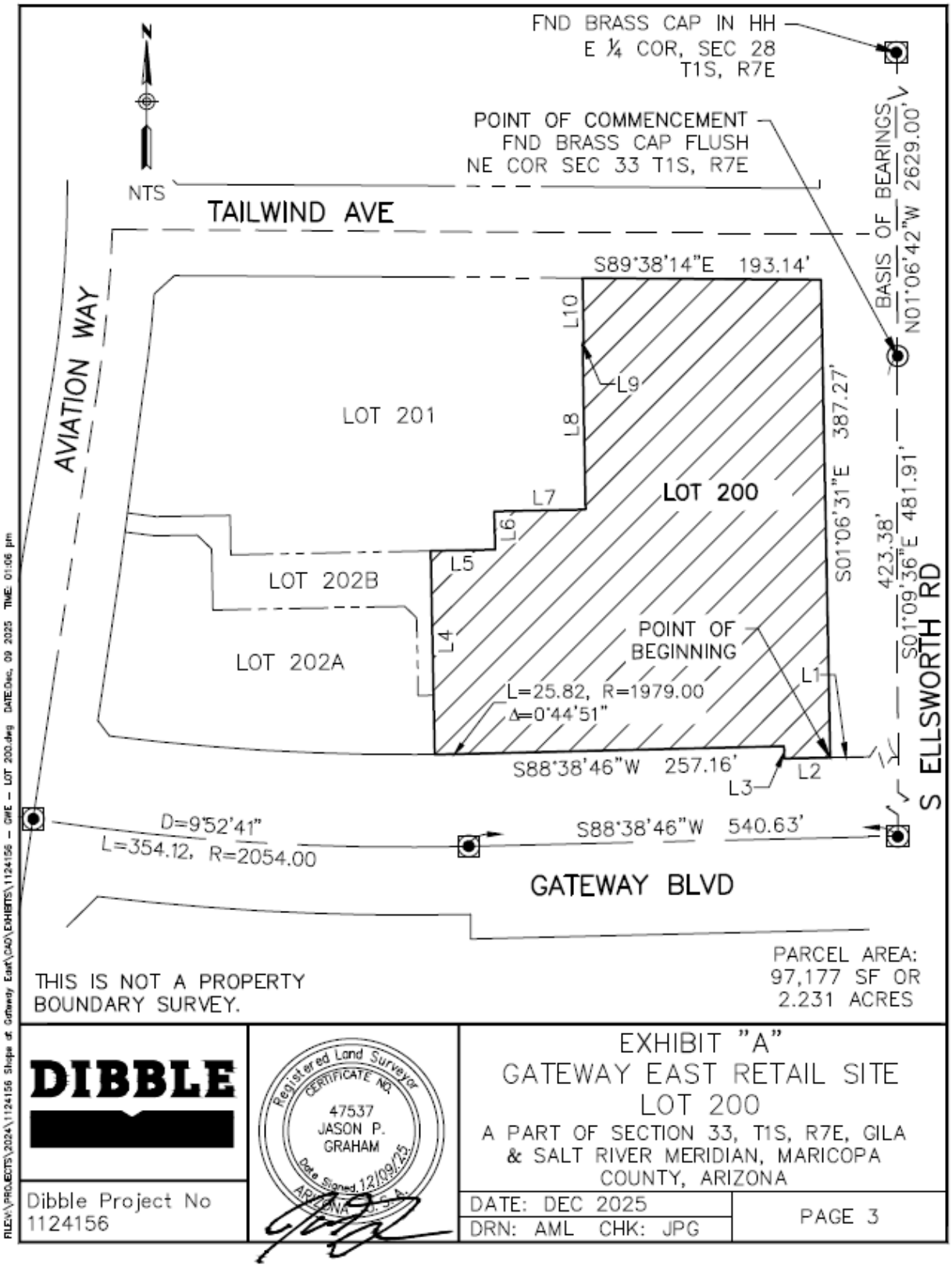
THENCE SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 387.27 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 97,177 SQUARE FEET OR 2.231 ACRES OF LAND, MORE OR LESS.



DEC 2025
GWE – LOT 200

DIBBLE

DIBBLE PROJECT NO
1124156


FND BRASS CAP IN HH
E ¼ COR, SEC 28
T1S, R7E
POINT OF COMMENCEMENT
FND BRASS CAP FLUSH
NE COR SEC 33 T1S, R7E
BASIS OF BEARINGS
N01°06'42"W 2629.00'
NTS
TAILWIND AVE
S89°38'14"E 193.14'
AVIATION WAY
LOT 201
LOT 200
LOT 202B
LOT 202A
L10
L9
L8
L7
L6
L5
L4
L1
L2
L3
S01°06'31"E 387.27'
423.38'
S01°09'36"E 481.91'
S ELLSWORTH RD
POINT OF BEGINNING
L=25.82, R=1979.00
Δ=0°44'51"
S88°38'46"W 257.16'
D=9°52'41"
L=354.12, R=2054.00
S88°38'46"W 540.63'
GATEWAY BLVD
THIS IS NOT A PROPERTY BOUNDARY SURVEY.
PARCEL AREA:
97,177 SF OR
2.231 ACRES
DIBBLE
Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 12/09/25
ARIZONA U.S.A.
EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 200
A PART OF SECTION 33, T1S, R7E, GILA
& SALT RIVER MERIDIAN, MARICOPA
COUNTY, ARIZONA
Dibble Project No
1124156
DATE: DEC 2025
DRN: AML CHK: JPG
PAGE 3
FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\040\EXHIBITS\1124156 - GWE - LOT 200.dwg DATE:Dec, 09 2025 TIME: 01:06 pm

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N89°50'58"W	246.54'
L2	S88°38'46"W	37.20'
L3	N01°21'14"W	10.00'
L4	N01°06'32"W	164.83'
L5	N88°53'28"E	52.14'
L6	N01°06'32"W	31.04'
L7	N88°53'28"E	74.00'
L8	N01°06'32"W	134.19'
L9	N88°53'40"E	1.00'
L10	N01°06'32"W	53.37'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 200.dwg DATE:Dec, 09 2025 TIME: 01:06 pm

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P. GRAHAM
Date Signed 12/09/25
ARIZONA U.S.A.

EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 200
A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: DEC 2025
DRN: AML CHK: JPG

PAGE 4

PARCEL TWO:

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 202B

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 256.79 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 566.66 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 116.96 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 29 SECONDS WEST, A DISTANCE OF 12.50 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 63.00 FEET;

THENCE NORTH 46 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 13.44 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 155.48 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 49.46 FEET;

THENCE NORTH 46 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 16.26 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 34.23 FEET;

THENCE NORTH 82 DEGREES 37 MINUTES 17 SECONDS WEST, A DISTANCE OF 24.35 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF AVIATION WAY;

THENCE UPON AND WITH SAID EASTERLY RIGHT OF WAY LINE, NORTH 07 DEGREES 22 MINUTES 43 SECONDS EAST, A DISTANCE OF 15.50 FEET;

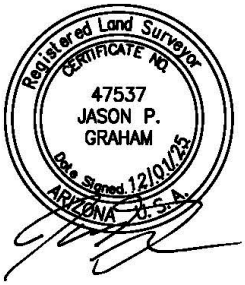
THENCE DEPARTING SAID EASTERLY RIGHT OF WAY LINE, SOUTH 82 DEGREES 37 MINUTES 17 SECONDS EAST, A DISTANCE OF 23.20 FEET;

p 602.957.1155 | 3020 East Camelback Rd, Suite 201
f 602.957.2838 | Phoenix, AZ 85016
dibblecorp.com

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 60.08 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 32.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 161.98 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 10,473 SQUARE FEET OR 0.240 ACRES OF LAND, MORE OR LESS.

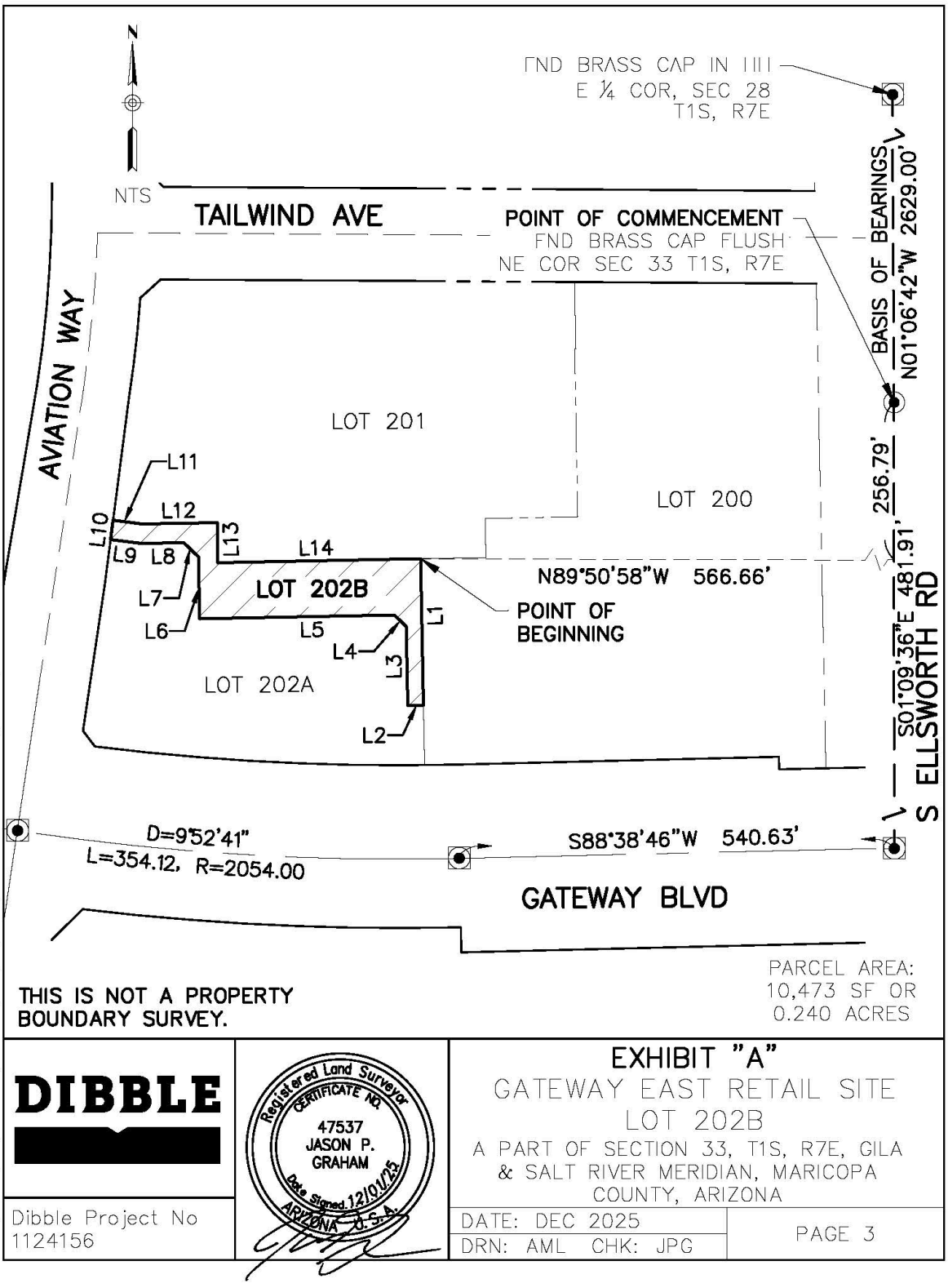


DEC 2025
GWE – LOT 202B

PAGE 2

DIBBLE

DIBBLE PROJECT NO
1124156


N
NTS
FND BRASS CAP IN HH
E ¼ COR, SEC 28
T1S, R7E
TAILWIND AVE
POINT OF COMMENCEMENT
FND BRASS CAP FLUSH
NE COR SEC 33 T1S, R7E
BASIS OF BEARINGS
N01°06'42"W 2629.00'
AVIATION WAY
LOT 201
LOT 200
LOT 202B
LOT 202A
L1
L2
L3
L4
L5
L6
L7
L8
L9
L10
L11
L12
L13
L14
256.79'
N89°50'58"W 566.66'
POINT OF
BEGINNING
S01°09'36"E 481.91'
S ELLSWORTH RD
D=9°52'41"
L=354.12, R=2054.00
S88°38'46"W 540.63'
GATEWAY BLVD
THIS IS NOT A PROPERTY
BOUNDARY SURVEY.
PARCEL AREA:
10,473 SF OR
0.240 ACRES
DIBBLE
Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 12/01/25
ARIZONA U.S.A.
EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 202B
A PART OF SECTION 33, T1S, R7E, GILA
& SALT RIVER MERIDIAN, MARICOPA
COUNTY, ARIZONA
Dibble Project No
1124156
DATE: DEC 2025
DRN: AML CHK: JPG
PAGE 3
FILE:V:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 202B.dwg DATE:Dec, 01 2025 TIME: 10:29 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	S01°06'32"E	116.96'
L2	S88°53'29"W	12.50'
L3	N01°06'32"W	63.00'
L4	N46°06'32"W	13.44'
L5	S88°53'28"W	155.48'
L6	N01°06'32"W	49.46'
L7	N46°06'32"W	16.26'
L8	S88°53'28"W	34.23'
L9	N82°37'17"W	24.35'
L10	N07°22'43"E	15.50'
L11	S82°37'17"E	23.20'
L12	N88°53'28"E	60.08'
L13	S01°06'32"E	32.00'
L14	N88°53'28"E	161.98'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

FILE:K:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 202B.dwg DATE:Dec, 01 2025 TIME: 10:29 am

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 12/01/25
ARIZONA U.S.A.

EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 202B
A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: DEC 2025
DRN: AML CHK: JPG

PAGE 4

EXHIBIT F

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 Premises is located

THIRD AMENDMENT TO MASTER LEASE AGREEMENT
(Adjustment Amendment - Lots 200 and 202B)

THIS THIRD AMENDMENT TO MASTER LEASE AGREEMENT ("**Amendment**") is made as of the 1st day of January, 2026 by and between **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 and Lessee are parties to that certain Master Lease Agreement dated June 21, 2022 ("**Lease**") covering certain property commonly known as Gateway East at the 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 Lots 200 and 202B from the Property in accordance with Section 2.1 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. The legal description of the Property set forth in Exhibit B to the Lease is amended by removing therefrom that certain property described on Exhibit A attached hereto.

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:

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: _____
Brian Gochnour, Manager

EXHIBIT A

Legal Description for Gateway East Retail Site Lot 200 and 202B
To be removed from Master Lease

LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 200

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 423.38 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 246.54 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF GATEWAY BOULEVARD, ALSO BEING THE POINT OF BEGINNING;

THENCE UPON AND WITH SAID NORTHERLY RIGHT OF WAY LINE, SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 37.20 FEET;

THENCE NORTH 01 DEGREES 21 MINUTES 14 SECONDS WEST, A DISTANCE OF 10.00 FEET;

THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 257.16 FEET TO THE BEGINNING OF A TANGENT CURVE, BEING CONCAVE TO THE NORTH, WITH A RADIUS OF 1979.00 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 44 MINUTES 51 SECONDS, A LENGTH OF 25.82 FEET;

THENCE DEPARTING THE AFORESAID NORTHERLY RIGHT OF WAY LINE, NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 164.83 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 52.14 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 31.04 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 74.00 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 134.19 FEET;

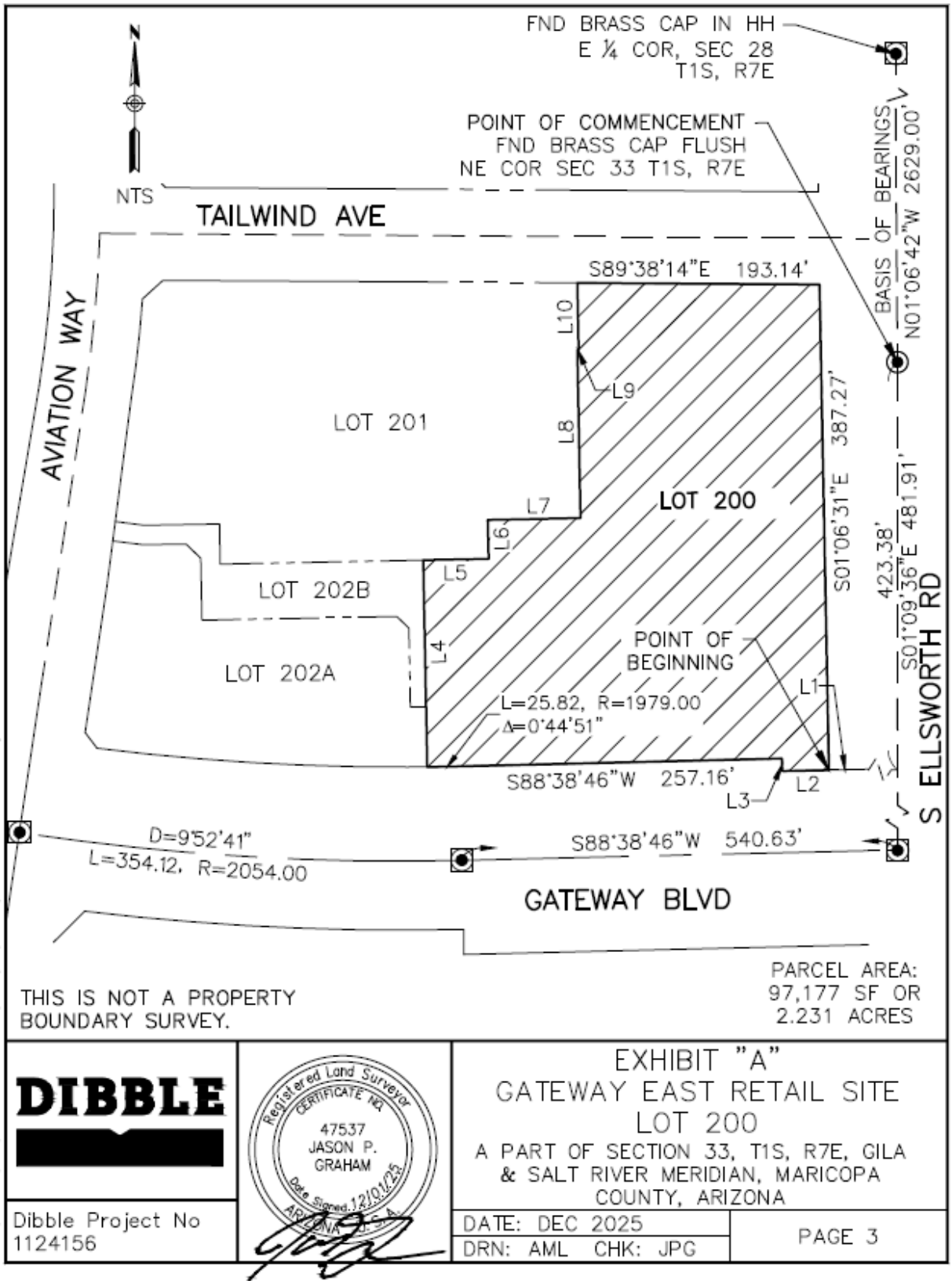
THENCE NORTH 88 DEGREES 53 MINUTES 40 SECONDS EAST, A DISTANCE OF 1.00 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 53.37 FEET;

THENCE SOUTH 89 DEGREES 38 MINUTES 14 SECONDS EAST, A DISTANCE OF 193.14 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 387.27 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 97,177 SQUARE FEET OR 2.231 ACRES OF LAND, MORE OR LESS.





FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 200.dwg DATE:Dec. 01 2025 TIME: 10:27 am

DIBBLE

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 12/01/25
ARIZONA U.S.A.

EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 200

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

Dibble Project No
1124156

DATE: DEC 2025
DRN: AML CHK: JPG

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N89°50'58"W	246.54'
L2	S88°38'46"W	37.20'
L3	N01°21'14"W	10.00'
L4	N01°06'32"W	164.83'
L5	N88°53'28"E	52.14'
L6	N01°06'32"W	31.04'
L7	N88°53'28"E	74.00'
L8	N01°06'32"W	134.19'
L9	N88°53'40"E	1.00'
L10	N01°06'32"W	53.37'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P. GRAHAM
Date Signed 12/01/25
ARIZONA U.S.A.

EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 200

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: DEC 2025
DRN: AML CHK: JPG

FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 200.dwg DATE:Dec. 01 2025 TIME: 10:27 am

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST RETAIL SITE
LOT 202B

A PARCEL OF LAND SITUATED IN A PART OF THE NORTHEAST QUARTER OF SECTION 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 NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH THE EAST QUARTER CORNER OF SECTION 28, BEARS NORTH 01 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 2629.00 FEET;

THENCE UPON AND WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, ALSO BEING THE CENTERLINE OF SOUTH ELLSWORTH ROAD, SOUTH 01 DEGREES 09 MINUTES 36 SECONDS EAST, A DISTANCE OF 256.79 FEET;

THENCE DEPARTING SAID CENTERLINE NORTH 89 DEGREES 50 MINUTES 58 SECONDS WEST, A DISTANCE OF 566.66 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 116.96 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 29 SECONDS WEST, A DISTANCE OF 12.50 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 63.00 FEET;

THENCE NORTH 46 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 13.44 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 155.48 FEET;

THENCE NORTH 01 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 49.46 FEET;

THENCE NORTH 46 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 16.26 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 28 SECONDS WEST, A DISTANCE OF 34.23 FEET;

THENCE NORTH 82 DEGREES 37 MINUTES 17 SECONDS WEST, A DISTANCE OF 24.35 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF AVIATION WAY;

THENCE UPON AND WITH SAID EASTERLY RIGHT OF WAY LINE, NORTH 07 DEGREES 22 MINUTES 43 SECONDS EAST, A DISTANCE OF 15.50 FEET;

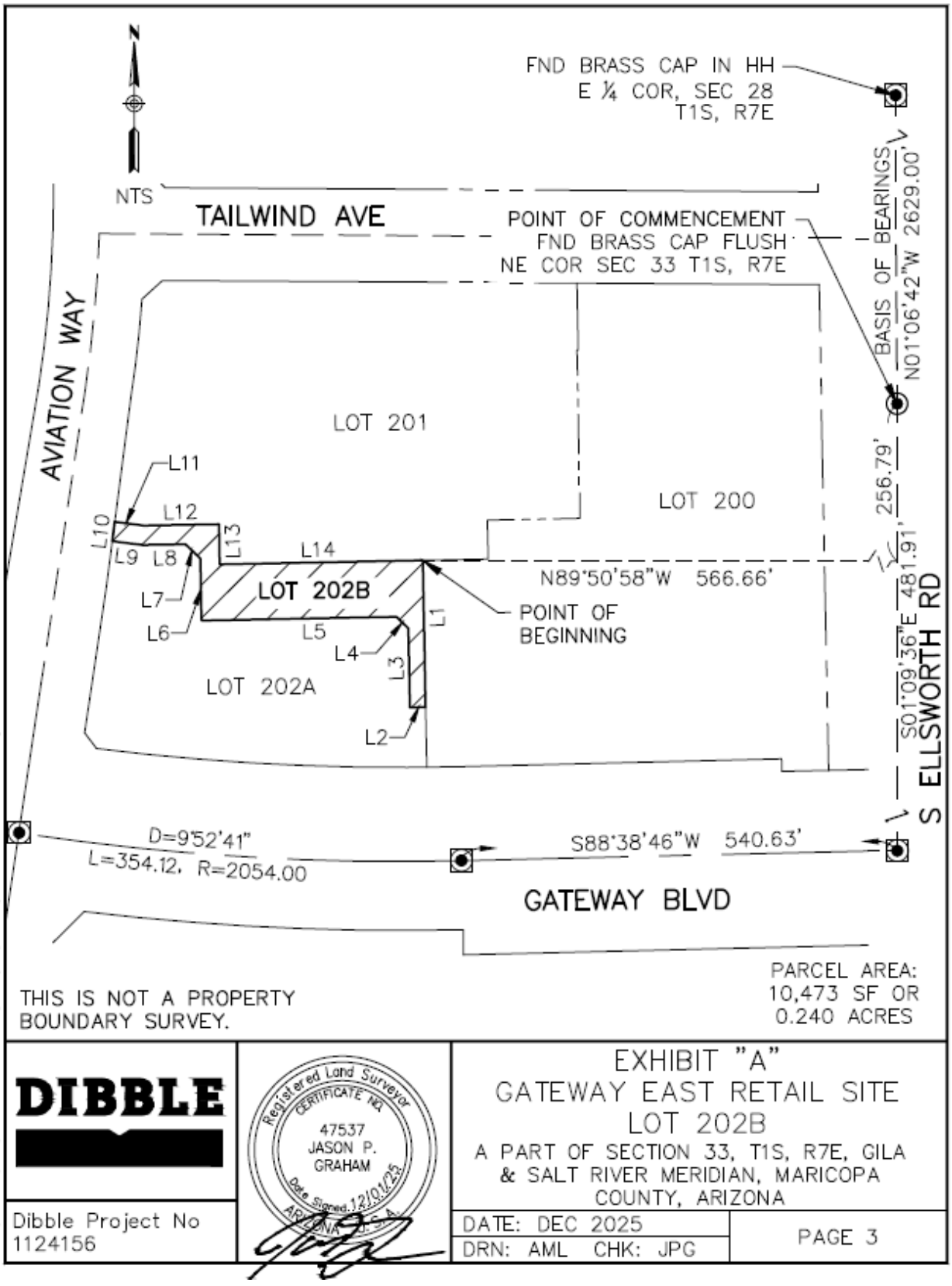
THENCE DEPARTING SAID EASTERLY RIGHT OF WAY LINE, SOUTH 82 DEGREES 37 MINUTES 17 SECONDS EAST, A DISTANCE OF 23.20 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 60.08 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 32.00 FEET;

THENCE NORTH 88 DEGREES 53 MINUTES 28 SECONDS EAST, A DISTANCE OF 161.98 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 10,473 SQUARE FEET OR 0.240 ACRES OF LAND, MORE OR LESS.





THIS IS NOT A PROPERTY BOUNDARY SURVEY.

PARCEL AREA:
10,473 SF OR
0.240 ACRES

DIBBLE

Dibble Project No
1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P.
GRAHAM
Date Signed 12/01/25
ARIZONA U.S.A.

EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 202B

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: DEC 2025
DRN: AML CHK: JPG

FILE:\\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 202B.dwg DATE:Dec, 01 2025 TIME: 10:29 am

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	S01°06'32"E	116.96'
L2	S88°53'29"W	12.50'
L3	N01°06'32"W	63.00'
L4	N46°06'32"W	13.44'
L5	S88°53'28"W	155.48'
L6	N01°06'32"W	49.46'
L7	N46°06'32"W	16.26'
L8	S88°53'28"W	34.23'
L9	N82°37'17"W	24.35'
L10	N07°22'43"E	15.50'
L11	S82°37'17"E	23.20'
L12	N88°53'28"E	60.08'
L13	S01°06'32"E	32.00'
L14	N88°53'28"E	161.98'

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

Dibble Project No 1124156

Registered Land Surveyor
CERTIFICATE NO.
47537
JASON P. GRAHAM
Date Signed 12/01/25
ARIZONA U.S.A.

EXHIBIT "A"
GATEWAY EAST RETAIL SITE
LOT 202B

A PART OF SECTION 33, T1S, R7E, GILA & SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DATE: DEC 2025
DRN: AML CHK: JPG

FILE:\PROJECTS\2024\1124156 Shops at Gateway East\CAD\EXHIBITS\1124156 - GWE - LOT 202B.dwg DATE:Dec, 01 2025 TIME: 10:29 am

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 2025 Financials**
Date: **December 16, 2025**

Attached is the monthly Financials Report for October 2025.

Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
October, 2025

	Month of October 2025				Y-T-D as of October 2025			
	October FY25 Actual	October FY26 Actual	YOY Variance	B/(W)	YTD FY25 Actual	YTD FY26 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	30,159	53,106	22,947	76%	143,067	224,898	81,832	57%
Fuel Flowage Fees	58,778	63,367	4,588	8%	197,947	260,653	62,706	32%
Landing Fees	129,227	161,337	32,110	25%	510,146	618,499	108,353	21%
Lease Income Aero	394,571	346,403	(48,168)	-12%	1,453,932	1,583,328	129,396	9%
Fuel Sales	796,455	1,138,697	342,242	43%	2,827,015	4,533,146	1,706,130	60%
Services Sold - Aero	524,489	442,043	(82,446)	-16%	1,740,701	1,744,954	4,253	0%
Sub-total Aero Operating Revenues	1,933,679	2,204,953	271,274	14%	6,872,808	8,965,478	2,092,670	30%
Non-Aeronautical Operating Revenues								
Concessions	106,986	109,555	2,569	2%	444,424	447,726	3,302	1%
Lease Income Non-Aero	122,813	133,633	10,820	9%	463,495	518,477	54,982	12%
Parking	435,632	482,237	46,605	11%	1,998,397	2,059,426	61,029	3%
Rental Car Fees	259,585	233,095	(26,490)	-10%	726,868	658,816	(68,052)	-9%
Svcs Sold - Non Aero	3,056	3,056	0	0%	30,639	64,709	34,070	111%
Sub-total Non-Aero Operating Revenues	928,072	961,576	33,504	4%	3,663,823	3,749,154	85,331	2%
Total Operating Revenues	**2,861,751**	**3,166,529**	**304,778**	**11%**	**10,536,631**	**12,714,632**	**2,178,001**	**21%**
Operating Expenses								
Cost of Goods Sold	523,617	853,301	(329,684)	-63%	1,801,505	3,348,232	(1,546,726)	-86%
Personnel	931,112	959,974	(28,862)	-3%	3,536,526	3,655,559	(119,033)	-3%
Comm & Utilities	106,565	111,711	(5,146)	-5%	498,711	515,151	(16,440)	-3%
Contractual Services	625,844	641,691	(15,847)	-3%	2,428,719	2,616,239	(187,520)	-8%
Insurance	57,395	51,305	6,090	11%	231,754	204,299	27,455	12%
Other	20,182	24,533	(4,351)	-22%	98,589	108,174	(9,585)	-10%
Repair & Maintenance	114,346	62,335	52,011	45%	247,510	212,994	34,517	14%
Supplies & Materials	65,259	79,633	(14,374)	-22%	269,337	298,812	(29,475)	-11%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,444,320**	**2,784,483**	**(340,163)**	-14%	**9,112,652**	**10,959,460**	**(1,846,808)**	-20%
Operating Income (Loss) Before Depreciation	**417,431**	**382,046**	**(35,385)**	-8%	**1,423,979**	**1,755,172**	**331,193**	23%
	14.6%	12.1%			13.5%	13.8%		
Depreciation		1,438,467				5,742,090		

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 16, 2025**

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

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2026-004-RFQ	Website Redesign Services	January 2026

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Qualifications	2026-005-RFQ	CMAR for Taxiway Golf Realignment	December 2025	March 2026

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $34,514.

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