SCOTTSDALE AIRPORT ADVISORY COMMISSION
MEETING NOTICE AND AGENDA

Wednesday, January 17, 2018
6:00 p.m.
OFF-SITE LOCATION
Hampton Inn and Suites
Roadrunner Room
16629 N. Scottsdale Road, Scottsdale, AZ

AIRPORT ADVISORY COMMISSION

John Celi, Chair
Bob Hobbi, Vice Chair
Brad Berry
Cory Little
Larry Bernosky
John Berry
Kevin Maxwell

Call to Order
Roll Call
Pledge of Allegiance

Aviation Director’s Report
The public body may not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly noticed for legal action.

Approval of Minutes
Regular Meeting: November 15, 2017

Public Comment
Citizens may complete one Request to Speak "Public Comment” card per night and submit it to Aviation Staff. Public Comment time is reserved for citizen comment regarding non-agendized items. No official action can be taken on these items. Public Comment is limited to a total of 15 minutes at the beginning and 15 minutes at the end of the meeting. Speakers are limited to three minutes to address the Commission during “Public Comment.”

Persons with a disability may request a reasonable accommodation by contacting Airport Administration (480-312-2321). Requests should be made 24 hours in advance or as early as possible to allow time to arrange accommodation. For TTY Users, the Arizona Relay Service (1-800-367-8939) may contact the Aviation Department (480-312-2321).
REGULAR AGENDA ITEMS 1-18

How the Regular Agenda Works: The Commission takes a separate action on each item on the Regular Agenda. If you wish to address the Commission regarding any or all of the items on the Regular Agenda, please complete a Comment Card for each topic you wish to address and submit it to Aviation Staff. Speakers will be given three minutes to speak per item. Additional time may be granted to speakers representing two or more persons. Cards for designated speakers and the persons they represent must be submitted together. Comment cards must be submitted before public testimony has begun on any Regular Agenda or Public Hearing item.

1. Election of Officers
   Pursuant to By-laws of the Scottsdale Airport Advisory Commission, Section I. Organization paragraph 101. Elections. The Commission shall, in regular session following the first day of January of every year, elect from its members a Chair and Vice Chair. The term of office shall be one year and no officer shall succeed him or herself more than once.
   Staff contact: Gary P. Mascaro, Aviation Director, 480-312-7735, gmascaro@scottsdaleaz.gov

2. Discussion and possible action regarding Airport Advisory Commission By-Laws
   Staff contact: Gary P. Mascaro, Aviation Director, 480-312-7735, gmascaro@scottsdaleaz.gov

3. Ratification of Airport Aeronautical Business Permit for Ion Air Group, LLC to conduct aircraft charter brokerage services at the Scottsdale Airport
   Staff contact: Carmen Williams, Management Analyst, 480-312-8475, cawilliams@scottsdaleaz.gov

4. Ratification of Airpark Aeronautical Business Permit for Lookout Peak, LLC to conduct hangar/shade leasing services in the Scottsdale Airpark
   Staff contact: Carmen Williams, Management Analyst, 480-312-8475, cawilliams@scottsdaleaz.gov

5. Ratification of two (2) Airpark Aeronautical Business Permits for SDL AZ Holdings, LLC dba Ross Aviation to conduct hangar/shade leasing services in the Scottsdale Airpark
   Staff contact: Carmen Williams, Management Analyst, 480-312-8475, cawilliams@scottsdaleaz.gov

6. Discussion and possible action to recommend approval of 19-ZN-2002#6 (Crossroads East), a zoning district map amendment to revise the Crossroads East Planned Community (P-C) District Development Plan, including adding 237 acres of Planned Airpark Core (PCP) zoning with base heights up to 84 feet and bonus building heights up to 116 feet; increasing residential dwelling units from 4,569 to 6,330; reducing acreage in I-1 zoning from 447 acres to 210 acres; and planning of two proposed state land auctions (120 acres northwest of Hayden Road and 101 freeway and 50 acres southwest of Hayden Road and 101 freeway) on +/- 1,000 acres located east of Scottsdale Road on the north and south sides of the Loop 101 freeway
   Staff contact: Greg Bloemberg, Senior Planner, 480-3124306, gblo@scottsdaleaz.gov
7. Discussion and possible action to recommend adoption of Resolution No. 11011 authorizing lease agreement No. 2016-028-COS-A1 Amendment No. 1 with Gemini Air Group, Inc. for the lease of two hangar facilities located at the Scottsdale Airport
   Staff contact: Carmen Williams, Management Analyst, 480-312-8475, cawilliams@scottsdaleaz.gov

8. Discussion and possible action to recommend adoption of Resolution No. 11006 authorizing lease agreement No. 2018-015-COS with Volanti Restaurant and Lounge, LLC for the lease of restaurant and office space located at the future Aviation Business Center at Scottsdale Airport
   Staff contact: Carmen Williams, Management Analyst, 480-312-8475, cawilliams@scottsdaleaz.gov

9. Discussion and Possible Action to Recommend Adoption of Resolution No. 11012, Contract No. 2018-020-COS with Scottsdale West Holdings, LLC for the lease of office space in the future Aviation Business Center at Scottsdale Airport
   Staff contact: Carmen Williams, Management Analyst, 480-312-8475, cawilliams@scottsdaleaz.gov

10. Discussion and possible action to approve Airport Advisory Commission Annual Report
    Staff contact: Gary P. Mascaro, Aviation Director, 480-312-7735, gmascaro@scottsdaleaz.gov

11. Discussion and input regarding Quarterly Noise Complaint Summary Report
    Staff contact: Sarah Ferrara, Aviation Planning & Outreach Coordinator, 480-312-8482, sferrara@scottsdaleaz.gov

12. Discussion and input regarding Airport and Airpark Aeronautical Business Permit Additions, Cancellations, and Revocations
    Staff contact: Carmen Williams, Management Analyst, 480-312-8475, cawilliams@scottsdaleaz.gov

13. Discussion and input regarding the Monthly Construction Report
    Staff contact: Chris Read, Airport Operations Manager, 480-312-2674, cread@scottsdaleaz.gov

14. Discussion and input regarding Monthly Operations Report for November and December
    Staff contact: Chris Read, Airport Operations Manager, 480-312-2674, cread@scottsdaleaz.gov

15. Discussion and input regarding Financial Report for October and November
    Staff contact: Carmen Williams, Management Analyst, 480-312-8475, cawilliams@scottsdaleaz.gov

16. Discussion and input regarding Public Outreach Programs and Planning Projects
    Staff contact: Sarah Ferrara, Aviation Planning & Outreach Coordinator, 480-312-8482, sferrara@scottsdaleaz.gov

17. Administrative report from the Aviation Director, or designee, regarding the status of pending aviation-related items
    Staff contact: Gary P. Mascaro, Aviation Director, 480-312-7735, gmascaro@scottsdaleaz.gov
18. Discussion and possible action to modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar
   Staff contact: Gary P. Mascaro, Aviation Director, 480-312-7735, gmascaro@scottsdaleaz.gov

**Public Comment**
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**Future Agenda Items**
Discussion and possible action to add Commissioner requested item on a future agenda.

**Adjournment**
ACTION

Approval of Minutes – Regular Meeting
November 15, 2017

Attachment(s): 1. Draft minutes of the November 15, 2017 Regular Meeting

Action taken:
DRAFT MINUTES

PRESENT:  John Celigoy, Chair
          Bob Hobbi, Vice Chair
          Brad Berry
          John Berry
          Cory Little
          Kevin Maxwell
          Larry Bernosky

STAFF:    Sarah Ferrara, Aviation Planning & Outreach Coordinator
          Carmen Williams, Management Analyst
          Chris Read, Airport Operations Manager

GUESTS:   Ken Casey, Vice President AZBAA

CALL TO ORDER

Chair Celigoy called the meeting to order at 6:00 p.m.

ROLL CALL

A formal roll call confirmed the presence of Commissioners as noted above.

PLEDGE OF ALLEGIANCE

Chair Celigoy led the meeting in the pledge of allegiance.
AVIATION DIRECTOR’S REPORT

Chris Read, Airport Operations Manager, noted that there was no report today.

APPROVAL OF MINUTES

1. Regular Meeting: October 18, 2017

Commissioner Maxwell made a motion to approve the regular meeting minutes of October 18, 2017 as presented. Commissioner Bernosky seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENTS

There were no public comments.

REGULAR AGENDA ITEMS 1 - 9

1. Annual Update from Arizona Business Aviation Association

Ken Casey, Vice President AZBAA, thanked the Scottsdale Airport and Ross Aviation for their support of the recent Sky Kids event.

AZBAA’s mission is to address issues pertaining to business aviation. Meetings include topics for pilots, flight attendants, maintenance, FBO personnel, sales and other subjects relevant to business aviation. Meetings include guest speakers and are typically held at the Scottsdale Airport. However, with the current construction, they have moved the meetings to Deer Valley. Meetings are held the third Tuesday of every month. One of the main functions of AZBAA is to assist with scholarships for those who wish to enter an area of business aviation. The next deadline for scholarships is November 17. Funds are raised through the annual golf tournament, which will next take place on March 16, 2018.

At the end of the month, Ed Bolen, President of the National Business Aircraft Association is coming to Scottsdale. He will speak at the Phoenix Aero Club luncheon on November 29th. On November 28th from 6 p.m. to 7 p.m., AZBAA will host Mr. Bolen at Ross Aviation for a question and answer session and speech.

2. Discussion and Possible Action to Approve the Five-Year Airport Capital Improvement Program for Fiscal Years 18/19 through FY 22/23

Carmen Williams, Management Analyst, referred to the Airport Capital Improvement Program (ACIP), noting that the City uses the term CIP for capital improvement program, encompassing all departments throughout the City. ACIP is comprehensive plan that projects capital needs over the next five years. Although the Airport develops a five-year plan, only the first year is adopted as part of the City’s budget. The remaining four years are stated for planning purposes. Capital projects can be funded within one or more sources, including aviation funds, bonds (funding the terminal project), federal and state grants.
Due to the variety of funding sources, the Airport undergoes two separate capital planning processes each year. In the spring, the Airport meets with the FAA and ADOT for a five-year look ahead at projects eligible for grant funding. Grant funding is very beneficial, as federal funded grant projects pay 91.06 percent of the total cost. The City’s match is 4.47 percent and the State’s match is 4.47 percent. The State also offers funding on projects at a 90 percent total, with the City’s share being 10 percent. The second planning process is currently under way through the City. The City begins this process each fall. Each department submits its projects, including scope, schedule and budget. In putting together the five-year ACIP, a variety of sources is looked at. The Airport Master Plan is the primary source. Other sources are the City’s General Plan, goals and missions from the Council, Airport Advisory Commission goals and input. Following tonight’s action by the Commission, there are a series of vetting meetings over the next couple of months to narrow down the proposed list. By the spring of 2018, the final ACIP will be available for public comment and review. It is generally adopted by June.

The terminal area redevelopment project is currently under construction with the two hangars anticipated to open next spring. The Aviation Business Center will open in the summer. The transient apron and taxiway A projects will be under way in November. For the proposed list of capital projects for the next five years, several are already in process and must carry forward into the next fiscal year. The majority of projects are grant eligible. Projects not eligible for grant funding such as seal coating and crack sealing of paved areas are done in-house. Contingency funds are available in case of cost overruns. Not all projects in the ACIP receive funding. FY 2018/2019 will include the conclusion of the construction of the terminal area redevelopment project. The taxiway A reconstruction will conclude in summer of 2018. The Delta apron reconstruction project has an estimated cost of $3.8 million. It is hoped that the Airport receives an FAA grant for the project.

A new project proposed for next year is the north general aviation box hangars. Depending on the number of letters of interest received, the project may start as early as next fiscal year. Vice Chair Hobbi asked about the impetus for the project. Ms. Williams said it was identified in the Airport’s Master Plan as a need to serve more general aviation customers. The total project cost is $5.3 million. It will be managed by the City, including individual leases with the City. There was discussion that the Commission would not be voting to approve this project this evening. It is a line item potential capital project moving forward. It would still have to come back to the Commission for lease and construction contract approval at a later date.

For FY 2019/2020, rehabilitation of the runway is an included project at a cost of $7.3 million. Another project is an environmental assessment for a parcel located north of the Greenway hangar. The environmental assessment is eligible for grant funding at approximately $200,000. In order to purchase the parcel in a future year, the environmental due diligence study must be performed. The purchase price is estimated at $9.5 million. Vice Chair Hobbi inquired as to the purpose of purchasing the property. Ms. Williams stated that the four acres will provide separate access along the Greenway Loop. Mr. Read added that the Greenway hangars and shades lease ends in 2022, which will result in reworking when it comes back to the City in 2022. Currently, the property has no street access.

In response to a question from Commissioner Brad Berry, Mr. Read stated that the runway was last rehabbed in 2010, which consisted of an overlay. The new project will be more in-depth, but not a full reconstruction, as full reconstruction would require a 30-day shutdown. Engineers are beginning the exploratory process to develop a design. The extent of the required work will
not be known until this preliminary work is performed. Completion of the project will be scheduled for the hottest part of the season at the end of June/July.

Commissioner John Berry asked about the wildlife hazard management plan. Ms. Williams said this will consist of everything on the ground and in the air. The wildlife hazard management plan study may take a year. Biologists come on the field and perform observations. This portion of the project is federally funded.

Commissioner Bernosky asked if the Airport gathers data on an ongoing basis with regard to birds and other animals. Mr. Read said ADOT did a preliminary study over a year period, setting up game cameras and observing wildlife. The collected data will feed into the management plan.

The design and rehabilitate Taxiway C project has a budget of $175,000. A new project added to the ACIP at the recommendation of the Airport planner is to construct three new exit taxiways, including B2, 9 and 15. It will provide high speed exits to the east side of the runways. It will improve ground efficiencies. The project cost is $1 million.

Over the next five years, the total ACIP cost is $71 million. This includes the Terminal Redevelopment Project at $27 million, funded with bonds. Of the $71 million, 16 percent are Aviation funds, 44 percent are federal grants and 39 percent are bonds.

In response to a question from Vice Chair Hobbi, Ms. Williams confirmed that the projects have not received, “100 percent approval.” In order to go to City Council, this is the first step in the capital planning processes.

Commissioner Bernosky asked about the Municipal Property Corporation and whether an excise tax feeds the funding. Ms. Williams said the bonds are sold and the payback occurs over a 20-year period. The bonds are primarily for the terminal redevelopment project. Commissioner Bernosky inquired about the Tourism Development Fund and Ms. Williams confirmed these are bed tax funds to fund the design and construction of the Veterans Memorial.

In response to a question from Commissioner Maxwell, Ms. Williams confirmed that the Delta apron reconstruction would be grant funded.

Vice Chair Hobbi made a motion to approve the Five-Year Airport Capital Improvement Program for Fiscal Years 2018/2019 through 2022/2023. Commissioner Little seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

3. Update on the 2017 National Business Aviation Association Convention

Sarah Ferrara, Aviation Planning & Outreach Coordinator played a brief video of the showroom and booth setup. Attendees include CEOs, presidents, owners and chairmen. There were representatives from all 50 states and dozens of countries. The event marked the 70th anniversary of NBAA and is ranked as the sixth largest trade show. Promotion messages include highlighting amenities, noting no airport delays, close proximity to top resorts, entertainment, restaurants and events. Barrett-Jackson was the Airport's partner for the event. Both FBOs extended a fuel discount card offer at $2 off the retail price per gallon of fuel for new visitors. Gemini Air Group joined to promote executive hangars and spaces available. As
promotions, attendees were offered VIP packages, including from Barrett-Jackson and to the Waste Management Phoenix Open. A total of 145 leads were collected and seven people were added to the interest list for the box hangars.

4. Discussion and Input Regarding the Monthly Construction Report

Chris Read, Airport Operations Manager reviewed the progress of the Terminal Area Redevelopment Project. In December, additional underground utility installation will be completed. Building foundations are nearly complete. Next steps include steel installation in the hangars. The transient apron reconstruction project was begun a couple weeks ago. December work will include subgrade preparation.

There have been no changes in the taxiway A reconstruction project, except that contracts have been signed. The project is in the procurement submittal phase. Estimated start date is late January, 2018. In response to a question from Commissioner Brad Berry, Mr. Read stated that Banicki Construction is the contractor for the project.

5. Discussion and Input Regarding Monthly Operations Report for October

Mr. Read noted that in October, there were three Alert 2’s and one Alert 1. Itinerant refers to an operation which is arriving from outside the traffic pattern or departs the Airport traffic pattern. Local operations stay within the traffic pattern airspace. Total operations compared to last year were up 10.3 percent. Year-to-date totals are up 1.7 percent. IFR totals are up 5.6 percent over last year. Year-to-date IFR totals are up at 9.7 percent.

Vice Chair Hobbi said it would be interesting to note any correlation between increased noise complaints and increased operations. Ms. Ferrara said there is a correlation between the two. Also, there is an increase in complaints when the weather is nicer and people are able to open their windows.

Mr. Read reported seven incidents during the month of October. There were ten enforcement actions, all first-time violations.

Fiscal year-to-date revenue for U.S. Customs was $111,300. Total uses for October were 78. Total uses fiscal year-to-date was 189. U.S. visits for the month totaled 19. PPRs totaled 37 for the calendar year.

Chair Celigoy asked about the reference to 2007 and asked whether this referred to a ten-year lookback. Mr. Read said 2007 was selected for comparison, as it was the period before the economy took a downturn.

Vice Chair Hobbi referred to the fuel leak report and asked whether it has been adequately addressed. Mr. Read said a program was solidified with the FBOs. Since the program was initiated, spill occurrences have decreased substantially.
6. Discussion and Input Regarding Financial Report for September

Ms. Williams stated that year-to-date revenues are at $592,000. Expenses total $881,000. Both revenues and expenditures are slightly lower than the same period last year, however net revenues are almost equal at $87,000. Some areas are increasing in activity, such as fueling and customs. The Aviation Fund cash balance as of September is $10.5 million. In September, Airport jet fuel was 58 percent of total flowage. Avgas accounted for 4.3 percent. Airpark fuel flowage was 38 percent. Compared to last year, fuel flowage is up 7.7 percent for September.

In response to a question from Commissioner Bernosky, Ms. Williams confirmed that prices fluctuate throughout the year.

Chair Celigoy asked where funding for staff costs comes from. Ms. Williams said this is considered an indirect expense funded by the City of Scottsdale. Mr. Read clarified that the Aviation Fund pays the Airport staff salaries. The operating budget is paid by the Airport Enterprise Fund. Over the past year, one position was added, however, generally the staffing level remains the same each year. This position added a needed customer service position.

In response to a question from Chair Celigoy, Mr. Read said there are currently 15 staff members. This does not include crash, fire and rescue, which is handled by the Fire Department. The Airport shifts some funds to the Fire Department, which pays for a specified number of full time equivalents, including one person on the foam truck 24/7. The Airport also provides maintenance and operating funding for fire trucks. The Airport does not employ contract employees. They occasionally employ an intern.

Chair Celigoy asked whether the new facility will impact staffing requirements. Ms. Williams said it is not anticipated to affect staffing levels for next year.

7. Discussion and Input Regarding Public Outreach Programs and Planning Projects

Ms. Ferrara addressed the NexGen/Phoenix Metroplex and the ongoing lawsuit. The hearing deadline is November 16, after which time updates should be available.

In terms of media and social media, staff responded to information requests on several ongoing issues and projects from the Arizona Republic. The Scottsdale Independent published an article on new aviation staff and contracts. Several outlets covered the Veterans Day Swing Time event and Stearman flights.

Listserv notices continue on a bimonthly basis or as needed. These are by subscription; however, the updates are also available on the website. The NBAA listserv was sent out to notify prizewinners. The next show is the NBAA Schedulers and Dispatchers Convention in February, 2018 in Long Beach.

For community outreach, postcards were created to promote the box hangars on the Kilo Ramp. Meet and greets continue throughout the Airport, including distributing anniversary pins. Staff gave a presentation at a recent Chamber of Commerce meeting. Just today, staff welcomed three Chinese nationals, who were interested in how business is conducted at the Airport.
Property developments are monitored through the Planning Department. In October, there were four projects.

In October, 14 voluntary curfew letters were issued.

8. Administrative Report from the Aviation Director or Designee Regarding the Status of Pending Aviation-Related Items

Mr. Read reviewed that status of projects sent to the City Council for calendar year 2017. All were approved on consent.

Ms. Ferrara reviewed planning projects, which includes an expansion of St. Patrick’s Catholic Church. A height analysis will be completed. Commissioner John Berry questioned why the project is under the Airport’s purview, as it is located at 84th and Shea. Ms. Ferrara noted that it is located on the southernmost border of the Airport Influence Area.

Crossroads East Planned Community is currently State land and is currently a zoning case. The area is south of the 101 extending from Hayden to Scottsdale Road.

The La Via project has already stipulated to come before the Commission eventually. The project involves a residential development in the current CrackerJax site.

9. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

Vice Chair Hobbi made a motion to cancel the December 20th Commission meeting. Commissioner John Berry seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENT

There were no public comments.

FUTURE AGENDA ITEMS

There were no items discussed.

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at approximately 7:20 p.m.

SUBMITTED BY:

eScribers, LLC
ACTION

Pursuant to By-Laws of the Scottsdale Airport Advisory Commission, Section 101. Elections, “The Commission shall, in regular session following the first meeting of the calendar year, elect from its members a Chair and Vice Chair. The term of office shall be one year and no officer shall succeed him or herself more than once.”

PURPOSE

To elect a new Chair and Vice Chair in accordance with the By-Laws of the Scottsdale Airport Advisory Commission

KEY CONSIDERATIONS

Section 102, Chair, of the By-Laws of the Scottsdale Airport Advisory Commission states, “The Chair shall preside at all meetings and hearings of the Commission, decide all points of order or procedure and perform all duties required by Section 5-109 of the Scottsdale Revised Code. The Chair may initiate motions, engage in protracted discussions, and vote on each issue.”

Section 103, Vice Chair, of the By-Laws of the Scottsdale Airport Advisory Commission states, “The Vice Chair shall be the Acting Chair and shall perform all duties of the office whenever the Chair is absent.”

Action Taken:
Discussion and Possible Action regarding Airport Advisory Commission By-Laws.

Pursuant to the By-Laws of the Scottsdale Airport Advisory Commission, Section IV, Rules and Amendments, Paragraph 401. Amendment Procedure “Amendments to these by-laws may be made by the Commission upon the affirmative vote of four (4) members, provided any such amendment is proposed at a preceding meeting, or is submitted in writing at a prior regular meeting of the Commission and is noted in the minutes of such meeting. Amendments adopted as above shall become effective at the next regular meeting of the Commission.”

Attachment(s): 1. Current By-Laws of the Airport Advisory Commission
   2. Chapter Five Section 5-109

Action Taken:
BY-LAWS OF THE SCOTTSDALE AIRPORT ADVISORY COMMISSION

I. ORGANIZATION

101. Elections

The Commission shall, in regular session following the first meeting of the calendar year, elect from its members a Chair and Vice-Chair. The term of office shall be one year and no officer shall succeed him or herself more than once.

102. Chair

The Chair shall preside at all meetings and hearings of the Commission, decide all points of order or procedure and perform all duties required by Section 5-109 of the Scottsdale Revised Code. The Chair may initiate motions, engage in protracted discussions, and vote on each issue.

103. Vice-Chair

The Vice-Chair shall be the Acting Chair and shall perform all duties of the office whenever the Chair is absent.

104. Vacancy

Should the office of Chair be vacated, the Vice-Chair shall succeed the Chair for the remaining term of office. At the next regular Commission meeting, a new election shall be held for the Vice-Chair's office. Should the Vice-Chair office be vacated, a new election shall be held at the next regular Commission meeting to elect a Vice-Chair.

105. Subcommittees

A subcommittee of the Commission may only be authorized by the City Council, in accordance with the Scottsdale Revised Code.

106. Legal Counsel

The City Attorney, or the City Attorney's designated representative, shall be the legal counsel for the Commission. Advice of counsel shall be received and entered in the minutes before disposition of any question of law or matter requiring legal interpretation or advice.

II. MEETINGS

201. Study Sessions

Study sessions of the Commission shall be held on the third Wednesday of each month at 5:00 p.m., unless otherwise scheduled by majority vote of its members.

202. Regular Meetings

Regular meetings of the Commission shall be held on the third Wednesday of each month immediately following the study session, unless otherwise scheduled by majority vote of its members. In the event the Commission desires not to hold the preceding study session, the
regular meeting shall begin at 6:00 p.m., unless otherwise scheduled by majority vote of its members.

203. Special Meetings

Special meetings may be held by the Commission on the majority vote of its members, or on the call of its Chair, which call shall be filed with the Aviation Director. The manner of the call shall be noted in the minutes of the special meeting, and at least twenty-four (24) hours notice of the meeting shall be given to each member. The Aviation Director shall receive forty-eight (48) hours notice and shall post meeting notices at least twenty-four (24) hours before any such meeting.

204. Executive Session

Executive sessions may be held before or after any regular or special meeting, or at any other time on call of the Chair, which shall be filed with the Aviation Director, or by majority vote of the members. The Aviation Director shall post meeting notices at least twenty-four (24) hours before any such meeting.

205. Quorum

A quorum necessary for the transaction of business shall consist of four (4) members of the Commission. The business of the Commission shall be transacted by the majority vote of members present, except as provided in Section 401.

206. Absence of the Chair and Vice-Chair

In the absence of the Chair and Vice-Chair, the senior Commission member present may convene the meeting.

207. Member Attendance

Commission members shall follow the attendance requirements in accordance with the Scottsdale Revised Code.

208. Public Comment, Presentations, Time Limitations

The Chair may provide additional time to members of the public, whether speaking on their own behalf or as a representative of an organization or group, over three (3) minutes on any matter.

209. Agenda Items

The Aviation Director will place items on the agenda with the concurrence of the Chair, or by a majority vote of the members of the Commission.

210. Conflict of Interest

All members of the Commission shall comply with the State Conflict of Interest Law, Title 38, Chapter 3, Article 8, Arizona Revised Statutes.

211. Abstention

Any member who may subjectively believe participating in discussion or voting on cases coming before the Commission could give the appearance to the general public of a conflict of interest may voluntarily abstain from participating in such cases.
III. OFFICIAL RECORDS

301. Definition

The official record shall include these by-laws, and the minutes of the Commission meetings together with all applications, exhibits, correspondence, findings, decisions and other official actions or other items filed with or issued by the Commission.

302. Recording of Vote

Minutes shall be kept for all meetings of the Commission and shall show the vote of each member on every question on which the Commission is required to act, or shall indicate absence. Minutes shall also show records of all other official actions.

303. Retention of Files

All applications and other matters coming before the Commission shall be filed in the Aviation Department in accordance with that department's general file system. The Aviation Director shall keep a permanent file of all applications, exhibits, findings, correspondence, decisions and other official actions of the Commission. The tape recordings of the public hearings of the Commission, if any, shall be retained intact for not less than thirty (30) days after the City Council shall make a final decision in the specific subject on the tape. Original applications shall be retained as long as is required by standard City procedure.

304. Public Record

In accordance with Arizona public record law, all of the public records of the Commission shall be open to public inspection during normal business hours.

IV. RULES AND AMENDMENTS

401. Amendment Procedure

Amendments to these by-laws may be made by the Commission upon the affirmative vote of four (4) members, provided any such amendment is proposed at a preceding meeting, or is submitted in writing at a prior regular meeting of the Commission and is noted in the minutes of such meeting. Amendments adopted as above shall become effective at the next regular meeting of the Commission.

402. Copy of By-Laws

A certified copy of these by-laws and any amendments thereto shall be placed on record in the Aviation Department and the City Clerk within ten (10) days of the date of their adoption.

403. Robert's Rules of Order

When any question of parliamentary procedure arises, it shall be decided on the basis of Robert's Rules of Parliamentary Procedure, unless otherwise specified in these by-laws of the Commission.

404. Written Communications

All written communications to outside groups shall be sent out over the signature of the Chair or Vice-Chair of the Commission.
Interpretation and Conflict

In the event that any Commission by-law shall be at variance with any State statute or any ordinance or resolution of the City of Scottsdale, the statute, ordinance, or resolution shall prevail. These by-laws are intended only to supplement such ordinance and resolutions and may not amend, annul or abrogate any ordinance or resolution of the City of Scottsdale.

Brad Berry, Chair
Airport Advisory Commission

Date 3/8/16

Gary P. Mascaro, C.M., C.A.E.
Aviation Director

Date 3/8/16

APPROVED AS TO FORM:

Bruce Washburn
City Attorney

Date 3/15/16

By Clifford J. Frey
Senior Assistant City Attorney
Sec. 5-109. Airport Advisory Commission.

(a) There is created a Scottsdale Airport Advisory Commission consisting of seven (7) members.

(b) The Airport Advisory Commission shall establish bylaws to govern its affairs. The bylaws shall designate:

1. Officers of the Airport Advisory Commission, the time and manner of their election, the term of office and the powers and duties of each officer.
2. The time, place and manner of notice of all regular and special meetings.
3. The manner of adoption, amendment and repeal of Airport Advisory Commission bylaws.
4. Such other provisions as may be deemed necessary or desirable which are not contrary to the provisions of any ordinance or resolution, the charter or the laws of this state or the United States, to aid the Airport Advisory Commission in conducting its affairs.

(c) The Airport Advisory Commission shall, with the assistance of the city staff, advise the City Council as necessary on:

1. The Airport capital improvement program and financial plan.
2. Rules, regulations, and minimum operating standards under this chapter.
3. Environmental policies affecting Airport operations and Airport projects.
4. Aviation-related development proposals at and surrounding the Airport or other development proposals in conflict with 14 C.F.R. Part 150, as amended, or other aviation-related laws, ordinances, rules, regulations or planning documents. In addition to advising the City Council, the Airport Advisory Commission may take action to inform the Planning Commission of such conflicts.
5. Fees imposed by the city in connection with the Airport and the Airpark.
6. Lease policies regarding city-owned property at the Airport.
7. Land use policies at and surrounding the Airport in conflict with 14 C.F.R. Part 150, as amended, or other aviation-related laws, ordinances, rules, regulations or planning documents. In addition to advising the City Council, the Airport Advisory Commission may take action to inform the Planning Commission of such conflicts.
8. The future role of the Airport as part of the statewide air transportation system.
9. Safety matters under the jurisdiction of the Airport.
10. Such other matters as the City Council may direct.
(d) At the request of the City Council, the Airport Advisory Commission shall submit a written report regarding Airport activities.

(e) The Airport Advisory Commission shall perform such other duties as are imposed on the Airport Advisory Commission by this chapter.

(f) The City Council shall have the right and prerogative to initiate review of any decision of the Airport Advisory Commission and shall uphold, modify, or overrule said decision.
ACTION

Ratification of Airport Aeronautical Business Permit for Ion Air Group, LLC to conduct aircraft charter brokerage services at the Scottsdale Airport.

PURPOSE

Pursuant to Scottsdale Revised Code, Chapter 5, Article 3, commercial aeronautical activity conducted at the Airport requires a valid Airport Aeronautical Business Permit. In addition, the Airport Minimum Operating Standards outlines the process for obtaining such a permit. Ion Air Group, LLC has requested an Airport Aeronautical Business Permit to conduct aircraft charter brokerage services at the Scottsdale Airport.

APPLICANT(S)

Ion Air Group, LLC
Contact: Mr. Todd Spitzer
15220 N. 75th Street
Scottsdale, AZ  85260

KEY CONSIDERATIONS

Ion Air Group, LLC has provided the appropriate documentation as required in the Airport Minimum Operating Standards.

Attachment(s):
1. Completed Airport Aeronautical Business Permit
2. Location Map

Action taken:
SCOTTSDALE AIRPORT
AERONAUTICAL BUSINESS PERMIT

(Required to conduct commercial aeronautical activity on the airport)
Fields in RED are required fields.

Business or activity to be conducted (check all that apply):

- [ ] Aircraft Charter Services
- [ ] Aircraft Leasing or Rental Services
- [ ] Aircraft Maintenance and Repair Services
- [ ] Aircraft Management
- [ ] Aircraft Washing Services
- [ ] Aircraft Sales Services
- [ ] Aircraft Mobile Maintenance and Repair Services
- [ ] Specialized Aircraft Repair Services (list service):
- [ ] Specialized Commercial Flying Service (list service):
- [ ] Other (list service): Air Charter Broker

These activities are limited to the airport by ordinance. Please refer to the Airport Minimum Operating Standards for further information on each type of business.

Applicant (Business Name): Ion Air Group LLC
Authorized Representative, title: Todd Spitzer
Email Address: tspitzer@ionjets.com

Work Phone: Cell Phone: Fax:

Mailing Address: 15220 N. 75 st
City: Scottsdale State: AZ Zip Code: 85260

Billing Address: 15220 N. 75 St
City: Scottsdale State: AZ Zip Code: 85260

Billing Phone: Billing Email: tspitzer@ionjets.com
The Applicant hereby requests the above action(s), and in consideration of this request being granted, agrees to the following:

1. FEE PAYMENT: The Applicant agrees to pay all applicable fees on time, and all required fees including late fees, interest and penalties without deduction of any kind.

2. PERMIT LIMITATIONS: This permit may not be assigned or transferred, and is limited to the approved business activity listed above.

3. INFORMATION CHANGES: The Applicant shall notify Airport Administration, in writing within fifteen (15) days, of any change to the information provided.

4. RELEASE OF LIABILITY: The City assumes no liability for damage or loss to personal property while operating at Scottsdale Airport.

5. INDEMNIFICATION: The Applicant and invitees shall indemnify the City pursuant to Chapter 5 of the Scottsdale Revised Code. As required by the Airport Minimum Operating Standards, permit holder shall endorse all liability insurance policies to include the City of Scottsdale as an additional insured. Applicant further agrees to waive their insurers' subrogation rights against the City of Scottsdale, and its Officers, Directors, Commissioners, and Employees.

6. COMPLIANCE WITH THE LAW: The Applicant shall comply with all applicable laws, ordinances, rules and regulations. To view regulations, go to http://www.scottsdaleaz.gov/airport/regulatorydocs

Please check the box for each item attached and submitted with the application:

☐ Lease/License Agreement
☐ Sublease Agreement
☐ Certificate of Insurance
☐ FAA Certificates
☐ Business/ Privilege Tax License

The undersigned representative certifies he/she is authorized to sign for the business and acknowledges receipt of a copy of this permit.

Applicant Signature (print name): [Signature] Date: 12-14-17

☐ By checking this box, I affirm that the information entered above is accurate and that the name typed above represents my official signature.

Please save the form to your documents, submit the form with an electronic signature to cawilliams@scottsdaleaz.gov
OR print, sign and return to: 15000 N. Airport Drive, Suite 200, Scottsdale, AZ 85260.

Staff Use Only

Application, permits and insurance reviewed by:

Aviation
Director's
Comments/Stipulations:

Approved by Aviation
Director or designee: [Signature] 1/4/2018

Date Ratified by the Airport Advisory Commission: August 2014
ACTION

Ratification of Airpark Aeronautical Business Permit for Lookout Peak, LLC to conduct hangar/shade leasing services in the Scottsdale Airpark.

PURPOSE

Pursuant to Scottsdale Revised Code, Chapter 5, Article 3, commercial aeronautical activity conducted in the Airpark requires a valid Airpark Aeronautical Business Permit. In addition, the Airpark Minimum Operating Standards outlines the process for obtaining such a permit. Lookout Peak, LLC has requested an Airpark Aeronautical Business Permit to conduct hangar/shade leasing services in the Scottsdale Airpark.

APPLICANT(S)

Lookout Peak, LLC
Contact: Mr. Moshe Bar
7333 E. Helm Drive
Scottsdale, AZ  85260

KEY CONSIDERATIONS

Lookout Peak, LLC has provided the appropriate documentation as required in the Airpark Minimum Operating Standards.

Attachment(s):
1. Completed Airpark Aeronautical Business Permit
2. Location Map

Action taken:
SCOTTSDALE AIRPORT
AERONAUTICAL
BUSINESS PERMIT - AIRPARK

(Required to conduct commercial aeronautical activity in the airpark)
Fields in RED are required.

Business or activity to be conducted (check all that apply):

☐ Aircraft Sales Services Aircraft
☐ Charter Services Aircraft
☐ Management Services
☐ Hangar/Shade Leasing Services
☐ Heliport Leasing or Rental Services
☐ Helicopter Flight Training Services
☐ Helicopter Maintenance and Repair Services

These activities are limited by City ordinance and the Airport Minimum Operating Standards. Please refer to such documents for further information and standards for each type of business.

Applicant (Business Name): Lookout Peaks, LLC

Authorized Representative, title: Moshe Bar

Email Address: moshe.bar@gmail.com

Work Phone: 480-483-8107 Cell Phone: 480-861-2050 Fax: 480-483-8172

Mailing Address: 7333 E. Holm Drive

City: Scottsdale State: AZ Zip Code: 85280

Billing Address: 14901 N. Scottsdale Road, Ste. 201

City: Scottsdale State: AZ Zip Code: 85254

Billing Phone: 480-483-8107 Billing Email: janet@aisairpark.com

The Applicant hereby requests the above action(s), and in consideration of this request being granted, agrees to the following:

1. FEE PAYMENT: The Applicant agrees to pay all applicable fees on time, and all required fees including late fees, interest and penalties without deduction of any kind.

2. PERMIT LIMITATIONS: This permit may not be assigned or transferred, and is limited to the approved business activity listed above.
3. INFORMATION CHANGES: The Applicant shall notify Airport Administration in writing within fifteen (15) days of any change to the information provided.

4. The City assumes no liability for damage or loss to personal property while operating at Scottsdale Airport.

INDEMNIFICATION: The Applicant and invitees shall indemnify the City pursuant to Chapter 5 of the Scottsdale Revised City Code. As required by the Airport Minimum Operating Standards, permit holder shall reimburse all liability insurance policies to include the City of Scottsdale as an additional insured. Applicant further agrees to waive their insurers' subrogation rights against the City of Scottsdale, and its Officers, Directors, Commissioners and Employees.

5. COMPLIANCE WITH THE LAW: The Applicant shall comply with all applicable laws, ordinances, rules and regulations. To view regulations, go to http://www.scottsdaleaz.gov/airport/regulations/docs

The undersigned representative certifies that she is authorized to sign for the business and acknowledges receipt of a copy of this permit.

Applicant Signature (print name): Moses Bank Date: 10/31/2017

☑ By checking this box, I affirm that the information entered above is accurate and that the name typed above represents my official signature.

Please check the box for each item attached and submitted with the application:

☒ Lease/License Agreement
☐ Sublease Agreement
☒ Airpark Driver/Vehicle Permit
☐ Certificates of Insurance
☐ FAA Certificates
☐ Business/Privilege Tax License

Please save the form to your documents, then submit the form with an electronic signature to viaemail@scottsdaleaz.gov. Sign and return to 15800 N Airport Drive, Suite 200, Scottsdale, AZ 85260

Staff Use Only

Application, permits and insurance reviewed by: Carmen Williams Gary Mascaro

Aviation Director's Comments/ Stipulations:

Approved by Aviation Director or designee: Carmen Williams 11/14/2017

Date Ratified by the Airport Advisory Commission: 
COMMISSION ACTION REPORT

Ratification of Two (2) Airpark Aeronautical Business Permits for SDL AZ Holdings, LLC dba Ross Aviation

ACTION

Ratification of two (2) Airpark Aeronautical Business Permits for SDL AZ Holdings, LLC dba Ross Aviation to conduct hangar/shade leasing services in the Scottsdale Airpark.

PURPOSE

Pursuant to Scottsdale Revised Code, Chapter 5, Article 3, commercial aeronautical activity conducted in the Airpark requires a valid Airpark Aeronautical Business Permit. In addition, the Airpark Minimum Operating Standards outlines the process for obtaining such a permit. SDL AZ Holdings, LLC dba Ross Aviation has requested two (2) Airpark Aeronautical Business Permits to conduct hangar/shade leasing services in the Scottsdale Airpark.

APPLICANT(S)

SDL AZ Holdings, LLC dba Ross Aviation
Contact: Mr. Rick Wielebski, General Manager
14600 N. Airport Drive
Scottsdale, AZ 85260

KEY CONSIDERATIONS

SDL AZ Holdings, LLC dba Ross Aviation has provided the appropriate documentation as required in the Airpark Minimum Operating Standards.

Attachment(s):
1. Completed Airpark Aeronautical Business Permits
2. Location Map

Action taken:
SCOTTSDALE AIRPORT
AERONAUTICAL
BUSINESS PERMIT - AIRPARK

(Required to conduct commercial aeronautical activity in the airpark)
Fields in RED are required.

Business or activity to be conducted (check all that apply):

☐ Aircraft Sales Services Aircraft
☐ Charter Services Aircraft
☐ Management Services
☑ Hangar/Shade Leasing Services
☐ Helicopter Leasing or Rental Services
☐ Helicopter Flight Training Services
☐ Helicopter Maintenance and Repair Services

These activities are limited by City ordinance and the Airpark Minimum Operating Standards. Please refer to each document for further information and standards for each type of business.

Applicant
(Business Name): SDL AZ Holdings, LLC dba Ross Aviation

Authorized Representative, title: Rick Wielebski, GM
Email Address: rwielebski@rossaviation.com

Work Phone: 480-943-7034
Cell Phone: 

Mailing Address: 14600 N. Airport Dr.
City: Scottsdale State: AZ Zip Code: 85260

Billing Address: Same

City: 
State: 
Zip Code: 

Billing Phone: 
Billing Email: 

The Applicant hereby requests the above action(s), and in consideration of this request being granted, agrees to the following:

1. FEE PAYMENT: The Applicant agrees to pay all applicable fees on time, and all required fees including late fees, interest and penalties without deduction of any kind.

2. PERMIT LIMITATIONS: This permit may not be assigned or transferred, and is limited to the approved business activity listed above.
3. INFORMATION CHANGES: The Applicant shall notify Airport Administration, in writing within fifteen (15) days, of any change to the information provided.

4. The City assumes no liability for damage or loss to personal property while operating at Scottsdale Airport.

INDEMNIFICATION: The Applicant and Invitees shall indemnify the City pursuant to Chapter 5 of the Scottsdale Revised Code. As required by the Airport Minimum Operating Standards, permit holder shall endorse all liability insurance policies to include the City of Scottsdale as an additional insured. Applicant further agrees to waive their insurers' subrogation rights against the City of Scottsdale, and its Officers, Directors, Commissioners and Employees.

5. COMPLIANCE WITH THE LAW: The Applicant shall comply with all applicable laws, ordinances, rules and regulations. To view regulations, go to http://www.scottsdaleaz.gov/airport/regulatorydocs

The undersigned representative certifies he/she is authorized to sign for the business and acknowledges receipt of a copy of this permit.

Applicant Signature (print name): [Rick Wielbek] Date: 11/20/17

By checking this box, I affirm that the information entered above is accurate and that the name typed above represents my official signature.

Please check the box for each item attached and submitted with the application:

☐ Lease/License Agreement  ☐ Certificates of Insurance  ☐ FAA Certificates
☐ Sublease Agreement  ☐ Business/Privilege Tax License
☐ Airport Driver/Vehicle Permit

Please save the form to your documents, then submit the form with an electronic signature to cawilliams@scottsdaleaz.gov OR print, sign and return to: 15000 N. Airport Drive, Suites 200, Scottsdale, AZ 85260

Application, permits and insurance reviewed by: [C. Williams / G. Mascaro]

Aviation Director's Comments/Stipulations: [ ]

Approved by Aviation Director or designee: [Crawford Williams] 12/13/2017

Date Ratified by the Airport Advisory Commission: [ ]
SCOTTSDALE AIRPORT
AERONAUTICAL
BUSINESS PERMIT - AIRPARK

(Required to conduct commercial aeronautical activity in the airpark)
Fields in RED are required.

Business or activity to be conducted (check all that apply):

☐ Aircraft Sales Services Aircraft  ☐ Other: (List Service):
☐ Charter Services Aircraft
☐ Management Services
☑ Hangar/Shade Leasing Services sublease to Airlane, Lot 42-43
☐ Helicopter Leasing or Rental Services
☐ Helicopter Flight Training Services
☐ Helicopter Maintenance and Repair Services

These activities are limited by City ordinance and the Airpark Minimum Operating Standards. Please refer to each document for further information and standards for each type of business.

Applicant (Business Name): SDL AZ Holdings, LLC DBA Ross Aviation

Authorized Representative, title: Rick Wielbaski, GM

Email Address: rwielbaskirossaviation.com

Work Phone: 602-443-7234 Cell Phone: 

Mailing Address: 14420 N. Airport Dr.

City: Scottsdale State: AZ Zip Code: 85260

Billing Address: Same

City: State: Zip Code: 

Billing Phone: Billing Email:

The Applicant hereby requests the above action(s), and in consideration of this request being granted, agrees to the following:

1. FEE PAYMENT: The Applicant agrees to pay all applicable fees on time, and all required fees including late fees, interest and penalties without deduction of any kind.

2. PERMIT LIMITATIONS: This permit may not be assigned or transferred, and is limited to the approved business activity listed above.
3. INFORMATION CHANGES: The Applicant shall notify Airport Administration, in writing within fifteen (15) days, of any change to the information provided.

4. The City assumes no liability for damage or loss to personal property while operating at Scottsdale Airport.

INDEMNIFICATION: The Applicant and Invoices shall Indemnify the City pursuant to Chapter 5 of the Scottsdale Revised Code. As required by the Airport Minimum Operating Standards, permit holder shall endorse all liability insurance policies to include the City of Scottsdale as an additional insured. Applicant further agrees to waive their insurers' subrogation rights against the City of Scottsdale, and its Officers, Directors, Commissioners and Employees.

5. COMPLIANCE WITH THE LAW: The Applicant shall comply with all applicable laws, ordinances, rules and regulations. To view regulations, go to http://www.scottsdaleaz.gov/airport/regulatorydocs

The undersigned representative certifies he/she is authorized to sign for the business and acknowledges receipt of a copy of this permit.

Applicant Signature (print name): Rick Wielbek, Date: 11/20/17

By checking this box, I affirm that the information entered above is accurate and that the name typed above represents my official signature.

Please check the box for each item attached and submitted with the application:

- Lease/License Agreement
- Sublease Agreement
- Airport Driver/Vehicle Permit
- Certificates of Insurance
- FAA Certificates
- Business/Privilege Tax License

Please save the form to your documents, then submit the form with an electronic signature to cawilliams@scottsdaleaz.gov OR print, sign and return to: 15000 N. Airport Drive, Suite 200, Scottsdale, AZ 85260

Staff Use Only

Application, permits and insurance reviewed by: C. Williams, G. Mascaro

Aviation Director's Comments/Stipulations:

Approved by Aviation Director or designee: Cameron Williams, 12/13/2017

Date ratified by the Airport Advisory Commission: 
ACTION
Discussion and Possible Action to recommend approval of a request by applicant for a zoning district map amendment to amend the Planned Community (P-C) District Development Plan (previously approved under case 19-ZN-2002#2), including but not limited to the following:

- Addition of 237 acres of Planned Airpark Core (PCP) zoning to the list of P-C comparable zoning districts in the Land Use Budget (with maximum base building heights up to 84 feet, and bonus building heights up to 115 feet, depending on Development Plan acreage and bonus building height requirements),
- Increase to the total number of available residential dwelling units (for all zoning districts combined) in the Land Use Budget from 4,569 dwelling units to 6,569 dwelling units,
- Reduction in total number of available acres for Industrial Park (I-1) zoning in the Land Use Budget from 447 acres to 210 acres, and
- Planning of two proposed State Land auctions under discussion (120 acres at the northwest corner of Loop 101 and Hayden Road, and 50 acres at the southwest corner of Loop 101 and Hayden Road) on +/- 1,000 acres bordered by Scottsdale Road to the west, the McDowell Mountain Ranch community to the east, the Grayhawk community to the north and Princess Blvd. to the south.

PURPOSE
To provide the Airport Advisory Commission information on the proposed zoning district map amendment for a site located within the Airport Influence Area, as it relates to the 14 CFR Part 150 Noise Compatibility Study, and possible action to recommend to City Council.

KEY CONSIDERATIONS
- Proximity of site to Scottsdale Airport (closest point approximately 1.1 miles northwest of runway)
- Increases overall potential residential density by approximately 31%
- Introduces maximum building heights up to 115 feet (PCP zoning only; subject to FAA approval, site acreage and bonus height requirements)
- FAA initially deemed the proposed maximum building height (115 feet) for PCP a “presumed hazard” for the two impending auction properties (see bullet point 4 above). Applicant requested additional analysis. Public notification was conducted and FAA has now removed the “presumed hazard” designation; subject to buildings being marked and lighted to FAA standards.
- Site located within the AC-1 and AC-2 areas of the Airport Influence Zones, requiring FAA Height Analysis, fair disclosure notice and dedication of Avigation Easements (on a project by project basis)
- Scottsdale Airport 14 CFR Part 150 Noise Compatibility Study Land Use Measures 1, 2, 4 and 6 triggered
- Airport Overlay Zone Matrix permits proposed uses in the AC-1 and AC-2 areas with conditions
OTHER RELATED POLICIES, REFERENCES

- 2010 Greater Airpark Character Area Plan
- 2001 Scottsdale General Plan, as amended
- 2005 Scottsdale Airport 14 CFR Part 150 Noise Compatibility Study
- Zoning Ordinance

Attachment(s):
1. Vicinity Map/Context Aerial
2. Greater Airpark Character Area Plan Land Use Map
3. Transition Areas Graphic
4. Zoning Graphics
5. Current Planning Units
6. Proposed Planning Units
7. Typical Building Height Graphic
8. Typical Setback and Stepback Graphics
9. Proposed Land Use Budget
10. FAA Determination of No Hazard letters (for two pending auction sites)
11. Part 150 Airport Influence Zones Map
12. Part 150 Noise Contours Map
13. Part 150 Flight Track Map

Action Taken:
A: HAYDEN ROAD
LOOKING NORTH

PROPOSED SECTION

Stepback: 1:2 Ratio beginning at 66' from the line for Hayden Road.

CROSSROADS EAST
PLANNING UNIT V
SCOTTSDALE, ARIZONA

B: LEGACY BLVD.
LOOKING WEST

PROPOSED SECTION

Minimum Setback: 26' from back-of-curb.
Stepback: 1:1 Ratio beginning at 36' above the setback line up to a height of 66' and then 1:2.

CROSSROADS EAST
PLANNING UNIT V
SCOTTSDALE, ARIZONA

ATTACHMENT 8
C: MILLER ROAD
LOOKING SOUTH

PROPOSED SECTION

CROSSROADS EAST
PLANNING UNIT V
SCOTTSDALE, ARIZONA

D: INTERNAL ROAD - LOCAL COMMERCIAL

PROPOSED SECTION

CROSSROADS EAST
PLANNING UNIT V
SCOTTSDALE, ARIZONA

Minimum Setback: 20' from back-of-curb.

Stepback: 2:1 ratio beginning 36' above the setback line up to a height of 64' then 1:1 within 600' of the freeway right-of-way / 1:2 more than 600' from the freeway right-of-way.
E1: STREET CROSS SECTION
- ANGLED PARKING 2 SIDES OF STREET

CROSSROADS EAST
PLANNING UNIT V
SCOTTSDALE, ARIZONA

E2: STREET CROSS SECTION
- ANGLED PARKING 1 SIDE OF STREET

CROSSROADS EAST
PLANNING UNIT V
SCOTTSDALE, ARIZONA
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<th>Gross Acreage by Zoning</th>
<th>Maximum Dwelling Units per Gross Acre (DU/AC)</th>
<th>Maximum Allowable Dwelling Units</th>
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<td></td>
<td>1000</td>
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</tr>
</tbody>
</table>

NP – Not Permitted

Notes:

^1Includes 48 dwelling units previously assigned to PCC zoning district (See Note 4)

^2C2/C3 development standards are comparable to the C-2 zoning district amended development standards shown in Schedule C.

^3C-3 comparable districts shall be placed at least 600 feet from any off-site (outside Crossroads East Boundary) residential, resort, hotel, timeshare or motel uses

^3C-2/C-3 Zoning includes 14 acres previously zoned PCoC and PCC

ATTACHMENT 9
**DETERMINATION OF NO HAZARD TO AIR NAVIGATION**

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure: Building Project Advanced - 120 acres
Location: Scottsdale, AZ
Latitude: 33-39-21.00N NAD 83
Longitude: 111-54-31.10W
Heights: 1614 feet site elevation (SE)
120 feet above ground level (AGL)
1734 feet above mean sea level (AMSL)

This aeronautical study revealed that the structure would have no substantial adverse effect on the safe and efficient utilization of the navigable airspace by aircraft or on the operation of air navigation facilities. Therefore, pursuant to the authority delegated to me, it is hereby determined that the structure would not be a hazard to air navigation provided the following condition(s) is(are) met:

As a condition to this Determination, the structure is to be marked/lighted in accordance with FAA Advisory circular 70/7460-1 L Change 1, Obstruction Marking and Lighting, red lights - Chapters 4,5(Red),&12.

Any failure or malfunction that lasts more than thirty (30) minutes and affects a top light or flashing obstruction light, regardless of its position, should be reported immediately to (877) 487-6867 so a Notice to Airmen (NOTAM) can be issued. As soon as the normal operation is restored, notify the same number.

It is required that FAA Form 7460-2, Notice of Actual Construction or Alteration, be e-filed any time the project is abandoned or:

____ At least 10 days prior to start of construction (7460-2, Part 1)
_x_ Within 5 days after the construction reaches its greatest height (7460-2, Part 2)

See attachment for additional condition(s) or information.

This determination expires on 06/11/2019 unless:
(a) the construction is started (not necessarily completed) and FAA Form 7460-2, Notice of Actual Construction or Alteration, is received by this office.
(b) extended, revised, or terminated by the issuing office.
(c) the construction is subject to the licensing authority of the Federal Communications Commission (FCC) and an application for a construction permit has been filed, as required by the FCC, within 6 months of the date of this determination. In such case, the determination expires on the date prescribed by the FCC for completion of construction, or the date the FCC denies the application.

NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE E-FILED AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE. AFTER RE-EVALUATION OF CURRENT OPERATIONS IN THE AREA OF THE STRUCTURE TO DETERMINE THAT NO SIGNIFICANT AERONAUTICAL CHANGES HAVE OCCURRED, YOUR DETERMINATION MAY BE ELIGIBLE FOR ONE EXTENSION OF THE EFFECTIVE PERIOD.

This determination is subject to review if an interested party files a petition that is received by the FAA on or before January 10, 2018. In the event a petition for review is filed, it must contain a full statement of the basis upon which it is made and be submitted to the Manager of the Airspace Policy Group. Petitions can be submitted via mail to Federal Aviation Administration, 800 Independence Ave, SW, Room 423, Washington, DC 20591, via email at OEPetitions@faa.gov, or via facsimile (202) 267-9328.

This determination becomes final on January 20, 2018 unless a petition is timely filed. In which case, this determination will not become final pending disposition of the petition. Interested parties will be notified of the grant of any review. For any questions regarding your petition, please contact Airspace Policy Group via telephone – 202-267-8783.

This determination is based, in part, on the foregoing description which includes specific coordinates, heights, frequency(ies) and power. Any changes in coordinates, heights and frequencies or use of greater power, except those frequencies specified in the Colo Void Clause Coalition; Antenna System Co-Location; Voluntary Best Practices, effective 21 Nov 2007, will void this determination. Any future construction or alteration, including increase to heights, power or the addition of other transmitters, requires separate notice to the FAA. This determination includes all previously filed frequencies and power for this structure.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of the structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

This aeronautical study considered and analyzed the impact on existing and proposed arrival, departure, and en route procedures for aircraft operating under both visual flight rules and instrument flight rules; the impact on all existing and planned public-use airports, military airports and aeronautical facilities; and the cumulative impact resulting from the studied structure when combined with the impact of other existing or proposed structures. The study disclosed that the described structure would have no substantial adverse effect on air navigation.
An account of the study findings, aeronautical objections received by the FAA during the study (if any), and the basis for the FAA's decision in this matter can be found on the following page(s).

If we can be of further assistance, please contact Paul Holmquist, at (425) 227-2625, or paul.holmquist@faa.gov. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2017-AWP-10332-OE.

Signature Control No: 344442637-350985198  (DNH)
Mike Helvey
Manager, Obstruction Evaluation Group

Attachment(s)
Additional Information
Map(s)
Additional information for ASN 2017-AWP-10332-OE

Aeronautical Study Number 2017-AWP-10332-OE

Abbreviations
AGL - above ground level AML - above mean sea level RWY - runway
VFR - visual flight rules IFR - instrument flight rules NM - nautical mile
ASN: Aeronautical Study Number

1. LOCATION OF PROPOSED CONSTRUCTION

A 120-foot AGL (1734-foot AMSL) building is proposed is to be located approximately 9310 feet (1.53 NM) northwest of the RWY 21 threshold at Scottsdale Airport (SDL), Scottsdale, AZ. The SDL airport elevation is 1510 feet AMSL.

2. OBSTRUCTION STANDARDS EXCEEDED

The structure is identified as an obstruction under the following Part 77 standard:

Section 77.19(a): The surface of a takeoff and landing area of an airport or any imaginary surface established under 77.17, 77.19, or 77.23-Horizontal Surface, a height exceeding a horizontal plane 150 feet above the established airport elevation. This structure would exceed the SDL Horizontal Surface by 74 feet.

3. EFFECT ON AERONAUTICAL OPERATIONS

a. The impact on arrival, departure, and en route procedures for aircraft operating under VFR: This structure would exceed the SDL Horizontal Surface by 74 feet.

There are no effects on the VFR traffic pattern.
There are no effects on any existing or proposed arrival, departure, or en route IFR/VFR minimum flight altitudes.
There are no physical or electromagnetic effects on the operation of air navigation and communications facilities.
There are no effects on any airspace and routes used by the military.

The SDL Airport Master Record can be viewed/downloaded at http://www.gcr1.com/5010web/airport.cfm?Site=SDL. It states there are 194 single-engine, 35 multi-engine, 132 jet and 26 helicopter, 0 military, 0 ultralight and 0 glider aircraft based there with 152,568 operations for the 12 months ending 31 December 2014 (latest information).

b. The impact on arrival, departure, and en route procedures for aircraft operating under IFR: None.

c. The impact on all planned public-use airports and aeronautical facilities: None.

d. The cumulative impact resulting from the proposed construction or alteration of a structure when combined with the impact of other existing or proposed structures: None.

4. CIRCULATION AND COMMENTS RECEIVED
The proposal was circulated for public comment based on 30 October, 2017 and public comment period closed on 6 December 2017. No comments were received by 6 December 2017.

5. DETERMINATION - NO HAZARD TO AIR NAVIGATION
It is determined that the proposed construction would not have a substantial adverse effect on the safe and efficient utilization of the navigable airspace by aircraft or on any air navigation facility and would not be a hazard to air navigation provided the conditions set forth in this determination are met.

6. BASIS FOR DECISION
Study for possible VFR effect disclosed that the proposed structure would not affect existing or proposed en route, arrival or departure VFR operations or procedures. In this case, the proposed structure would exceed the SDL Part 77 Horizontal Surface by 74 feet, however, circularization and further aeronautical study resulted in no issues or objections to this proposed construction. No other VFR issues were identified and there are no IFR effects. The incorporation of obstruction lighting will mitigate the protected surface penetrations and provide additional conspicuity for VFR and IFR pilots flying in this vicinity.

7. CONDITIONS
Within five days after the structure reaches its greatest height, proponent is required to file a FAA form 7460-2, Actual Construction notification, at the OE/AAA website (http://oeaaa.faa.gov). This Actual Construction notification will be the source document detailing the site location, site elevation, structure height, and date structure was built for the FAA to map the structure on aeronautical charts and update the national obstruction database.
**DETERMINATION OF NO HAZARD TO AIR NAVIGATION**

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure: Building Project Nova - 50 acres
Location: Scottsdale, AZ
Latitude: 33-39-12.70N NAD 83
Longitude: 111-54-39.40W
Heights: 1594 feet site elevation (SE)
120 feet above ground level (AGL)
1714 feet above mean sea level (AMSL)

This aeronautical study revealed that the structure would have no substantial adverse effect on the safe and efficient utilization of the navigable airspace by aircraft or on the operation of air navigation facilities. Therefore, pursuant to the authority delegated to me, it is hereby determined that the structure would not be a hazard to air navigation provided the following condition(s) is(are) met:

As a condition to this Determination, the structure is to be marked/lighted in accordance with FAA Advisory circular 70/7460-1 L Change 1, Obstruction Marking and Lighting, red lights - Chapters 4,5(Red),&12.

Any failure or malfunction that lasts more than thirty (30) minutes and affects a top light or flashing obstruction light, regardless of its position, should be reported immediately to (877) 487-6867 so a Notice to Airmen (NOTAM) can be issued. As soon as the normal operation is restored, notify the same number.

It is required that FAA Form 7460-2, Notice of Actual Construction or Alteration, be e-filed any time the project is abandoned or:

_____ At least 10 days prior to start of construction (7460-2, Part 1)
___X___ Within 5 days after the construction reaches its greatest height (7460-2, Part 2)

See attachment for additional condition(s) or information.

This determination expires on 06/11/2019 unless:
(a) the construction is started (not necessarily completed) and FAA Form 7460-2, Notice of Actual Construction or Alteration, is received by this office.

(b) extended, revised, or terminated by the issuing office.

(c) the construction is subject to the licensing authority of the Federal Communications Commission (FCC) and an application for a construction permit has been filed, as required by the FCC, within 6 months of the date of this determination. In such case, the determination expires on the date prescribed by the FCC for completion of construction, or the date the FCC denies the application.

NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE E-FILED AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE. AFTER RE-EVALUATION OF CURRENT OPERATIONS IN THE AREA OF THE STRUCTURE TO DETERMINE THAT NO SIGNIFICANT AERONAUTICAL CHANGES HAVE OCCURRED, YOUR DETERMINATION MAY BE ELIGIBLE FOR ONE EXTENSION OF THE EFFECTIVE PERIOD.

This determination is subject to review if an interested party files a petition that is received by the FAA on or before January 10, 2018. In the event a petition for review is filed, it must contain a full statement of the basis upon which it is made and be submitted to the Manager of the Airspace Policy Group. Petitions can be submitted via mail to Federal Aviation Administration, 800 Independence Ave, SW, Room 423, Washington, DC 20591, via email at OEPetitions@faa.gov, or via facsimile (202) 267-9328.

This determination becomes final on January 20, 2018 unless a petition is timely filed. In which case, this determination will not become final pending disposition of the petition. Interested parties will be notified of the grant of any review. For any questions regarding your petition, please contact Airspace Policy Group via telephone – 202-267-8783.

This determination is based, in part, on the foregoing description which includes specific coordinates, heights, frequency(ies) and power. Any changes in coordinates, heights and frequencies or use of greater power, except those frequencies specified in the Colo Void Clause Coalition; Antenna System Co-Location; Voluntary Best Practices, effective 21 Nov 2007, will void this determination. Any future construction or alteration, including increase to heights, power or the addition of other transmitters, requires separate notice to the FAA. This determination includes all previously filed frequencies and power for this structure.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of the structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

This aeronautical study considered and analyzed the impact on existing and proposed arrival, departure, and en route procedures for aircraft operating under both visual flight rules and instrument flight rules; the impact on all existing and planned public-use airports, military airports and aeronautical facilities; and the cumulative impact resulting from the studied structure when combined with the impact of other existing or proposed structures. The study disclosed that the described structure would have no substantial adverse effect on air navigation.
An account of the study findings, aeronautical objections received by the FAA during the study (if any), and the basis for the FAA's decision in this matter can be found on the following page(s).

If we can be of further assistance, please contact Paul Holmquist, at (425) 227-2625, or paul.holmquist@faa.gov. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2017-AWP-10333-OE.

Signature Control No: 344442638-350986026
Mike Helvey
Manager, Obstruction Evaluation Group

Attachment(s)
Additional Information
Map(s)
Additional information for ASN 2017-AWP-10333-OE

Aeronautical Study Number 2017-AWP-10333-OE

Abbreviations
AGL - above ground level
VFR - visual flight rules
ASN- Aeronautical Study Number

AMS - above mean sea level
IFR - instrument flight rules
NM - nautical mile
RWY - runway

1. LOCATION OF PROPOSED CONSTRUCTION

A 120-foot AGL (1714-foot AMSL) building is proposed is to be located approximately 8714 feet (1.43 NM) northwest of the RWY 21 threshold at Scottsdale Airport (SDL), Scottsdale, AZ. The SDL airport elevation is 1510 feet AMSL.

2. OBSTRUCTION STANDARDS EXCEEDED

The structure is identified as an obstruction under the following Part 77 standard:

Section 77.19(a): The surface of a takeoff and landing area of an airport or any imaginary surface established under 77.17, 77.19, or 77.23-Horizontal Surface, a height exceeding a horizontal plane 150 feet above the established airport elevation. This structure would exceed the SDL Horizontal Surface by 54 feet.

3. EFFECT ON AERONAUTICAL OPERATIONS

a. The impact on arrival, departue, and en route procedures for aircraft operating under VFR: This structure would exceed the SDL Horizontal Surface by 54 feet.

There are no effects on the VFR traffic pattern.
There are no effects on any existing or proposed arrival, departure, or en route IFR/VFR minimum flight altitudes.
There are no physical or electromagnetic effects on the operation of air navigation and communications facilities.
There are no effects on any airspace and routes used by the military.

The SDL Airport Master Record can be viewed/downloaded http://www.gcr1.com/5010web/airport.cfm?Site=SDL. It states there are 194 single-engine, 35 multi-engine, 132 jet and 26 helicopter, 0 military, 0 ultralight and 0 glider aircraft based there with 152,568 operations for the 12 months ending 31 December 2014 (latest information).

b. The impact on arrival, departure, and en route procedures for aircraft operating under IFR: None.

c. The impact on all planned public-use airports and aeronautical facilities: None.

d. The cumulative impact resulting from the proposed construction or alteration of a structure when combined with the impact of other existing or proposed structures: None.

4. CIRCULATION AND COMMENTS RECEIVED
The proposal was circulated for public comment based on 30 October, 2017 and public comment period closed on 6 December 2017. No comments were received by 6 December 2017.

5. DETERMINATION - NO HAZARD TO AIR NAVIGATION
It is determined that the proposed construction would not have a substantial adverse effect on the safe and efficient utilization of the navigable airspace by aircraft or on any air navigation facility and would not be a hazard to air navigation provided the conditions set forth in this determination are met.

6. BASIS FOR DECISION
Study for possible VFR effect disclosed that the proposed structure would not affect existing or proposed en route, arrival or departure VFR operations or procedures. In this case, the proposed structure would exceed the SDL Part 77 IHorizontal Surface by 54 feet, however, circularization and further aeronautical study resulted in no issues or objections to this proposed construction. No other VFR issues were identified and there are no IFR effects. The incorporation of obstruction lighting will mitigate the protected surface penetrations and provide additional conspicuity for VFR and IFR pilots flying in this vicinity.

7. CONDITIONS
Within five days after the structure reaches its greatest height, proponent is required to file a FAA form 7460-2, Actual Construction notification, at the OE/AAA website (http://oeaaa.faa.gov). This Actual Construction notification will be the source document detailing the site location, site elevation, structure height, and date structure was built for the FAA to map the structure on aeronautical charts and update the national obstruction database.
COMMISSION ACTION REPORT

Discussion and Possible Action to Recommend Adoption of Resolution No. 11011, Lease Agreement No. 2016-028-COS-A1 with Gemini Air Group, Inc. for the Lease of Two Hangar Facilities at the Scottsdale Airport

ACTION

Discussion and possible action to recommend adoption of Resolution No. 11011 authorizing lease agreement No. 2016-028-COS-A1 Amendment No. 1 with Gemini Air Group, Inc. for the lease of two hangar facilities located at the Scottsdale Airport.

PURPOSE

To amend the lease agreement 2016-028-COS to reflect changes in the final design square footage and rental rate of the two hangars and ancillary support space.

KEY CONSIDERATIONS

- Lease agreement 2016-028-COS was executed in June 2016 with Gemini Air Group, Inc. for the lease of two hangars following a Request for Proposal (RFP) solicitation process.
- The original lease monthly rent was based on a conceptual design of two 30,000 SF hangars with a total of 5,000 SF of ancillary office space and one fuel farm.
- Based on final design square footages for the two hangars and ancillary office space totaling 66,464 SF, the base rental rate was adjusted as Amendment No. 1.
- Term of lease agreement is twenty (20) years with one option to renew at ten (10) years.
- A Municipal Property Corporation (MPC) bond has been issued to cover the costs of the development of the two hangar facilities and adjacent Aviation Business Center.
- Associated revenues received from the above referenced lease agreement will cover some of the costs of the debt service for the bond.

Attachments:

1. Resolution No. 11011
2. 2016-028-COS-A1 with Gemini Air Group, Inc., a lease agreement amendment

Action taken:
RESOLUTION NO. 11011

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA AUTHORIZING LEASE AGREEMENT AMENDMENT, CONTRACT NO. 2016-028-COS-A1, WITH GEMINI AIR GROUP, INC. FOR THE LEASE OF TWO (2) CORPORATE JET HANGARS TO BE CONSTRUCTED BY THE CITY NEAR THE NEW AVIATION BUSINESS CENTER CURRENTLY UNDER CONSTRUCTION.

WHEREAS, the City is the owner of certain real property known as the Scottsdale Airport cn which the City desires to construct a new Aviation Business Center; and

WHEREAS, near the new Aviation Business Center, the City will construct two (2) corporate jet hangars and ancillary support space together with a fuel farm; and

WHEREAS, the City entered into a lease agreement with Gemini Air Group, Inc. for the two new hangars in Contrac No. 2016-028-COS; and.

WHEREAS, Gemini Air Group, Inc. wishes to amend its lease to reflect the changes that are now required as a result of design modifications to more accurately reflect the current square footage, the newly revised site plan attached as Exhibit “A” to the Lease, and changes to the rent price that are necessitated by the addition of square footage to the leased premises; and

WHEREAS, it is in the best interest of the City to enter into a lease amendment with Gemini Air Group, Inc. to update its lease and reflect these necessitated changes;

NOW, THEREFORE, be it resolved by the Council of the City of Scottsdale as follows:

Section 1: The Mayor is authorized and directed to execute on behalf of the City of Scottsdale, Lease Agreement Amendment, Contract No 2016-028-COS-A1.

PASSED AND ADOPTED by the Council of the City of Scottsdale this _____ day of ____________, 2018.

CITY OF SCOTTSDALE, an Arizona municipal Corporation

__________________________
W. J. “Jim” Lane, Mayor

ATTEST:

By: ________________________
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

__________________________
Bruce Washburn, City Attorney
By: Sherry R Scott, Deputy City Attorney

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Resolution 11011
Page 1 of 1
FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (the "First Amendment") is made and entered into this ___ day of ____________, 2018, by and between the City of Scottsdale, an Arizona municipal corporation ("Lessor"), and Gemini Air Group, Inc., an Arizona corporation ("Lessee").

WITNESSETH

1. Lessor is the owner of certain real property (the "Property") located at the Scottsdale Airport (the "Airport") in the City of Scottsdale, Maricopa County, Arizona.

2. Lessor and Lessee are parties to that certain Lease Agreement dated April 5, 2016, with City of Scottsdale Contract No. 2016-028-COS and recorded on April 8, 2016 at Document No. 20160234971 of the Official Records of Maricopa County, Arizona (the "Lease").

3. In light of subsequent events and circumstances, Lessor and Lessee desire to amend the lease to change the square footage, the rent price and the site plan originally attached as Exhibit "A" to the Lease.

NOW, THEREFORE, for and in consideration of the foregoing and mutual promises and representations contained herein, Lessor and Lessee agree as follows:

A. Paragraph 4.2 of the Lease is hereby amended and restated in its entirety as follows:

4.2 Base Rent. The rental amount (the "Base Rent") Lessee shall pay to Lessor at the beginning of each month of this Agreement shall be $73,793.04.

B. Paragraph 6 of the Lease is hereby amended and restated in its entirety as follows:

6. Improvements by Lessor. Lessor will finance, design, and construct a corporate jet hangar facility consisting of approximately two (2) 30,000 square foot hangars, including 3,000 square feet of support space in one hangar and 2,000 square feet of support space in the second hangar, and an above-ground fuel farm on airport real property as depicted on the Amended Conceptual Site Plan attached hereto as Amended Exhibit "A", and certain architectural elevations and renderings depicted in Exhibits "D" and "E", attached and made a part hereof. The actual square footage based only on the currently approved final plans are as follows: 29,940 square foot plus an additional 3,472 square foot of support space in the North Hangar and 29,925 square foot plus an additional 3,127 square foot of support space in the South Hangar. The
legal description for the Premises is being developed and will be added subsequently, as an amendment to this Agreement. The Amendment will be signed by the Aviation Director on behalf of Lessor, and by Lessee. The hangar and fuel farm will be designed and constructed in conformance with Lessor’s Zoning and Building Codes at a cost not to exceed the engineer’s estimate of $12,200,000. Lessor may authorize the payment of additional sums over and above the engineer’s estimated, upon the written approval of both Lessor’s Aviation Director and the Public Works Director. Lessor and Lessee will cooperate in good faith in designing a hangar facility that reasonably conforms, subject to funds available and regulatory requirements, to Lessee’s desired design parameters for Lessee’s hangar operations, as described in its Proposal. If requested by Lessee in its Proposal, Lessor will design and construct, as a part of the Premises, a fuel farm for Jet A fuel, adjacent to the hangar that will consist of an under-ground 25,000 gallon storage tank and all necessary plumbing and pumps. The design of the hangar facility and the fuel farm, together “the Premises,” will substantially conform to the design description, attached as Exhibit “F,” and made a part hereof. The design and construction of the Premises will be in compliance with the requirements of the Arizona Revised Statutes, Title 34. Lessor will contract with such architects and/or engineers as it deems necessary to complete the design of the hangar facility and fuel farm, and will contract with such qualified contractors as it may select, to construct the required hangar facility and fuel farm improvements. If there is a conflict between the parties as to the design and construction of the Premises, and such conflict is as a result of Lessee’s request for a change in the design or construction of the Premises that would result in a cost overrun, or nonconformance with relevant design, zoning or building requirements, then in that event, the parties contract administrators will meet and attempt to arrive at an acceptable resolution to the conflict, provided, however, that if the parties cannot resolve the conflict to the mutual satisfaction of both parties, the ultimate and final decision on any such design and/or construction issues shall be solely that of Lessor. It is Lessor’s intent that the Premises will be ready for occupancy in the Spring of 2018, subject to Force Majeure acts beyond Lessor’s control. These acts include, but are not limited to, acts of God, riots, acts of war or terrorism, epidemics, governmental regulations imposed after the fact, fire, communication line failures, or power failures.

EXECUTED as of the date first given above.

LESSEE: GEMINI AIR GROUP, INC., an Arizona corporation

By: ____________________________
Timothy Carpay, President

LESSOR: CITY OF SCOTTSDALE,
an Arizona municipal corporation

By: ____________________________
W.J. “Jim” Lane, Mayor
ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

Bruce Washburn, City Attorney
By: Sherry R Scott
Deputy City Attorney

Gary P. Mascaro, Aviation Director

Katie Callaway, Risk Management Director
STATE OF

) ss.

County of

) ss.

The foregoing instrument was acknowledged before me this ___ day of

___________, 201__, by Timothy Carpay of Gemini Air Group, Inc., an Arizona corporation.

Notary Public

My Commission Expires:

STATE OF ARIZONA

) ss.

County of Maricopa

) ss.

The foregoing instrument was acknowledged before me this ___ day of

___________, 2013, by W.J. "Jim" Lane, Mayor of the City of Scottsdale, an Arizona municipal
corporation.

Notary Public

My Commission Expires:
ACTIONS

Discussion and possible action to recommend adoption of Resolution No. 11006 authorizing lease agreement No. 2018-015-COS with Volanti Restaurant and Lounge, LLC for the lease of restaurant and office space located at the future Aviation Business Center at Scottsdale Airport and terminating the lease agreements No. 2016-030-COS and No. 2016-031-COS with Maza Concepts, LLC.

PURPOSE

To authorize contract No. 2018-015-COS, a lease agreement with Volanti Restaurant and Lounge, LLC for a restaurant and catering business within the new Aviation Business Center and terminating the lease agreements Nos. 2016-030-COS and 2016-031-COS with Maza Concepts, LLC dba The Brick.

KEY CONSIDERATIONS

- The City entered into two separate leases, Nos. 2016-030-COS and 2016-031-COS in June 2016 with Maza Concepts, LLC for the restaurant and office space based on negotiated rental rates. This legal entity was never properly formed, requiring these prior lease agreements to be formally terminated.
- The business entity has formed a legal entity under the name of Volanti Restaurant and Lounge, LLC.
- Based on final design square footages and configuration which have changed significantly since the concept design, a new lease No. 2018-015-COS was developed to combine the two spaces into one lease agreement.
- Term of lease agreement is ten (10) years with two options to renew at five (5) years each.
- A Municipal Property Corporation (MPC) bond has been issued to cover the costs of the development of the Aviation Business Center.
- Associated revenues received from the above referenced lease agreement will cover some of the costs of the debt service for the bond.

Attachments:
1. Resolution No. 11006
2. 2018-015-COS with Volanti Restaurant and Lounge, LLC, a lease agreement
3. Termination of Lease Agreements No. 2016-030-COS and No. 2016-031-COS

Action taken:
RESOLUTION NO. 11006

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING CONTRACT NO. 2018-015-COS, A LEASE AGREEMENT WITH VOLANTI RESTAURANT AND LOUNGE, LLC, AN ARIZONA LIMITED LIABILITY COMPANY FOR A RESTAURANT AND CATERING BUSINESS WITHIN THE NEW AND CURRENTLY UNDER CONSTRUCTION AVIATION BUSINESS CENTER AND EXPRESSLY TERMINATING THE LEASE AGREEMENTS, CONTRACT NO. 2016-030-COS AND NO. 2016-031-COS WITH A RELATED BUSINESS ENTITY, MAZA CONCEPTS, LLC DBA THE BRICK, WHICH WAS NEVER LEGALLY FORMED OR RECOGNIZED AS A SEPARATE LEGAL ENTITY.

WHEREAS, the City is the owner of certain real property known as the Scottsdale Airport on which City desires to construct a new Aviation Business Center; and

WHEREAS, near the new Aviation Business Center, the City will construct two (2) corporate jet hangars and ancillary support space together with a fuel farm; and

WHEREAS, the City entered into two prior lease agreements for a restaurant and catering business with Maza Concepts, LLC dba The Brick, in Contract Nos. 2016-030-COS and 2016-031-COS, but this legal entity was never properly formed, requiring these prior lease agreements to be formally terminated; and

WHEREAS, this business entity wished instead to form a legal entity under the name of Volanti Restaurant and Lounge, LLC, an Arizona Limited Liability Company currently recognized and in good standing with the State of Arizona and wished to enter into a new, but similar combined lease agreement; and

WHEREAS, it is in the best interest of the City to enter into a new combined lease with Volanti Restaurant and Lounge, LLC, an Arizona Limited Liability Company for a restaurant and catering business at the new Aviation Business Center subject to the timely completion of the construction projects:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The Mayor is authorized and directed to execute on behalf of the City of Scottsdale Contract No. 2018-015-COS with Volanti Restaurant and Lounge, LLC.

Section 2. The Mayor is authorized and directed to execute on behalf of the City of Scottsdale the Termination of Lease Agreements for the previously executed lease agreements with Maza Concepts, LLC dba The Brick, in Contract Nos. 2016-030-COS and 2016-031-COS, which are hereby terminated.

Resolution No. 11006
Page 1 of 2

Attachment 1
PASSED AND ADOPTED by the City Council of the City of Scottsdale, Maricopa County, Arizona this ___ day of __________________, 2018.

CITY OF SCOTTSDALE, an Arizona municipal corporation

W.J. "Jim" Lane, Mayor

ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

Bruce Washburn, City Attorney
By: Sherry R. Scott, Deputy City Attorney
LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this ___ day of __________, 2018, by and between the CITY OF SCOTTSDALE, an Arizona municipal corporation ("Lessor"), and Volanti Restaurant and Lounge, LLC, an Arizona limited liability company ("Lessee").

WITNESSETH

A. Lessor is the owner of certain real property at the Scottsdale Airport (the "Airport") on which it is constructing a new building to be known as the Aviation Business Center (the "ABC Building.") The ABC Building will be located at 15000 N. Airport Drive, Scottsdale, Arizona, within the footprint of the Aviation Business Center Premises. A conceptual depiction of the site of the Aviation Business Center Premises is attached hereto as Exhibit "A" and incorporated by this reference and a conceptual floor plan of the ABC Building is attached hereto as Exhibit "A1" and "A2."

B. Lessor desires to lease to Lessee, and Lessee desires to lease space in the new ABC Building primarily for sit-down food and beverage service (including alcohol if permitted by law) for immediate consumption at the restaurant premises within the ABC Building (the "Leased Premises") as well as catering as a secondary use and business activity subject to the requirements of this Agreement. The Leased Premises, which will be located at 15000 N. Airport Drive, Scottsdale, Arizona is depicted on the attached Exhibit "B", incorporated by this reference as supplemented by the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing, the rent hereinafter to be paid by Lessee, and the covenants and agreements contained herein to be kept and performed by Lessee, and other good and valuable consideration, Lessor and Lessee agree as follows:

I. RECITALS

1. Recitals. The foregoing recitals are incorporated into this Agreement.
II. DEFINITIONS

2. Definitions.

2.1 "ABC Building" shall mean the building located at 15000 N. Airport Drive, Scottsdale Arizona on the Aviation Business Center Premises depicted on attached Exhibit "A1"."A2".

2.2 "Aviation Business Center Premises" shall mean the ABC Building and the surrounding area depicted on attached Exhibit "A".

2.3 "Floor area" shall mean Lessor's estimate of the total enclosed rentable square footage measured from the exterior faces of all exterior walls, service corridors and fire walls, and from the center line of the common demising walls separating the Leased Premises from other spaces. No deduction shall be made for columns or interior construction or equipment.

2.4 "Leased Premises" shall mean the approximately 3343 square feet of interior floor area on the second floor of the ABC Building depicted on Exhibit "B" plus the approximately 1167 square feet of exterior patio area depicted on Exhibit "B", for a total of approximately 4510 usable square feet of floor area located on the second level of the ABC Building and consisting of restaurant space.

III. PREMISES

3. Premises and Fixtures.

3.1 Agreement to Lease. Lessee desires to lease the Leased Premises upon completion of the construction project. Lessor hereby leases to Lessee and Lessee hereby leases and accepts from Lessor, subject to the terms and conditions of this Agreement, the Leased Premises.

3.2 Outdoor Common Area Space. In addition to the exterior patio area included in the Leased Premises, Lessor may also make available to Lessee approximately 932 square feet of outdoor common area space from time to time, the nonexclusive use of which is subject to the sole, prior written approval of Lessor. Despite anything to the contrary, Lessor may elect to open this outdoor common area patio or a portion of it at any time, or all times, and with any additional limitations on its use. This outdoor common area patio must remain open to unrestricted passage by all passengers, pilots and other persons using or visiting the Airport at all times. Lessor will have the unilateral right to augment, abandon, convey and otherwise modify the configuration of the outdoor common area patio from time to time during the term of this Agreement. Lessor may also unilaterally regulate, re-route, close and otherwise alter use of this outdoor common area space and patio at its sole discretion.

3.3 Antennae. Lessee shall have the right to install and use a single communications dish antenna or whip antenna upon the roof of the ABC Building, but only if such antenna complies with all of the requirements of all applicable laws and this Agreement, and subject to such conditions and requirements as Lessor may impose.

3.4 Rights in Adjacent Space. Lessee's rights are expressly limited to the real property defined as the "Leased Premises" in this Agreement. Without limitation, in the event any public or private property adjacent to the Leased Premises is owned, dedicated, abandoned or otherwise acquired, used, improved or disposed of by Lessor, such property shall not accrue to this
Agreement but shall be Lessor's only. In addition, and severable from the preceding sentence, upon any such event, Lessee shall execute and deliver to Lessor without compensation a quit-claim deed to such property. In the event the Leased Premises consists of more or less than the stated area, this Agreement shall nevertheless continue and Lessee's obligations hereunder shall not be diminished.

3.5 **Title.** Lessee's rights hereunder are subject to all covenants, restrictions, easements, agreements, reservations and encumbrances upon, and all other conditions of title to, the Leased Premises. Notwithstanding the preceding sentence, Lessor agrees that on the commencement date there will be no mortgage lien or deed of trust covering the Leased Premises, other than current taxes or liens, resulting from the acts or omissions of Lessee. Lessee's rights hereunder are further subject to all present and future building restrictions, regulations, zoning laws, ordinances, resolutions, and orders of all bodies, bureaus, commissions and bodies of any municipal, county, state, or federal authority, now or hereafter having jurisdiction over the Leased Premises or Lessee's use thereof. Lessee shall have no right under this Agreement to do (or fail to do) anything prohibited (or required) by any documents affecting legal title to the Leased Premises.

3.6 **Lessor's Fixtures and Property Included.** The Leased Premises also includes the fixtures and personal property owned by Lessor listed on Exhibit "D" attached to this Agreement. This property will be maintained in good working condition by Lessee from time to time at Lessee's expense. If and when, during the term of this Agreement, any of this property wears out, Lessor may dispose of it at Lessee's expense. Lessee at Lessee's expense will replace all worn out property listed on Exhibit "D", which Lessor owns at all times. Lessee is solely responsible for the condition of this personal property. Upon commencement of this Agreement, Lessee will inventory the property and determine that it is all within the Leased Premises and in serviceable condition. This personal property will be provided "as is" and Lessee will accept all responsibility for its condition.

3.7 **Lessee's Fixtures and Property.** Lessee will provide the fixtures and personal property owned by Lessee and listed on the attached Exhibit "E". This property will be maintained in good working condition by Lessee at Lessee's expense. Lessee will replace all worn out property listed on Exhibit "E" as necessary, at Lessee's sole expense.

**IV. TERM OF LEASE**

4. **Term of Lease.** This Agreement is subject to the following provisions and conditioned upon Lessee's full, timely, complete and faithful performance of all obligations and things to be performed or done hereunder by Lessee and Lessee shall accept the Leased Premises in writing at the time possession of the Leased Premises is delivered to Lessee, the date of which will mark the beginning term of the lease.

4.1 **Term.** The term of this Agreement shall be for a period of 10 years from the time possession of the Leased Premises is delivered to the Lessee. Possession of the leased premises shall be delivered no later than 30 days after both of the following occur: (1) Lessor receives a Certificate of Occupancy or Temporary Certificate of Occupancy for the ABC Building; and 2) The tenant improvements desired by Lessee, as agreed to in accordance with Article 7.1 below, are substantially completed. "Substantially completed" means the date Lessor notifies Lessee that Lessor's Work of constructing the ABC Building pursuant to Exhibit "C" and Lessee's tenant improvements constructed in accordance with Article 7.1 hereof, are complete and have been approved by the City of Scottsdale and a Certificate of Occupancy or Temporary Certificate of

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Occupy has been issued for the ABC Building.

4.2 **Option to Extend.** Provided (i) Lessee has not at any time been in default under any of the terms, covenants, or conditions of the Agreement, which default remained uncorrected after the applicable cure period, through and including the commencement date of an Extension Term set forth below, (ii) the Leased Premises are continually operated for the use specifically permitted by this Agreement, and in accordance with other applicable provisions of this Agreement, and (iii) Lessee is not in bankruptcy or receivership, and has not made an assignment for the benefit of creditors pursuant to applicable state law, then Lessee shall have the option to extend the term of this Agreement for two (2) periods of five (5) years each (the "Extension Term") provided the Aviation Director agrees in writing to the requested Extension Term. The option for the second Extension Term shall not be exercisable unless Lessee exercised the option for the first Extension Term. Lessee shall exercise each such option by providing Lessor with written notice of such exercise not later than 180 days or earlier than 365 days before the commencement of the applicable Extension Term. The Aviation Director shall have the authority to grant or deny the requested Extension Term in writing within 90 days of the receipt of the written notice. Lessee shall have no right to further extend or renew this Lease other that for the Extension Terms. Time is of the essence with respect to the exercise of any such option by Lessee. If Lessee fails to exercise an option when required, such option shall thereafter be of no force or effect.

4.3 **Extended Term Rental.** If an option to extend the term for an Extension Term as described above is properly exercised by Lessee, then all of the covenants and agreements contained in this Agreement shall apply during the applicable Extension Term, except that the Base Rent for the first and each subsequent lease year of an Extension Term shall be increased on an annual basis in accordance with the provisions of Article 5.3 below.

4.4 **Option Personal.** The options set forth herein are strictly personal to the original entity executing this Agreement ("Original Lessee") only, and may be exercised only so long as the Original Lessee occupies the Leased Premises without assigning this Agreement or subletting the Leased Premises to any part thereof, and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than the Original Lessee. The Options are not assignable separate and apart from this Agreement, nor may the Option be separated from this Agreement in any manner, either by reservation or otherwise.

4.5 **Holding Over.** In any circumstance whereby Lessee would hold over and remain in possession of the Leased Premises after the expiration of this Agreement, such holding over shall not be considered to operate as a renewal or extension of this Agreement, but shall only create a tenancy from month to month which may be terminated at any time by Lessor upon 10 days' notice to Lessee. During any such hold over period, Base Rent shall increase to 150% of its previous rate and shall be prorated to the date Lessee vacates the Leased Premises.

**V. LEASE PAYMENTS**

5. **Lease Payments.** Lessee shall pay to Lessor all of the following payments together with all other payments required by this Agreement (all payments by Lessee to Lessor required by this Agreement for any reason are collectively the "Rent"):

5.1 **Rent Payment Date.** All Rent shall be payable one month in advance on the twenty-fifth day of the preceding calendar month. For example, the Rent for September shall be payable on or before August 25th. The first installment of Rent prorated for the portion of the
month remaining in the month in which this Agreement is executed is due immediately upon delivery of possession of the Leased Premises.

5.2 **Base Rent.** The rental amount (the "Base Rent") Lessee shall pay to Lessor for each of the first 12 months from the commencement of the term of this Agreement is $8,464.84. The Base Rent is due and payable each month during the term hereof.

5.3 **Base Rent Adjustment.** The Base Rent shall be automatically adjusted upward on the second anniversary of the commencement of the term of this Agreement and every two (2) years thereafter on the basis of changes in the United States Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average published by the United States Bureau of Labor Statistics as of the date two (2) months prior to the adjustment date (the "Cost of Living Index"). The amount of each adjusted monthly rent installment of Base Rent (represented by the letter "R" in the formula set forth below) shall be equal to the then current Cost of Living Index number (represented by the letter "C" in the formula set forth below) divided by the Cost of Living Index number for the month during which the term of this Lease commences (represented by the letter "M" in the formula set forth below), and multiplied by the original monthly Base Rent amount (represented by the "$" symbol in the formula set forth below). This computation is expressed by the following formula:

\[
R = \frac{C}{M} \times \$ \]

provided, that in no event shall the Base Rent be adjusted downward from any previous period. If such Cost of Living Index shall no longer be published at the adjustment date, then another similar index published by any federal agency shall be substituted by Lessor in Lessor's reasonable discretion. In the event of a holdover without Lessor's consent, Base Rent shall be increased by an additional one hundred fifty percent (150%) over the amount of Base Rent otherwise payable.

5.4 **Percentage Rent.** "Percentage Rent" is a percentage of gross sales ("Gross Sales") calculated for each calendar month during the term of this Agreement. The percentage used to calculate Percentage Rent after Lessee takes possession of the Premises will be 7% of Gross Sales. Lessee has the obligation to occupy, operate and conduct its business upon the Leased Premises so as to maximize the Percentage Rent payable. "Gross Sales" means any and all receipts, rents, credits, payments in kind, amounts collected or billed, invoiced or attempted to be collected, accounts receivable, (excluding complimentary goods or services provided or amounts rebated) or other sources of revenue arising directly or indirectly from business or activity conducted at the Leased Premises and the Outdoor Common Area Space by the Lessee or any sublessee or other person using the Leased Premises during the term of or under this Agreement.

5.5 **Correlation of Base Rent and Percentage Rent.** In addition to all other payments and performances required of Lessee during the term of this Agreement, Lessee will pay to Lessor each month the Base Rent or the Percentage Rent, whichever is greater. Because the Percentage Rent cannot be calculated in advance at the beginning of a month, Lessee will include in each monthly installment of Rent the Base Rent for the coming month together with the amount, if any, by which the Percentage Rent exceeded the Base Rent for the preceding month and a reconciliation in a form acceptable to Lessor showing the manner in which the Percentage Rent was calculated. The reconciliation will be accompanied by dated and signed cash register tapes.
and other documentation substantiating Gross Sales as requested by Lessor from time to time. For example, the Rent installment payable on the 25th day of June will include the Base Rent for the month of July together with the amount, if any, by which the Percentage Rent exceeded the Base Rent for the month of May and a reconciliation showing the manner in which the Percentage Rent for the month of May was calculated. Within 20 days after termination of this Agreement for any reason, Lessee will pay to Lessor any and all unpaid Percentage Rent and any and all unpaid Additional Rent.

5.6 **Additional Rent.** In addition to Base Rent and Percentage Rent, all other amounts to be paid by Lessee to Lessor pursuant to this Lease shall be deemed to be Additional Rent, irrespective of whether designated as such, and shall be due and payable within five (5) days after receipt by Lessee of Lessor's statement or together with the next succeeding installment of Base Rent, whichever shall first occur. Lessor shall have the same remedies for the failure to pay Additional Rent as for the nonpayment of Base Rent.

5.7 **Aeronautical Business Permit.** To the extent required by law, all persons occupying or operating at the Leased Premises shall obtain an Aeronautical Business Permit. This article applies to any type of permit or other rule or requirement that may supplement or replace the Aeronautical Business Permit. In addition to all other Rent payable hereunder, if Lessee does not from time to time hold an Aeronautical Business Permit covering all activities relating to its own operations, activity, and business at the Leased Premises and pay all fees related thereto, Rent shall include an additional amount equal to the amount that would be payable to obtain such an Aeronautical Business Permit.

5.8 **Security Deposit.** At the time of execution of this Agreement, Lessee shall provide to, and maintain with Lessor at all times during the term of this Agreement, a security deposit guaranteeing the faithful performance of this Agreement in the name of Lessor, in the sum of $18,930.00. Any portion of said security deposit to which Lessee may then be entitled, net of any setoff or other obligation of Lessee to Lessor, shall be paid to Lessee by the then owner of the fee title to the Leased Premises within 60 days after termination of this Agreement.

5.9 **Taxes, Liens and Assessments.** In addition to all other Rent herein provided, Lessee shall pay, when due and as the same become due and payable, all taxes and general and special fees, charges, and assessments of every description which during the term of this Agreement may be levied upon or assessed against the Leased Premises, the operations conducted therein, any Rent paid or other performances under this Agreement by either party, and all possessory interest in the Leased Premises and improvements and other property thereon, whether belonging to the Lessor or Lessee. Lessee agrees to indemnify, defend, and hold harmless Lessor and the Leased Premises and such property and all interest therein and improvements thereon from any and all such taxes and assessments, including any interest, penalties and other expenses that may be imposed, and from any lien therefor or sale or other proceedings to enforce payment thereof. Lessee shall have the right to contest, but not the right to refuse to timely pay, any taxes and assessments. Lessor shall have the right from time to time to require that all of the foregoing payments be made by Lessee through Lessor. Lessee shall pay all sales, transaction privilege, and similar taxes.

5.10 **Government Property Lease Excise Tax.** Lessee shall be responsible for any and all property taxes and all government property lease excise taxes described in A.R.S. § 42-6201 et seq. or similar laws in force from time to time applicable to the Leased Premises as determined by
the Lessor. Pursuant to A.R.S. § 42-6206, failure by Lessee to pay the taxes after notice and an opportunity to cure is an event of default that could result in divesting Lessee of any interest in or right of occupancy of the Leased Premises.

5.11 Late Fees. Should any installment of Rent not be paid on or before the date due, a ten percent (10%) late fee shall be added to the amount due, or found to be due. Furthermore, any and all amounts payable by Lessee under this Agreement that are not timely paid shall accrue interest at the rate of 1% per month from the date the amount first came due until paid. Lessee expressly agrees that the foregoing represent reasonable estimates of Lessor's costs in the event of a delay in payment of Rent.

5.12 Rent Amounts Cumulative. All amounts payable by Lessee hereunder or under any tax, assessment or other existing or future ordinance or other law of the City of Scottsdale or the State of Arizona shall be cumulative and payable in addition to each other payment required hereunder, and such amounts shall not be credited toward, substituted for, or setoff against each other in any manner.

5.13 No Setoffs. All Rents shall be paid in full directly to Lessor without setoff or deduction of any description. Lessee expressly waives any right of setoff.

5.14 Utilities. Lessee will pay all charges, fees, deposits and other amounts for gas, electricity, water, sewer, waste disposal services, telephone and all other utilities at the applicable rates as determined by the contracted provider. With respect to shared utilities or expenses for the building, such as garbage disposal services, Lessee will pay a prorated portion of all such costs as solely determined in Lessor's reasonable discretion.

VI. LESSEE'S OPERATING PLAN, ORGANIZATION, AND MARKETING PLAN

6. Lessee hereby represents to Lessor that it will use best efforts to operate the restaurant in accordance with the Operating Plan, Organization, Staffing Chart, Menu and Marketing Plan as provided to Lessor by Lessee, and set forth in Exhibit "F", attached hereto.

VII. USE RESTRICTIONS

7.1 Use Restrictions. Lessee's use and occupation of the Leased Premises shall in all respects conform to all and each of the following cumulative provisions:

7.2 Permitted Uses. Lessee will use the Leased Premises for sit-down food and beverage service (including alcohol if permitted by law) primarily only for immediate consumption at the Leased Premises (the "Permitted Uses").

7.3 Food Service. The Permitted Uses are further restricted as follows:

7.3.1 Lessee shall use the Leased Premises for the preparation and serving to Lessee's invitees and guests of fully prepared food and beverages (including alcoholic beverages if permitted by law) for immediate consumption upon the Leased Premises and for Catering Services. Any catering or to-go food or beverage service or price charged in addition to food and beverage to be consumed at the leased premises shall also be included in calculating the percentage rent described in paragraph 5.4. This subsection does not prohibit a customer who purchases a bottle of wine from drinking only a portion of the wine and taking the remainder home.
in the bottle if the bottle has been resealed, if permitted, and in the manner prescribed by law. No other activity shall be conducted at or from the Leased Premises.

7.3.2 The business at the Leased Premises must be operated as a restaurant and not as a bar or other type of establishment. For purposes of this Agreement, a business serving food is a restaurant and not a bar if it serves food but does not serve alcohol, or if it serves food and alcohol and satisfies all of the following requirements:

7.3.2.1 The business has in operation at the Leased Premises a full service kitchen preparing and cooking (and not just heating or warming) entrees ordered by individual customers.

7.3.2.2 When the kitchen is open, the business’ main menu offers at least 10 different entrees cooked in the kitchen and offered at prices comparable to prices for similar entrees offered by other restaurants in Maricopa County, Arizona.

7.3.2.3 The kitchen is open and offering the entrees at the Leased Premises at all times the business is open for business, except that the kitchen may close 1 hour before the business closes.

7.3.3 Animals. No animals are allowed on the Leased Premises other than seeing-eye dogs and similar service animals providing health assistance to disabled persons. Customers’ dogs on leashes are also permitted, if allowed by applicable laws and regulations from time to time.

7.3.4 Governmental Relations. Lessee shall conduct its activities in coordination with Lessor as necessary to maintain good relations with all governmental and other entities having jurisdiction over the Leased Premises. The preceding sentence does not prohibit Lessee from asserting its legal rights against such entities. Lessee shall immediately give to Lessor notice of any actual or threatened dispute, violation or other disagreement relating to the Leased Premises. Lessee is not an agent for Lessor. Without limitation, such entities (who are not third party beneficiaries to this Agreement) include (to the extent that such entities have jurisdiction over the Leased Premises), the State of Arizona, Maricopa County, Arizona Department of Environmental Quality, Arizona Department of Transportation, and Federal Aviation Administration.

7.3.5 Lighting. Exterior lighting must be shielded and otherwise configured to minimize spillover outside the specific lighted area within the Leased Premises.

7.3.6 Noise. Except as Lessor may specifically allow from time to time, outdoor music and sound equipment is prohibited at the Leased Premises. The doors to the restaurant must be kept closed when music is playing, except that doors may remain open at Lessor’s sole discretion, from time to time. In exercising this discretion, Lessor may take into account any and all factors that Lessor determines influence or may influence the effect of the music or other noise upon the Leased Premises and surrounding areas, and any activity or condition in the surrounding area, including without limitation, Lessor’s desire to maintain a quiet and calm ambiance in surrounding areas.

7.3.7 Liquor License. Lessee may hold a Series 6 liquor license for the Leased Premises. Any liquor license that Lessee holds at the Leased Premises must be limited to the
Leased Premises. This Agreement does not create in Lessee any rights with respect to liquor service outside the Leased Premises. However, Lessee is allowed to engage in liquor service as a result of its catering business or when Lessor authorizes it in writing to serve alcoholic beverages on the common patio space or in other areas of the Airport to the extent it is allowed by law to do so, subject to any applicable terms, limitations or restrictions otherwise set forth in this Agreement. Upon termination of this Agreement for any reason, Lessee will cause the Leased Premises to be removed from the scope of its liquor license.

7.3.8 Hours of Operation. Lessee will keep the restaurant open for service to the public 7 days per week for the following minimum hours of operation: Monday-Thursday: 6 A.M. - 9 P.M.; Friday: 6 A.M. - 10 P.M.; Saturday: 10 A.M. - 10 P.M.; Sunday: 10 A.M. - 6 P.M. with service adequate to meet public demand, provided that Lessee has the right to close the restaurant on the following holidays: New Year's Day, Easter Sunday, Thanksgiving Day, and Christmas Day. The Aviation Director may provide written approval to adjust the Lessee's hours of operation.

7.4 Lessee's Agent. Lessee shall at all times during normal business hours or when the Leased Premises are otherwise occupied retain on call available to Lessor upon the Leased Premises an active, qualified, competent and experienced manager to supervise all activities upon and operation of the Leased Premises and who shall be authorized to represent and act for Lessee in matters pertaining to all emergencies and the day-to-day operation of the Leased Premises and all activities under this Agreement. During any temporary periods of absence by said manager, an assistant manager or designated representative of Lessee with like authorization must be present upon the Leased Premises. Lessee shall also provide notice to Lessor of the name, address, and regular and after-hours telephone numbers of a person to handle Lessee's affairs and emergencies at the Leased Premises.

7.5 Exclusive Restaurant Use. Lessee has the exclusive right to operate a general restaurant business serving food and beverages within the ABC Building. This exclusive right is limited to the existing ABC Building and does not apply to vending machines or to any area or location other than the existing ABC Building or to any use other than a full restaurant use. Nothing in this Agreement will prohibit Lessor or others from conducting any other business or activity of any type, including catering or other than a less than full sit-down restaurant food or beverage businesses, at the ABC Building or from operating any restaurant or other activity of any description elsewhere at the Airport. Nothing in this Agreement will be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C. §1349).

7.5.1 Nonexclusive Uses. Lessee's right to prepare food upon the Leased Premises includes the nonexclusive right when and if ordered by aircraft operators, crews or passengers to prepare and sell "in-flight meals" for immediate consumption aboard aircraft. This right, however, is not to be construed to prohibit any aircraft operators, crews or passengers from obtaining in-flight meals from other sources. Lessee also has the right to provide off-airport catering services, provided that Lessee first obtains any and all licenses and permits and tax registrations required by law and all these services must comply with this Agreement.

7.6 Operations and Staff Qualifications and Requirements. Lessee shall provide to the Leased Premises adequate qualified personnel to professionally conduct all operations at the Leased Premises.
7.7 Security Requirements. Lessee shall participate in any public safety program promulgated from time to time by the City of Scottsdale Aviation Department and Police Department or other law enforcement agency selected by Lessor from time to time. Lessee shall reasonably cooperate with Lessor and the City of Scottsdale Police regarding concerns and countermeasures affecting security and related risks of business and other operations and activities at and near the Leased Premises.

7.8 Conduct at Leased Premises. In entering into this Agreement, Lessor and Lessee have foremost in mind providing the public with an orderly atmosphere devoid of any act by any person contrary to the highest standards of community sensitivity, and avoiding any substance or appearance of any noisy, unruly, inebriated, disruptive, disorderly, lewd, nude, partially nude, adult oriented, unwholesome or sexually oriented behavior, business, entertainment, or other activity of any description or to any degree at the Leased Premises. Any such behavior, business or activity at the Leased Premises by Lessee, any customer of Lessee or anyone else using the Leased Premises pursuant to this Agreement is strictly prohibited. The requirements of this article are specifically acknowledged to be a requirement of this Agreement independent of and in addition to any zoning or other governmental regulation affecting the Leased Premises. Any violation of this article by any person using the Leased Premises pursuant to or under this Agreement shall be an "Unruly Behavior Occurrence" by Lessee under this Agreement. To that end and without limitation, all of the following shall apply:

7.8.1 Prohibited Behavior. No materials shall be displayed, viewed or produced upon the Leased Premises depicting specified anatomical areas or specified sexual activities. Also, no person upon the Leased Premises shall make visible his or her specified anatomical areas. "Specified anatomical areas" shall mean less than completely and opaquely covered human genitals, pubic region, buttock and female breast below a point immediately above the top of the areola; and human male genitals in a discernible turgid state, even if completely and opaquely covered, or any simulation or portrayal of any of the foregoing. All specified sexual activities are prohibited without exception. Specified sexual activities shall mean human genitals in a state of sexual stimulation or arousal; acts of masturbation, sexual intercourse or sodomy; fondling or other erotic touching of human genitals, pubic region, buttock or female breast, or any simulation or portrayal of any of the foregoing.

7.8.2 Except as Lessor may specifically allow from time to time, patron dancing outdoors and any direct or indirect physical contact involving customers, employees, performers and other persons outdoors is prohibited.

7.8.3 Lessee shall immediately cause any person to be safely and responsibly removed from the Leased Premises who:

7.8.3.1 Is obviously intoxicated or under the influence of any narcotic or chemical.

7.8.3.2 Commits any act of violence.

7.8.3.3 Acts in a loud or unusually boisterous manner.

7.8.3.4 Harms or threatens harm to any person or thing.
7.8.3.5 Uses profanity that can be heard by users of the Leased Premises or the public.

7.8.3.6 Violates any law or any regulation applicable to the Leased Premises.

7.8.3.7 Commits or causes, directs or encourages any person to commit an Unruly Behavior Occurrence.

7.8.4 The requirements of this article only are for the benefit of Lessor and for the benefit of all real property located within 300 feet of the Leased Premises or any additional premises the Lessor has granted the Lessee additional access to pursuant to Paragraph 7.3.7 above. The owners and occupants of such real property and their successors and assigns are third party beneficiaries of this article throughout the term of this Agreement. Such third party beneficiaries' sole remedy is injunctive relief against Lessee and other occupants of the Leased Premises to enforce the requirements of this article.

7.9 Common Areas. Subject to current and future regulations and policies governing the use of, and access to, the Aviation Business Center Premises and the airport, Lessee, its officers, employees, agents, patrons and invitees, and its suppliers of services and furnishing of materials shall have the right of ingress to and egress from the Leased Premises through such portions of the Aviation Business Center Premises as are open to the public from time to time. Such right is strictly limited to ingress and egress. There shall be absolutely no office activity or storage, however temporary, in the halls, steps, porches or other areas of or surrounding the Aviation Business Center Premises or the Airport. Lessee shall immediately clean up any spills or debris caused by Lessee or its suppliers or customers. Lessor may from time to time make available to Lessee and/or other users a conference room for use by reservation subject to conflicting uses by Lessor and others and subject to Lessee's payment of a fee established by Lessor.

7.9.1 Control of Common Areas. All parking areas, driveways, entrances and exits thereto, sidewalks, ramps, landscaping areas, exterior stairways, restrooms, elevators, and all other Common Areas and facilities provided by Lessor for the common use of the tenants of the ABC Building and their officers, agents, employees and customers, shall at all times be subject to the exclusive control and management of Lessor, and Lessor shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to the use of all the Common Areas and facilities. Lessor shall have the right to operate and maintain the same in such manner as Lessor, in its sole discretion, shall determine from time to time, including without limitation the right to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Common Areas and facilities. Lessor shall have the exclusive right at any and all times to alter, construct, re-construct, enlarge, contract, modify or relocate any of the Common Areas, to close any portion of the Common Areas for the purpose of making repairs, changes or additions thereto and may change the size, area, layout or arrangement of the parking areas or the number of spaces or the lighting thereof, within or adjacent to the existing areas and may enter into agreements with adjacent owners for cross-easements for parking, ingress or egress. The Lessor shall also have the right to place vending or amusement devices in the Common Areas, to utilize the Common Areas for promotions, exhibits, rides, shows, displays, kiosks, carts, decorative items and landscaping, and any other use which, in the Lessor's judgment, tends to benefit the Aviation Business Center and the Airport.
7.10 Parking. Parking shall be subject to current and future regulations governing parking at the Aviation Business Center Premises and the Airport. There shall be no guaranteed number of parking places available to the Leased Premises. Lessee’s customers, patrons and invitees shall only park motor vehicles in such parking spaces as may be designated at the Airport from time to time as public parking areas, and that are available for parking by the general public. Lessee’s employees shall park in areas designated by Lessor from time to time. Vehicles making deliveries to the Leased Premises shall park only in areas specifically designated by Lessor from time to time as delivery areas.

7.11 Airport Operations. Lessee acknowledges that Lessee’s use of the Leased Premises shall be subject and subordinate to Lessor’s operation of the Airport, which will necessarily directly and indirectly affect Lessee, the Leased Premises, and Lessee’s use of the Leased Premises. Lessee’s use of the Leased Premises shall not be permitted by Lessee to in any way adversely affect Lessor’s use or operation of the Airport. Without limitation:

7.11.1 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.

7.11.2 There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of Lessor and the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Airport.

7.11.3 Lessee by accepting this Agreement agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner that might interfere with the taxiing, landing and taking off of aircraft from the Airport, the loading or unloading of passengers or cargo or other aircraft operations or otherwise constitute a hazard. Whether any particular conduct complies with the foregoing shall be determined by Lessor.

7.12 Signs. Lessee shall have the right to install and operate 2 appropriate signs at the ABC Building to identify Lessee’s restaurant business provided that all of the following conditions are met (Lessor in its sole discretion may authorize the placement of additional signs from time to time):

7.12.1 That the location, size and style of each such sign shall be subject to the provisions of the applicable sign ordinance and shall be in keeping with the Airport sign program as the same may change from time to time and with the overall aesthetics and utility of the Airport facilities and grounds, as determined by Lessor, and shall be designed, made and installed in a professional manner; and

7.12.2 That no sign shall be erected, installed or operated until Lessee has submitted written request, together with descriptions and drawings showing the intended locations, size, style and colors of such signs, to the Aviation Director, and has received prior written approval from the Aviation Director; and

7.12.3 That regardless of signage existing from time to time, Lessor shall have the absolute right from time to time and without compensation to Lessee or any other person to require
Lessee to conform to a new Airport sign program and to limit or reduce the amount of signage for the Leased Premises to: (a) 1 single-faced, exterior sign facing the roadway west of the ABC Building; and (b) 1 single-faced interior sign on the door in the Leased Premises as directed by Lessor. At Lessor’s election, Lessee shall cause said exterior sign to be combined with other signage at the ABC Building. Without Lessor’s consent, such exterior sign shall not exceed two square feet in gross sign area. Without Lessor’s consent, said interior signs shall not exceed two square feet in gross sign area.

7.12.4 That Lessee shall bear all costs pertaining to the erection, installation and operations, maintenance and removal of all signs including, but not limited to, the application for and obtaining of any required building permits.

7.13 Hazardous Materials. Lessee shall not produce, dispose, transport, treat, use or store any hazardous waste or materials or toxic substance upon or about the Leased Premises or any substance now or hereafter subject to regulation under the Arizona Hazardous Waste Management Act, A.R.S. § 49-901 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., or the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., or any other federal, state, county, or local law pertaining to hazardous waste or toxic substances (collectively "Toxic Substances"). The preceding sentence does not prohibit use of ordinary janitorial supplies used to clean and maintain the Leased Premises. Lessee shall pay, indemnify, defend and hold Lessor harmless against any loss or liability incurred by reason of any Toxic Substance on or affecting the Leased Premises caused by Lessee or its invitees occurring after the date of this Agreement, and shall immediately notify Lessor of any Toxic Substance at any time discovered or existing upon the Leased Premises. Lessee understands the hazards presented to persons, property and the environment by dealing with Toxic Substances. Lessee shall cause any on-site or off-site storage, treatment, transportation, disposal or other handling of Toxic Substance by Lessee in connection with the Leased Premises to be performed by persons, equipment, facilities and other resources who are at all times properly and lawfully trained, authorized, licensed and otherwise permitted to perform such services.

7.14 Name of Business. Lessee shall conduct the Permitted Uses at the Leased Premises under Lessee’s name given at the beginning of this Agreement, or if such name is not available or if Lessor and Lessee desire otherwise, such other name as Lessor may approve in Lessor’s reasonable discretion. Following termination of this Agreement for any reason, Lessor has the exclusive right to use or allow others to use any name used to identify Lessee’s business at the Leased Premises and at other locations within and without the Airport, so long as Lessor does not use Lessee’s name as stated at the beginning of this Agreement.

7.15 Publicity. Upon special or standing requests made by Lessor from time to time and not in the absence of such requests, Lessee shall include in its promotional materials and other information distributed, sent, or made available to the public or others a notation that all or any part of Lessee’s activities at the Aviation Business Center Premises are accomplished “with the assistance of the City of Scottsdale” or other words of support as Lessor may reasonably select from time to time.

7.16 Quality Service. Lessee shall operate the Leased Premises in a first-class manner, shall furnish prompt, clean and courteous service; and shall keep the Leased Premises attractively maintained, orderly, clean, sanitary, and in an inviting condition at all times, all to Lessor’s reasonable satisfaction.
7.17 **Communications Operations Restriction.** Lessee shall not install, operate, or allow the use of equipment, methodology or technology that may or would interfere with the optimum effective use or operation of Lessor's fire, emergency or other communication equipment, methodology or technology (i.e., voice or other data carrying, receiving or transmitting equipment) that is presently in use or could be in use in the future. If such interference should occur, Lessee shall immediately discontinue using such equipment, methodology or technology that causes the interference until corrective measures are taken. Any such corrective measures shall be made at no cost to Lessor.

7.18 **Prohibited Names.** Lessee shall not allow use in connection with any operations at the Leased Premises any name that directly or indirectly refers to or contains any part of Lessor's name or the Airport's name or otherwise suggests a connection between Lessor and Lessee or Lessee's activities. Lessee shall also not use in connection with its operations at the Leased Premises any name associated with products or purveyors of any sort of alcohol, tobacco, adult entertainment or gambling related products or services.

7.19 **Staff Qualifications and Requirements.** Except as Lessor may specifically allow from time-to-time, Lessee will provide to the Leased Premises at least the following level of staffing and expertise:

7.19.1 Lessee will not allow any employee or other representative to work upon the Leased Premises or in the vicinity of the Leased Premises without first causing that person to confirm to Lessee in writing that he/she has not been convicted of a felony crime.

7.19.2 If Lessor requests, Lessee will make its employees available to Lessor from time to time for safety training and environmental training.

7.19.3 Lessee will immediately contact the Scottsdale Police Department, the Scottsdale Fire Department, or paramedics when any situation arises outside the capacity and training of Lessee's on-site employees.

7.19.4 Lessee is responsible for all aspects of security and safety at the Leased Premises regardless of whether Lessor influences or participates in Lessee's security or safety programs.

7.20 **E-Verify Program.** Under the provisions of A.R.S. §41-4401, the Lessee warrants to the Lessor that the Lessee and all its Subcontractors will comply with all Federal Immigration laws and regulations that relate to their employees and that the Lessee and all its Subcontractors now comply with the E-Verify Program under A.R.S. §23-214(A).

A breach of this warranty by the Lessee or any of its Subcontractors will be considered a material breach of this Agreement and may subject the Lessee or Subcontractor to penalties up to and including termination of this Agreement or any subcontract.

The Lessor retains the legal right to inspect the papers of any employee of the Lessee or any Subcontractor who works on this Agreement to ensure that the Lessee or any Subcontractor is complying with the warranty given above.

The Lessor may conduct random verification of the employment records of the Lessee.
and any of its Subcontractors to ensure compliance with this warranty. The Lessee agrees to indemnify, defend and hold the Lessor harmless for, from and against all losses and liabilities arising from any and all violations of these statutes.

The Lessor will not consider the Lessee or any of its Subcontractors in material breach of this Agreement if the Lessee and its Subcontractors establish that they have complied with the employment verification provisions prescribed by 8 USCA §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A). The “E-Verify Program” means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

The provisions of this Article must be included in any contract the Lessee enters into with any and all of its Subcontractors who provide services under this Agreement or any subcontract. “Services” are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property. The Lessee will take appropriate steps to assure that all Subcontractors comply with the requirements of the E-Verify Program. The Lessee’s failure to assure compliance by all its Subcontractors with the E-Verify Program may be considered a material breach of this Agreement by the City.

7.21 Compliance with Americans with Disabilities Act. Lessee acknowledges that, in accordance with the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Lessee will provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Lessee agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Lessee, its employees, agents or assigns will constitute a material breach of this Agreement.

7.22 No Preferential Treatment or Discrimination. In accordance with the provisions of Article II, Section 36 of the Arizona Constitution, the City will not grant preferential treatment or discriminate against any individual or group on the basis of race, sex, sexual identity or preference, color, ethnicity, religion or national origin.

7.23 Standards of Service. In entering into this Agreement, Lessor and Lessee have foremost in mind providing the public and air travelers with food and beverage services and facilities of the highest quality. To accomplish this end, Lessee will serve and dispense only high quality foods and beverages, with portions and at prices at least comparable to, or more favorable to the customer than those maintained at other similar restaurant facilities in the City of Scottsdale and at comparable airports, all as reasonably determined by Lessor. Lessee’s initial price, quality and portion schedules will be subject to approval by the aviation director before Lessee’s beginning of operations. Lessor may at any time, review Lessee’s price, quality and portion schedules then in effect and may require that Lessee make any changes necessary for compliance with this article. Lessee will operate the Leased Premises in a first-class manner; will furnish prompt, clean and courteous service; and will keep the Leased Premises attractively maintained, orderly, clean, sanitary and in an inviting condition at all times, all to the satisfaction of Lessor. Lessee will not employ any person or persons in or about the Leased Premises who fail to be clean, courteous,
efficient and neat in appearance or who use improper, obnoxious, profane or rude language or act in a loud or boisterous or otherwise improper manner.

VIII. LESSOR'S CONSTRUCTION OF IMPROVEMENTS

8 Initial Construction. Lessor shall be responsible for the design, financing, and construction of the ABC Building consisting of approximately 21,000 square feet, in conformance with the requirements of Arizona Revised Statutes, Title 34, and in accordance with the description of Lessor's Work set forth in Exhibit "C", attached hereto ("Lessor's Work"). By accepting possession of the Leased Premises, Lessee shall be deemed to have accepted the Aviation Business Center Premises, the Leased Premises, and Lessor's Work in the condition delivered by Lessor, except for any express representation or warranty made by Lessor under this Article 8. Lessor represents and warrants that Lessor's Work shall be performed in a good and workmanlike manner and in compliance with all applicable laws pertaining to the performance of Lessor's Work, and that upon delivery of the Leased Premises to Lessee the utility systems serving the Leased Premises shall be in good operating condition. Except as expressly set forth in this Lease, Lessee has not relied upon any representations or warranties regarding the condition of the Leased Premises, Aviation Business Center Premises, or Airport or any other matter or thing affecting or related to the Leased Premises, Aviation Business Center Premises, or Airport.

Lessor shall notify Lessee of the date of Lessor's substantial completion of Lessor's Work, and Lessee shall have the right to participate in a walk-through of the Leased Premises with Lessor within five (5) days following the date of such substantial completion, to confirm such substantial completion and to assist Lessor in the preparation of a punch-list of any incomplete items. Lessor shall diligently complete such punch-list items (if any).

Lessor agrees as follows with respect to the design, construction and delivery to Lessee of Lessor's Work: (a) Lessor shall submit the initial application for Lessor's Work to the City of Scottsdale ("City") Development Services Department after the full execution and delivery of this Lease; (b) upon receipt of approval from the City Development Services Department of the initial application, Lessor shall submit construction documents to the applicable City department and diligently pursue the issuance of all permits for the construction of Lessor's Work; and (c) Lessor shall use its diligent efforts to commence construction of Lessor's Work as soon as reasonably possible following receipt of all permits for the construction of Lessor's Work, and use its diligent efforts to substantially complete such construction by the Summer of 2018, subject to Force Majeure events beyond the control of Lessor. These events include, but are not limited to, Acts of God, riots, acts of war or terrorism, epidemics, excessive weather, changes in governmental regulations imposed after the fact, fire, communication line failures, or power failures. If Lessor is unable to substantially complete construction of Lessor's Work and deliver possession of the Leased Premises to Lessee on or before August 31, 2018, as such date may be extended by delays incurred by Lessor in the permitting, design and construction of Lessor's Work for reasons beyond the reasonable control of Lessor; then Lessee shall have the right to terminate this Lease by written notice to Lessor at any time prior to Lessor's substantial completion of Lessor's Work and delivery of possession of the Leased Premises to Lessee; provided, however, that if Lessor substantially completes Lessor's Work and delivers possession of the Leased Premises to Lessee within twenty (20) days after Lessee's termination notice, then such termination notice shall be rendered null and void and this Lease shall remain in effect.
8.1 Lessee's Tenant Improvements. Prior to completion of the ABC building's shell construction and at the Request of the Lessor, Lessee shall meet with the Lessor's Aviation Director and Lessor's Architect to determine Lessee's desired tenant improvements. The Lessee, the Aviation Director, and the Architect will agree on the location of interior walls, the color of carpeting selected from the Lessor's pre-approved carpet selections, the interior wall paint colors selected from the Lessor's pre-approved color palette, and other interior improvements as may be requested and approved by Lessor. Upon mutual agreement of the requested tenant improvements, Lessee and Lessor's Aviation Director will sign a letter agreement setting forth their understanding. The letter agreement will be subject to all the terms and conditions of this Lease Agreement. All tenant improvements will be constructed by Lessor as a part of Lessor's Work on the ABC Building. Upon delivery of possession of the Leased Premises to Lessee, Lessee shall be responsible, at Lessee's sole cost and expense for performing the installation of any additional improvements it may desire, as first approved by the Lessor in writing, and of all telecommunications and computer services necessary to render the Leased Premises suitable for Lessee's permitted use. Lessor shall be responsible for all utility development or connection fees charged in connection with the construction by Lessor of Lessor's Work.

8.2 Maintenance by Lessor. Lessor will maintain the structural integrity of the portions of the ABC Building comprising the Leased Premises (including without limitation doors, roof, main air conditioning and heating units, interior and exterior walls). Lessor is not responsible for maintenance of a routine or minor nature or of Lessee's furnishings, fixtures or improvements.

8.3 Maintenance by Lessee. Lessee is responsible for the following:

8.3.1 Janitor and all other cleaning service in the Leased Premises and the public restrooms located on the second floor of the ABC Building. Lessor reserves the right to require Lessee to increase the frequency of inspections and services based on Gross Sales and the condition in which the restaurant and restrooms are kept.

8.3.2 Interior washing of all windows and interior and exterior washing of all lamps in the Leased Premises.

8.3.3 Adequate and sanitary handling and disposal of all trash, garbage and other refuse related to Lessee's use of the Leased Premises.

8.3.4 Cleaning and servicing of all drains, grease traps, sewers and plumbing within the Leased Premises together with cleaning of drains and sewers to the point of connection with the main public sewer system. During the term of this Lease, Lessee shall provide a maintenance contract for the care and upkeep of all drains, grease traps and sewer services.

8.3.5 Service and maintenance of the HVAC system serving the Leased Premises and the cleaning of all HVAC ducts within or serving the Leased Premises.

8.3.6 All other repairs and maintenance of the Leased Premises not specifically required to be performed by Lessor, except that if it is determined by the Lessor that the failure of any of the systems described in this Section is due to the negligence of the Lessee, the Lessee will be responsible for the costs of any such repairs.
8.4 Trash Receptacles. Lessee will provide and use suitable covered receptacles for all trash and other refuse related to Lessee's use of the Leased Premises. Piling of boxes, cartons, barrels or other items outside the Leased Premises or in a manner visible from outside the Leased Premises or in a manner visible to areas open to the public is forbidden. Lessee will keep the area in which trash containers are stored clean and free of all trash and debris and shielded from public view. Lessee acknowledges that any dumpster located near the ABC Building will likely be relocated from time to time to other locations in the general vicinity of the ABC Building.

8.5 Sanitation, Hygiene, and Cleanliness.

8.5.1 Lessee shall keep the Leased Premises, along with any service pathways used by Lessee, clean, well-maintained and free of garbage, unpleasant odors, and hazardous conditions and notify Lessor promptly of hazardous conditions in the public areas outside the Leased Premises.

8.5.2 Lessee shall provide a complete and sanitary handling of all garbage and recyclables generated as a result of operations on the Leased Premises, and shall provide for its timely removal to the central collection point provided by Lessor. At no time shall Lessee accumulate garbage or recyclables outside the Leased Premises or within passenger view.

8.5.3 Lessee shall keep all garbage and recyclable materials in durable, fly and rodent-proof, fireproof containers that are easily cleaned. The containers shall have tight-fitting lids, doors, or covers, and shall be kept covered when material is not being deposited in them and shall be cleaned as necessary to prevent odors. Boxes, cartons, barrels, or other conveyance items shall be disposed of promptly by Lessee and not remain within passenger view. Lessor shall be responsible for handling and removal of garbage deposited by customers in public areas.

8.5.4 Lessee is responsible for the regular and routine cleaning, inspection and maintenance of used cooking oil tallow bins and their surrounding areas, sewer lines, grease traps and interceptors, exhaust hood and vents, and all unit drains associated with the Leased Premises.

8.5.5 Lessee shall retain within the Leased Premises, and available upon Lessor's request, all equipment servicing schedules, maintenance logs and invoices documenting any and all routine inspections, services and cleanings of any equipment including, but not limited to: used cooking oil tallow bins; grease traps and interceptors and their associated pumping(s); jetting/auger ing of sewer lines; exhaust hood and vents; fire suppression equipment inspections; and pest control services.

8.5.6 Lessor recommends, at a minimum, grease traps and interceptors be serviced quarterly, sewer lines be jetted and augered semi-annually, used cooking oil tallow bins be pumped as needed, and the areas surrounding the used cooking oil tallow bins be cleaned monthly or more frequently if needed. Lessor reserves the right to require Lessee to increase the frequency of these cleanings if found necessary by Lessor. Lessor reserves the right to establish and implement "line-jetting" protocols to be implemented by Lessee. Lessee shall use a "Liquid Wastewater Treatment" or "Bio-Augmentation Treatment" for all drain lines (sinks, mop sinks, floor drains, etc.) monthly or in accordance with manufacturer's specifications.
8.5.7 Lessor reserves the right to require Lessee to increase the frequency of inspections and services based on Gross Sales and the condition in which the restaurant is kept. Lessee shall also be responsible for any emergency grease interceptor cleanings and/or grease interceptor line jettings.

8.5.8 Lessee shall take appropriate action to exterminate and prevent the presence of rodents and other vermin within the Leased Premises and within all Lessee on-Airport support space areas.

8.5.9 Lessee shall provide for Lessor's approval a schedule for the routine inspections, services, and cleanings required in this Lease Agreement along with a Quality Control/Quality Assurance (QC/QA) plan that covers these services and the regular and routine cleaning of the Leased Premises and any service pathways leading to and from the Leased Premises. The schedule shall be updated accordingly with Lessor when changes are made. Lessor reserves the right to add items as necessary to Lessee's QC/QA plan to ensure Lessee is conducting regular and routine cleanings, inspections and maintenance.

8.5.10 Lessee shall retain, within the Leased Premises, copies of all Maricopa County Environmental Services Department (MCESD) or State of Arizona health inspection reports and provide copies upon Lessor's request. If a health inspection results in a poor inspection report, Lessee shall prepare and submit to Lessor, within twenty-four (24) hours, a written summary of the nature of the inspection and the inspector's findings, as communicated to Lessee and provide copies of any and all report documents.

8.5.11 Lessor's Fixtures and Person Property. Lessee shall not remove, alter or damage in any way any improvements or any personal property of Lessor upon the Leased Premises without Lessor's prior written approval. In all cases, Lessee will repair any damage or other alteration to Lessor's property to as good or better condition than existed before the damage or alteration.

IX. LESSEE'S FIXTURES AND IMPROVEMENTS GENERALLY

9 Lessee's Improvements Generally. It is anticipated that most, if not all, of Lessee's tenant improvements will be completed as a part of Lessor's Work. However, should Lessee require additional improvements after substantial completion of Lessor's Work and Lessee's required tenant improvements, the following provisions will govern all fixtures, improvements, repairs, installation, removal, demolition and other construction work of any description by Lessee whether or not specifically described in this Agreement (collectively "Lessee's Improvements") upon or related to the Leased Premises:

9.1 Lessee's Furnishings, Fixtures and Improvements. Lessee's furnishings, fixtures and improvements shall include all, furnishings, fixtures, equipment, draperies, wall treatments, communications cabling, and decorations. Lessee's corporate colors are acceptable as a part of the general design of the Leased Premises. All such furnishings shall be first-class, which shall be defined as being of the most superior or excellent grade and quality, and shall be of high quality, safe, fire resistant, modern in design, attractive in appearance, all as approved by Lessor. Lessee shall diligently and expeditiously pursue the installation of all approved Lessee's furnishings, fixtures and improvements, and shall complete installation of all of Lessee's furnishings, fixtures
and improvements within such time frame as is authorized by the Lessor. Any and all installations performed on the Leased Premises by Lessee shall be performed in a workman-like manner as reasonably determined by Lessor and shall be diligently pursued to completion and in conformance with all building codes and similar rules. All Lessee's permanent improvements affixed to the Leased Premises shall be and become part of the realty and the real property of Lessor "brick by brick" as constructed. In any event, the Leased Premises must be left in as good or better condition as it may be on the date of this Agreement, or such better condition as the Leased Premises may hereafter be placed.

9.2 Zoning and Similar Approval Processes. The zoning processes, building permit processes, and similar regulatory requirements that apply to Lessee's Fixtures and Improvements are completely separate from the plans approval processes under this Agreement. Lessee's satisfaction of any requirement of this Agreement does not count toward any compliance with any regulatory requirement. Lessee's satisfaction of any regulatory requirement does not count toward compliance with any requirement of this Agreement. Lessee must make all submittals and communications regarding the requirements of this Agreement through Lessor's contract administrator for this Agreement and not through planning, zoning, building safety or other staff. Lessee is responsible to directly obtain all necessary permits and approvals from any and all governmental or other entities having standing or jurisdiction over the Leased Premises. Lessee bears sole responsibility to comply with all stipulations and conditions that are required in order to secure rezoning and other approvals.

9.3 Relationship of Plans Approval to Regulatory Processes. Lessee's submission of plans under this Agreement, Lessor's approval of plans for purposes of this Agreement, and the plans approval process under this Agreement, are separate and independent of all development, zoning, design review and other regulatory or similar plans submittal and approval processes, all of which will continue to apply in addition to the requirements of this Agreement and its approvals. BUILDING PERMITS, ZONING CLEARANCES, OR ANY OTHER GOVERNMENTAL REVIEWS OR ACTIONS DO NOT CONSTITUTE APPROVAL OF ANY PLANS FOR PURPOSES OF THIS AGREEMENT.

9.4 Contract Administrators. Lessor and Lessee will each designate a contract administrator to coordinate the respective party's participation in designing and constructing the Lessee's Improvements. Each contract administrator will devote such time and effort to the Lessee's Improvements as may be necessary for timely, good faith, and convenient coordination among the parties and their representatives involved with the Lessee's Improvements and compliance with this Agreement.

9.5 Contract Administrator. Lessee's contract administrator is Dondra Maza. Lessor's contract administrator will not be exclusively assigned to this Agreement or the Lessee's Improvements. Lessor's initial contract administrator is Lessor's Aviation Management Analyst. Lessor's contract administrator's authority with respect to the Leased Premises is limited to the administration of the requirements of this Agreement. No approval, consent or direction by Lessor's contract administrator or other persons affiliated with Lessor inconsistent with this Agreement is binding upon Lessor. Lessee is responsible for securing all zoning approvals, development review, and other governmental approvals and for satisfying all governmental requirements pertaining to Lessee's Improvements and will not rely on Lessor or Lessor's contract administrator for any of the same.
9.6 **Lessor's Fixtures and Personality.** Lessee will not remove, alter or damage in any way any improvements or any personal property of Lessor upon the Leased Premises without Lessor's prior written approval. In all cases, Lessee will repair any damage or other alteration to Lessor's property to as good or better condition than existed before the damage or alteration.

9.7 **Design Requirements.** All Lessee's Improvements will comply with the following design requirements:

9.7.1 **All Lessee's Improvements must be contained entirely within the Leased Premises and without any encroachment or dependence upon any other property.**

9.7.2 **All Lessee's Improvements must be designed and made at Lessee's sole cost and expense.**

9.7.3 Lessee will perform any and all approved construction work on the Leased Premises in a workman-like manner as reasonably determined by Lessor and in conformance with all building codes and similar rules. All Lessee's Improvements will be and become part of the realty and the real property of Lessor "brick by brick" as constructed. In any event, Lessee must leave the Leased Premises in as good or better condition as it may be on the date of this Agreement, or such better condition as the Leased Premises may subsequently be placed.

9.7.4 **All work beyond that constructed by Lessor as a part of Lessor’s Work and the requirements of Article 7.1 must be done strictly at Lessee’s expense and paid for by Lessee.** In no event, including without limitation termination of this Agreement for any reason, will Lessor be obligated to compensate Lessee in any manner for any of Lessee's Improvements or other work provided by Lessee curing or related to this Agreement.

9.7.5 Lessee's Improvements include improvements, equipment, fixtures, paint, decorations, lighting and other construction work as described in plans delivered by Lessee to Lessor. All plans and construction for Lessee's tenant improvements beyond that constructed by Lessor as a part of Lessor's Work and the requirements of Article 7.1 are subject to inspection and final approval by Lessor as to colors, fabrics, materials, site plan, etc., as well as design, function and appearance.

9.7.6 Lessee will make no alterations, modifications or additions to the Leased Premises without having first received the written consent of Lessor that Lessor may withhold in Lessor's sole and absolute discretion.

9.7.7 **Any changes to utility facilities are strictly limited to the Leased Premises.**

9.7.8 **All Lessee Improvements will be designed so as to present uniformity of design, function, appearance and quality throughout and consistency with the design of the restaurant.**

9.7.9 **All of Lessee's Improvements must be of high quality, safe, modern in design, and attractive in appearance, all as approved by Lessor.**

9.8 **Plans Required.** Lessee's design of all additions or modifications to the Leased Premises requiring building permits will occur in 3 stages culminating in final working construction.
documents for the Lessee's Improvements (the "Final Plans"). The 3 stages are, in order of submission and in increasing order of detail, as follows:

9.8.1 Conceptual plans showing the general layout, locations, configuration, and capacities of all significant improvements, utilities, and other features significantly affecting the appearance, design, function or efficient operation of each element of the Lessee's Improvements to the Leased Premises.

9.8.2 Preliminary plans showing the floor plans of the Leased Premises, general internal building design of the Leased Premises and decoration schemes, mechanical, electrical and plumbing systems in the Leased Premises, and all other elements necessary before preparation of final working construction documents and showing compliance with all requirements of this Agreement. The preliminary plans must show all detail necessary before preparation of final plans.

9.8.3 Final working construction documents for the Lessee's Improvements (collectively the "Final Plans").

9.9 Approval Process. The following procedure will govern Lessee's submission to Lessor of all plans, including any proposed changes by Lessee of previously approved plans:

9.9.1 All plans submitted under this Agreement must show design, appearance, style, mechanical, utility, communication and electrical systems, building materials, layout, colors, views, and other information reasonably considered necessary by Lessor for a complete understanding of the work proposed, all in detail reasonably considered appropriate by Lessor for the level of plans required by this Agreement.

9.9.2 Lessee must deliver all plan submissions for non-regulatory approvals directly to Lessor's contract administrator and will clearly label the submissions to indicate that they are submitted in accordance with this Agreement and not for building permits, zoning or other approvals. Each submittal of plans by Lessee for Lessor's review will include 5 complete sets of the plans on paper together with 2 copies of the plans in electronic form. If required by Lessor, within 30 days after completion of any Lessee's Improvements, Lessee will deliver to Lessor 1 copy of "as-built" plans for the Lessee's Improvements, on paper and 2 copies in electronic form. All plans in electronic form must include vector line drawings of the improvements and any other information as this Agreement requires, all in a machine readable and manipulable form. The format of this data and the media upon which this data is supplied must be in a reasonably common data format and media as specified from time to time by Lessor.

9.9.3 All plans must comply with all requirements of law and this Agreement. No plans will be considered approved by Lessor until Lessor's contract administrator stamps them "APPROVED AS OF ____________, ONLY FOR PURPOSES OF THE PLANS APPROVAL REQUIREMENTS OF ARTICLE EIGHT OF LEASE AGREEMENT," and dates them (collectively "Stamped").

9.9.4 All sheets of engineering work for Lessee's Improvements must bear these words: "The engineer has performed this work for the benefit and reliance of the City of Scottsdale and assures the City of Scottsdale that the engineer's work is properly performed and that it complies with any engineering requirements set out in the Lease Agreement No. 2018-015-COS"
9.9.5 Lessee acknowledges that Lessor has a substantial interest in the design, construction and operation of the Lessee's Improvements. No construction, reconstruction, alteration or other individually or cumulatively significant work will occur upon the Leased Premises except in compliance with plans approved by Lessor in accordance with this Agreement.

9.9.6 Lessor has the right to require Lessee to submit any Lessee Improvements to the City of Scottsdale Design Review Board or any similar body for approval.

9.9.7 Lessee will coordinate with Lessor as necessary on significant design issues before preparing plans to be submitted.

9.9.8 Submission dates will be the dates as are necessary for Lessee to timely obtain the approvals required by this Agreement.

9.9.9 Within 10 days after Lessor's receipt of plans from Lessee, Lessor will hand deliver to Lessee 1 copy of the plans submitted Stamped, or marked to indicate the changes that would be necessary in order for Lessor to approve the plans.

9.9.10 If changes are required, Lessee will revise the plans incorporating the changes requested by Lessor and will, within 5 days after Lessor returns the marked up plans to Lessee, submit to Lessor the revised plans. Within 5 days after Lessor's receipt of the plans, Lessor will hand deliver to Lessee 1 copy of the revised plans Stamped.

9.9.11 The parties will endeavor to resolve any design and construction issues to their mutual satisfaction but, in the event of an impasse for any reason or however arising, as a condition of Lessor's entering into this Agreement, final decision authority regarding all design and construction issues rests with Lessor.

9.9.12 Lessee will provide copies of any and all designs or plans for improvements upon the Leased Premises to Lessor for Lessor's unrestricted use at the Leased Premises or elsewhere.

9.10 **Time for Completion.** Lessee will diligently and expeditiously pursue to completion the construction or installation of all approved Lessee's Improvements. Lessee will complete initial construction of the Project no later than 30-days after the commencement of this Agreement, unless such time is extended in writing by Lessor. Any future Improvements by Lessee must be done in accordance with the terms of this Agreement, must have the prior written approval of Lessor, must be completed at Lessee's sole cost and expense, and must be completed within the time-frame authorized by Lessor. All Lessee's permanent improvements affixed to the Leased Premises shall be and become part of the realty and the real property of Lessor "brick by brick" as constructed.

9.11 **Design and Construction Professionals.** All construction and plans preparation for the Lessee's Improvements beyond those constructed by Lessor as a part of Lessor's Work and the requirements of Article 7.1, from initial proposals through final construction documents and completion of construction or installation will be performed by licensed professionals selected and paid by Lessee. All of Lessee's design and construction contractors must have substantial experience in timely and successfully constructing projects similar to the Project.
9.12 **Construction Assurances.** In addition to any other payment or performance required under this Agreement, at Lessor’s exclusive option, Lessee will, before beginning any construction work by Lessee at the Leased Premises, provide to Lessor bonds, letters of credit, or other assurances acceptable to Lessor in Lessor’s sole and absolute discretion that the contractor will properly and timely complete the work and that Lessee will pay for the work. Lessee will deliver directly to Lessor’s legal department (together with a copy to Lessor as provided for notices under this Agreement) a full and complete draft of all bonds or other assurances and all related and supporting documentation at least 30 days before the date the actual bond or assurance is required.

**X. BREACH**

10 **Breach by Lessee.** Lessee shall comply with, perform and do each performance and thing required of Lessee herein and Lessee’s failure to do so shall be a breach by Lessee of this Agreement.

10.1 **Events of Default.** This entire Agreement is made upon the condition that each and every one of the following events shall be deemed an “Event of Default” and a material breach by Lessee of Lessee’s material obligations under this Agreement:

10.1.1 If Lessee shall be in arrears in the payment of Rent and shall not cure such arrearage within 10 days after Lessor has notified Lessee in writing of such arrearage.

10.1.2 If Lessee shall abandon the Leased Premises before the end of the term hereof without Lessor’s consent.

10.1.3 If Lessee shall fail to maintain the Leased Premises as required in this Agreement.

10.1.4 If Lessee shall fail to operate the facilities herein required for a period of 3 consecutive days or a total of 5 days within any calendar year without Lessor’s prior written approval.

10.1.5 If any assignment of any of Lessee’s property shall be made for the benefit of creditors, Lessee files a voluntary bankruptcy or is forced to file an involuntary petition in bankruptcy and such petitions are not dismissed within 30 days after filing.

10.1.6 If any representation or warranty made by Lessee in connection with this Agreement or the negotiations leading to this Agreement shall prove to have been false in any material respect when made.

10.1.7 If Lessee shall fail to observe and comply with all bidding requirements of Lessor with respect to this Agreement and with all performances promised by Lessee with respect to Lessee’s bid submitted in connection therewith.

10.1.8 If Lessee shall fail to timely pay any taxes or other amounts herein required to be paid by Lessee to Lessor or to any other person.
10.1.9 If Lessee shall fail to obtain or maintain any licenses, permits, or other governmental approvals from Lessor or any other governmental body or timely pay any taxes with respect to this Agreement, the Leased Premises or Lessee's use of the Leased Premises.

10.1.10 If any environmental, health or similar inspector issues any formal notice of investigation or violation of health, environmental or similar regulations in connection with Lessee's use of the Leased Premises or determines during any two or more consecutive inspections that the same deficiency has been repeated or that the overall operation falls materially below standards for first rate well operated similar facilities in Maricopa County.

10.1.1 If Lessee shall engage in a pattern of repeated failure (or neglect) to timely do or perform or observe any provision contained herein. Three (3) or more failures to comply with any provision of this Agreement during any 12 month period constitutes a repeated failure by Lessee to comply with such provision.

10.1.2 If Lessee shall fail to or neglect to do or perform or observe any other provisions contained herein on its part to be kept or performed and such failure or neglect to do or perform or observe any of such other provisions shall continue for a period of 30 days after Lessor has notified Lessee in writing of Lessee's default hereunder.

10.2 Lessor's Remedies. Upon the occurrence of any Event of Default or at any time thereafter, Lessor may, at its option and from time to time, without further demand or notice, exercise any or all or any combination of the following remedies in any order and repetitively at Lessor's option:

10.2.1 Terminate this Agreement.

10.2.2 Enter into and upon the Leased Premises or any part thereof, and expel Lessee and those claiming by, through or under it, and remove their effects, if any, forcibly if necessary, without being deemed guilty of trespass and without prejudice to any other remedy.

10.2.3 Enforce a lien (which is hereby granted to Lessor) upon Lessee's property now or at any time hereafter at the Leased Premises securing all of Lessee's obligations hereunder.

10.2.4 Cause a receiver to be appointed for the Leased Premises and for the continuing operation of Lessee's business thereon.

10.2.5 Pay or perform, for Lessee's account and at Lessee's expense, any or all payments or performances required hereunder to be paid or performed by Lessee.

10.2.6 Abate at Lessee's expense any violation of this Agreement.

10.2.7 Pursue at Lessee's expense any and all other remedies, legal or equitable, to which Lessor may be entitled.

10.2.8 Refuse without any liability to Lessee therefore to perform any obligation imposed on Lessor by this Agreement.
10.2.9 Be excused from further performance under this Agreement.

10.2.10 Notwithstanding anything in this Agreement to the contrary, unilaterally and without Lessee's or any other person’s consent or approval, draw upon, withdraw or otherwise realize upon or obtain the value of any letter of credit, escrowed funds, insurance policies, or other deposits, sureties, bonds or other funds or security held by Lessor or pledged or otherwise obligated to Lessor by Lessee or by any third party (whether or not specifically mentioned herein) and use the proceeds for any remedy permitted by this Agreement.

10.2.11 Insist upon Lessee's full and faithful performance under this Agreement and upon Lessee's full and timely payment of all Rent during the entire remaining term of this Agreement, including a continuing obligation to pay the agreed Rent for the remaining term of this Agreement upon the early termination of the Lease as a result of Lessee's default under the terms of this Agreement.

10.2.12 Assert or exercise any other right or remedy permitted by law.

10.3 Notice of Breach. Lessee shall promptly give notice to Lessor of any event or circumstance that is (or with the passing of time or the giving of notice or both will become) an Event of Default under this Agreement.

10.4 Non-waiver. Lessee acknowledges Lessee's unconditional obligation to comply with this Agreement. No failure by Lessor to demand any performance required of Lessee under this Agreement, and no acceptance by Lessor of any imperfect or partial performance under this Agreement, shall excuse such performance or impair in any way Lessor's ability to insist, prospectively and retroactively, upon full compliance with this Agreement. No acceptance by Lessor of Rent or other performances hereunder shall be deemed a compromise or settlement of any claim Lessor may have for additional or further payments or performances. Any waiver by Lessor of any breach of condition or covenant herein contained to be kept and performed by Lessee shall not be deemed or considered as a continuing waiver and shall not operate to bar or otherwise prevent Lessor from declaring a default for any breach or succeeding breach either of the same condition or covenant or otherwise. No statement, bill or notice by Lessor concerning payments or other performances due hereunder shall excuse Lessee from compliance with this Agreement nor estop Lessor (or otherwise impair Lessor's ability) to at any time correct such notice and/or insist prospectively and retroactively upon full compliance with this Agreement. No waiver of any description (including any waiver of this sentence or article) shall be effective against Lessor unless made in writing by a duly authorized representative of Lessor specifically identifying the particular provision being waived and specifically stating the scope of the waiver. LESSEE EXPRESSLY DISCLAIMS AND SHALL NOT HAVE THE RIGHT TO RELY ON ANY SUPPOSED WAIVER OR OTHER CHANGE OR MODIFICATION, WHETHER BY WORD OR CONDUCT OR OTHERWISE, NOT CONFORMING TO THIS ARTICLE.

10.5 Reimbursement of Lessor's Expenses. Lessee shall pay to Lessor upon demand any and all amounts expended or incurred by Lessor in performing Lessee's obligations.

10.6 Inspection. Lessor shall have access to the Leased Premises at all times upon reasonable prior notice (except, in the event of an emergency, without notice) for the purpose of examining, inspecting, evaluating, planning, repairing, designing, maintaining or showing the Leased Premises or exercising Lessor's other rights hereunder. Lessee shall promptly undertake
appropriate action to rectify any deficiency (identified by Lessor during such inspections or otherwise) in Lessee’s compliance with this Agreement. This article does not limit Lessor’s other rights of access to the Leased Premises elsewhere in this Agreement or otherwise.

10.7 Default by Lessor. Notwithstanding anything in this Agreement to the contrary, in the event Lessor at any time is required to render any performance, such performance is not due until 30 days after notice by Lessee to Lessor that that the performance is due. If a cure cannot be affected during that period, Lessor shall not be in default so long as Lessor commences cure during the period and diligently prosecutes the cure to completion provided such cure must be completed within 60 days after it is due.

XI. TERMINATION

11 Rights at Termination. The following provisions shall apply upon expiration or other termination of this Agreement at any time for any reason:

11.1 Surviving Obligations. Lessee’s obligations existing or arising prior to or simultaneous with, or attributable to, the termination or events leading to or occurring before termination shall survive and not terminate.

11.2 Delivery of Possession. Lessee shall, without demand, peaceably and quietly quit and deliver up the Leased Premises to Lessor thoroughly cleaned, in good repair, maintained and repaired and in as good order and condition, reasonable use and wear excepted, as the same now are or in such better condition as the Leased Premises may hereafter be placed by Lessee or Lessor.

11.3 Confirmation of Termination. Lessee shall provide to Lessor, upon demand, quit claim deeds covering the Leased Premises executed by Lessee and by all persons who claim that they have received from or through Lessee any interest in or right to use the Leased Premises or any interest in Lessee’s rights under this Agreement.

11.4 Fixtures and Improvements. If the same has not occurred earlier, title to any and all fixtures and structural or permanent improvements placed upon the Leased Premises by Lessee together with all other equipment and personal property of every description attached or affixed to the Leased Premises shall automatically vest in Lessor without any payment by Lessor or any compensation to Lessee and without requirement of any deed, conveyance, or bill of sale. The preceding sentence does not apply to other personal property that is not physically attached in any way to the Leased Premises. However, if Lessor shall request any documents in confirmation thereof, Lessee shall promptly execute, acknowledge and deliver the same. Lessee shall assign and deliver to Lessor all operating manuals, warranties and similar materials pertaining to all personal property transferred to Lessor. Further, Lessee shall at its own expense, but only to the extent requested by Lessor in writing, remove and dispose of any said property and any fixtures and structural or permanent improvements placed upon the Leased Premises by Lessee and completely repair the Leased Premises to match adjacent finishes. Lessor may, in the exercise of its sole and absolute discretion, consider any Lessee property remaining on or about the Leased Premises after the time for removal, abandoned and subject to removal, storage and disposal by Lessor at Lessee’s expense and without compensation or accounting.

XII. INSURANCE
12 Insurance. During the entire term of this Agreement, Lessor shall insure the Leased Premises and all property and activities at and about the Leased Premises as follows:

12.1 Insurance Required. Prior to granting occupancy to the Leased Premises, and at all times thereafter, Lessee shall obtain and cause to be in force and effect the following insurance:

12.1.1 Commercial General Liability. Commercial general liability insurance with a limit of $1,000,000 for each occurrence and a limit of $2,000,000 general aggregate limit per policy year. The policy shall cover liability arising from Leased Premises, operations, independent contractors, products, completed operations, personal injury, bodily injury, advertising injury, and liability assumed under an "insured contract" including this Agreement. The policy shall contain a "separation of insureds" clause. The policy shall include a Fire Damage Liability limit sufficient to cover the replacement of the portions of the building in the Lessee's care, custody, and control. The Leased Premises liability portion of the policy shall extend to the entire building Leased Premises and all ingress and egress routes used by the Lessee's customers and all areas that are within Lessee's operations and responsibility.

12.1.2 Automobile Liability. If any vehicle is used in the performance of the Lessee's business or the Leased Premises that is subject to this Agreement, the Lessee must maintain Automobile liability insurance with a combined single limit of $1,000,000 for each accident covering any and all owned, hired, and non-owned vehicles assigned to or used in any way in connection with Lessee's use of the Leased Premises. Without limitation, such insurance shall cover hazards of motor vehicle use for loading and unloading.

12.1.3 Liquor Liability. If the lessee is in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages, the Lessee shall purchase liquor liability insurance in an amount of not less than $5,000,000 for each occurrence and $5,000,000 aggregate.

12.1.4 Workers' Compensation. Such workers' compensation and similar insurance as is required by law and employer's liability insurance with a minimum limit of $100,000 for each accident, $100,000 disease for each employee, $500,000 policy limit for disease. All contractors and subcontractors must provide like insurance.

12.1.5 Personal Property. Lessee shall maintain special causes of loss personal property coverage, as defined by Insurance Services Office, Inc., in an amount per occurrence equal to full replacement cost of all personal property used in connection with the Leased Premises. In addition, Lessee shall maintain special causes of loss property insurance coverage for the full replacement value of the Lessee's betterments and improvements.

12.1.6 Other Insurance. Any other insurance Lessor may reasonably require for the protection of Lessor and Lessor's employees, officials, representatives, officers and agents (all of whom, including Lessor, are collectively "Additional Insureds"), the Leased Premises, surrounding property, Lessee, or the activities carried on or about the Leased Premises.

12.1.7 Limit and Other Adjustments. Lessor may elect by notice to Lessee to increase the amount or type of any insurance to account for inflation, changes in risk, or any other factor that Lessor reasonably determines to affect the prudent type or amount of insurance to be provided.
12.2 **Form of All Insurance.** All insurance provided by Lessee with respect to the Leased Premises, whether required by this Agreement or not, and all insurance provided by third parties under this Agreement, shall meet the following requirements:

12.2.1 "Occurrence" coverage is required. "Claims made" insurance is not permitted.

12.2.2 If Lessee uses any excess insurance then such excess insurance shall be "follow form" equal to or broader in coverage than the underlying insurance.

12.2.3 Policies must also cover and insure Lessee's activities relating to the business operations and activities conducted away from the Leased Premises.

12.2.4 Lessee must clearly show by providing copies of insurance policies, certificates, formal endorsements or other documentation acceptable to Lessor that all insurance coverage required by this Agreement is provided.

12.2.5 Lessee's insurance shall be primary insurance.

12.2.6 All policies, including workers' compensation, shall waive transfer rights of recovery (subrogation) against Lessor, and the other Additional Insureds.

12.2.7 No deductibles, retentions, or "self-insured" amounts shall exceed $100,000.00 in the aggregate per year, per policy. Lessee shall be solely responsible for any self-insurance amount or deductible.

12.2.8 No deductible shall be applicable to coverage provided to Lessor.

12.2.9 Lessor may require Lessee from time to time to secure payment of any deductible or self-insured retention by a surety bond or by a clean, irrevocable and unconditional letter of credit in content and form satisfactory to the city attorney's office.

12.2.10 All policies shall contain provisions that neither Lessee's breach of a policy requirement or warranty, nor inadvertent failure to follow claims reporting procedures, shall affect coverage provided to Lessor.

12.2.11 All policies except workers' compensation must cover Lessor and the other Additional Insureds as additional insureds. Lessee shall cause coverage for Additional Insureds to be incorporated into each insurance policy by endorsement.

12.2.12 All policies must be endorsed to provide Lessee with at least 30 days prior notice of cancellation or 10 days prior notice of cancellation for non-payment of premiums.

12.2.13 All policies shall require that notices be given to Lessor in the manner specified for notices to Lessee under this Agreement.

12.3 **Insurance Certificates.** Lessee shall evidence all insurance by furnishing to Lessor the Standard ACORD certificate of insurance annually and with each change in insurance coverage. The Certificate must evidence that the policy described by the certificate is in full force.
and effect and that the policy satisfies each requirement of this Agreement applicable to the policy. For example, the certificate must evidence that Lessor and the other Additional Insureds are additional insureds. All certificates are in addition to the actual policies and endorsements required. Lessee shall provide updated certificates at Lessor's request.

12.4 Acceptable Insurers. All insurance policies shall be issued by insurers acceptable to Lessor. At a minimum, all insurers shall be duly licensed (or qualified non-admitted insurer) by the State of Arizona, Department of Insurance. At a minimum, all insurers shall have and maintain an A.M. Best, Inc. rating of B++.

12.5 Lessor's Election to Provide Insurance. Lessor is not required to carry any insurance covering or affecting the Leased Premises or use of Lessor's property related to this Agreement. Lessor may elect to acquire all or any part of the insurance required by this Agreement (with or without any other real property Lessor may own, or control) and Lessor shall pay to Lessor the costs of such insurance as reasonably determined by Lessor. Lessee shall provide all required insurance not so provided by Lessor. Any insurance or self-insurance maintained by Lessor shall not contribute to Lessee's insurance.

12.6 Insurance Proceeds. All insurance proceeds (whether actually paid before or after termination of this Agreement) shall be paid to Lessee and Lessor jointly and shall be allocated among Lessor, Lessee and other interested parties as their interests may appear.

12.7 No Representation of Coverage Adequacy. By requiring insurance herein, Lessor does not represent that coverage and limits will be adequate to protect Lessee. Lessor reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but have no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Lessee from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times.

12.8 Use of Subcontractors. If Lessee subcontracts or otherwise delegates any work or use of the Leased Premises under this Agreement, Lessee shall cause the delegatee to execute and provide to Lessor a writing executed by the delegatee containing the same indemnification clauses and insurance requirements set forth herein protecting Lessor and Lessee.

12.9 Lessee’s Indemnity. In addition to all other obligations hereunder, to the fullest extent permitted by law, throughout the term of this Agreement and until all obligations and performances under or related to this Agreement are satisfied and all matters described in this article are completely resolved, Lessee (and all other persons using, acting, working or claiming through or for Lessee or this Agreement (if they or their subcontractor, employee or other person or entity hired or directed by them participated in any way in causing the claim or inequity) shall jointly and severally indemnify, defend and hold harmless Lessor and all other Additional Insureds for, from and against any and all claims or harm related to the Leased Premises or this Agreement (the "Indemnity"). Without limitation, the Indemnity shall include and apply to any and all allegations, demands, judgments, assessments, taxes, impositions, expenses, proceedings, liabilities, obligations, suits, actions, claims (including without limitation claims of personal injury, bodily injury, sickness, disease, death, property damage, destruction, loss of use, financial harm, or other impairment), damages, losses, expenses, penalties, fines or other matters (together with all attorney fees, court costs, and the cost of appellate proceedings and all other costs and expenses of litigation or resolving the claim) that may arise in any manner out of any use of the Leased
Premises or other property related to this Agreement or any actions, acts, errors, mistakes or omissions relating to work or services in the performance of or related to this Agreement, including without limitation any injury or damages or cause of action claimed or caused by any employees, contractors, subcontractors, tenants, subtenants, agents or other persons upon or using the Leased Premises or surrounding areas related to this Agreement, including without limitation claims, liability, harm or damages caused in part by Lessor or any other Additional Insured or anyone for whose mistakes, errors, omissions or negligence Lessee or Lessor may be liable. As a condition to Lessor's executing this Agreement, Lessee specifically agrees that to the extent any provision of this article is not fully enforceable against Lessee for any reason whatsoever, this article shall be deemed automatically reformed to the minimal extent necessary to cause it to be enforceable to the fullest extent permitted by law. The Indemnity shall also include and apply to any environmental injury, personal injury or other liability relating to Lessor's or Lessee's acquisition, lessorship or use of real property developed, operated, owned, used, controlled or possessed by Lessor or Lessee under this Agreement. This indemnity includes any claim or amount arising out of, or recovered under, the Worker's Compensation Law or statute, ordinance, rule, regulation, or court decree. It is agreed that the Lessee will be responsible for primary investigation, defense, and judgment costs where this indemnification is applicable. The Lessee agrees to waive all rights of subrogation against the City, its officers, agents, representatives, directors, officers, and employees for losses arising from the actions of the Lessee.

Notwithstanding the foregoing, the Indemnity does not apply to:

12.9.1 Claims arising only from the sole gross negligence of Lessor.

12.9.2 Claims that the law prohibits from being imposed upon the indemnitor.

12.10 Risk of Loss. Lessee assumes the risk of any and all loss, damage or claims to the Leased Premises or related to Lessee's use of the Leased Premises or other property of Lessor, Lessee or third parties throughout the term hereof. Lessee shall be responsible for any and all damage to its property and equipment related to this Agreement and shall hold harmless and indemnify Lessor and all other Additional Insureds, regardless of the cause of such damages.

12.11 Indemnities and Insurance Cumulative. Lessee's obligations to indemnify do not diminish in any way Lessee's obligations to insure; and Lessee's obligations to insure do not diminish in any way Lessee's obligations to indemnify. Lessee's obligations to indemnify and provide insurance are in addition to, and do not limit, any and all other liabilities or obligations of Lessee under or connected with this Agreement. The amount and type of insurance coverage required by this Agreement will in no way be construed as limiting the scope of the indemnities or other requirements of this Agreement.

12.12 Insurance to be Provided by Others. Lessee shall cause its contractors or other persons occupying, working on or about, or using the Leased Premises pursuant to this Agreement to be covered by their own or Lessee's insurance meeting the requirements of this Agreement. The preceding sentence does not require such persons to provide insurance that merely duplicates insurance Lessee provides.

XIII. CONDEMNATION

13 Condemnation. If any part of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, and in the event that such taking or
condemnation shall render the Leased Premises unsuitable for use as a restaurant, then the term of this Agreement shall cease and terminate as of the date of taking of possession in such proceeding and Lessee shall have no claim for the value of any unexpired term of this Agreement. In the event of such an acquisition, Lessor shall pay to Lessee separate and apart from any condemnation action an amount equal to the lesser of i) the actual original cost of Lessee's Improvements acquired less depreciation on a straight line basis from the time of construction of Lessee's Improvements so acquired through the remaining original term of this Agreement, or ii) if Lessor is not the condemnor, the net amount actually received by Lessor with respect to such Lessee's Improvements. In the event of a partial taking or condemnation which is not extensive enough to render the Leased Premises unsuitable for use as a restaurant, Lessor shall promptly restore the Leased Premises to a condition comparable to its condition at the time of such condemnation less the portion lost in the taking, this Agreement shall continue in full force and effect, and the Base Rent (but not the Percentage Rent) shall be reduced in proportion to the gross rentable area of the Leased Premises so taken. In the event of any taking or condemnation, Lessee shall not be entitled to any part of the award, as damages or otherwise. Lessor is entitled to receive the full amount of the award or other payment and Lessee hereby waives any right thereto. Nothing in this article shall be construed to permit the abatement in whole or in part of the Percentage Rent.

XIV. DAMAGE TO OR DESTRUCTION OF LEASED PREMISES

14 Damage to or Destruction of Leased Premises. If the Leased Premises are partially damaged by fire, explosion, the elements, the public enemy, or other casualty, but not rendered untenable, and provided that such damage is not caused by the act or omission of Lessee or its officers, employees, representatives, agents or customers, any such damage shall be repaired with due diligence by Lessor at its own cost and expense, provided however, that Lessee shall, at its own sole cost and expense, be responsible for repairing or replacing any tenant improvements, fixtures, furnishings, or equipment constructed or installed by Lessee beyond those tenant improvements made by Lessor pursuant to this Lease Agreement. There shall be no reduction of Rent. If such damage shall be so extensive as to render the Leased Premises untenable, but capable of being repaired in 90 days, the same shall be repaired with due diligence by Lessor at its own cost and expense, and the Rent payable herein shall be proportionately paid up to the time of such damage and thereafter cease until such time as the Leased Premises are restored. In the event the Leased Premises are completely destroyed by fire, explosion, the elements, the public enemy or other casualty; or so damaged that they will remain untenable for more than 90 days, Lessor shall be under no obligation to repair and reconstruct the Leased Premises, and Rent payable hereunder shall be proportionately paid up to the time of such damage or destruction, and shall thenceforth cease until such time as the Leased Premises may be fully restored. If within 12 months after the time of such damage or destruction said Leased Premises shall not have been repaired or reconstructed, Lessee may give Lessor written notice of its intention to cancel this Agreement in its entirety as of the date of such damage or destruction. Notwithstanding all of the foregoing provisions, all repairs required of Lessor shall be limited to the building structure, roof and outer walls. Repairs to finished improvements including, but not limited to, decorations, furnishings, floor and wall coverings, fixtures and equipment, shall be accomplished by Lessee at its cost and expense within 90 days of the completion of Lessor's restoration of the Leased Premises.

XV. LESSEE'S RECORDS

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15 **Lessee's Financial Records.** During the entire term of this Agreement, Lessee shall keep records and provide information to Lessor as follows:

15.1 **Scope of Information.** Unless otherwise specified, all of Lessee's recordkeeping and disclosure obligations under this article include and are limited to the following cumulative topics as reasonably determined by Lessor (collectively the "Covered Information"): 

15.1.1 All information about this Agreement.

15.1.2 All information about Lessor's and Lessee's rights, obligations and performances under this Agreement.

15.2 **Reports.** Lessee shall deliver to Lessor written reports (and, if requested by Lessor, a presentation to Lessor's governing council or designee) covering such Covered Information as Lessor may request from time to time.

15.3 **Records Inspection.** At Lessee's expense, Lessee shall:

15.3.1 Permit and assist Lessor and its representatives at all reasonable times to inspect, audit, and copy Lessee's records of Covered Information.

15.3.2 Make the records of Covered Information (and reasonable accommodations for Lessor's audit and inspection) available to Lessor at Lessee's offices in the City of Scottsdale in Maricopa County, Arizona or at another location requested by Lessor within the corporate limits of the City of Scottsdale.

15.3.3 Cause Lessee's employees and agents and accountants to give their full cooperation and assistance in connection with Lessor access to the Covered Information.

15.4 **Standards for Records.** Lessee shall maintain a standard, modern system of recordkeeping for the Covered Information and shall keep and maintain proper and accurate books and other repositories of information relating to the Covered Information in accordance with generally accepted accounting principles applied on a consistent basis. If Lessor does not receive Covered Information, Lessor shall have the right to estimate the information that is not provided, which estimate shall be binding upon Lessee.

15.5 **Record Retention.** Lessee shall preserve records of the Covered Information in a secure place within the City of Scottsdale, Maricopa County, Arizona for a period ending 7 years after the time period reported by the records.

15.6 **Record Media Included.** Lessor's and Lessee's rights and obligations regarding the Covered Information encompass media, materials, and data repositories of every kind and character that may contain Covered Information. Such repositories include, without limitation, records, books, papers, documents, subscriptions, recordings, agreements, purchase orders, computer data, invoices, cash register tapes, contracts, logs, accounts, commitments, arrangements, notes, diaries, ledgers, correspondence, reports, drawings, receipts, vouchers and memoranda, and any and all other sources, records and repositories of Covered Information.

15.7 **Access after Termination.** Lessee's access to Covered Information shall continue for 6 years after termination of this Agreement for any reason.
15.8 Costs of Audit. If an audit, inspection or examination discloses underpayments (or other matters adjusted in favor of Lessor) of any nature that exceed three percent (3%) of any payments or single payment, Lessee shall pay to Lessor Lessor's actual cost (based on the amount paid by Lessor, or based on reasonable charges charged by private auditors and other service providers for comparable work if the audit is performed by Lessor's employees) of the audit, inspection or examination, together with late fees, interest, and other amounts payable in connection with such adjustments or payments. Any adjustments and/or payments due as a result of any such audit, inspection or examination shall be made within a reasonable amount of time (not to exceed 30 days) after Lessor gives to Lessee notice of Lessor's findings.

XVI. COMPLIANCE WITH LAW

16 Compliance with Law. Lessee shall perform its obligations under this Agreement in accordance with all federal, state, county and local laws, ordinances, regulations or other rules or policies as are now in effect or as may hereafter be adopted or amended. Without limiting in any way the generality of the foregoing, Lessee shall comply with all and each of the following:

16.1 Applicability of Municipal Law. Without limitation, Lessee shall comply with municipal laws as follows:

16.1.1 Lessee acknowledges that this Agreement does not constitute, and Lessor has not promised or offered, any type of waiver of, or agreement to waive (or show any type of forbearance, priority or favoritism to Lessee with regard to) any law, ordinance, power, regulation, tax, assessment or other legal requirement now or hereafter imposed by the City of Scottsdale or any other governmental body upon or affecting Lessee or the Leased Premises, or Lessee's use of the Leased Premises.

16.1.2 All of Lessee's obligations hereunder are in addition to, and cumulative upon (and not to any extent in substitution or satisfaction of), all existing or future laws and regulations applicable to Lessee.

16.1.3 In the case of an ordinance or other law of the City of Scottsdale authorizing a credit, reduction in tax or amount charged or assessed, or any other benefit as a result of performances rendered under this Agreement, Lessee expressly waives, relinquishes and repudiates all such benefits with respect to performances rendered under this Agreement.

16.1.4 This Agreement is not intended to diminish any performances that would be required of Lessee by law if this Agreement had been made between Lessee and a private citizen.

16.1.5 Lessor has not relinquished or limited any right of condemnation or eminent domain over the Leased Premises or any other property related to this Agreement.

16.1.6 This Agreement does not impair City of Scottsdale's power to enact, apply or enforce any laws or regulations, or exercise any governmental powers affecting in any way Lessee or the Leased Premises.
16.1.7 Lessor’s rights and remedies hereunder for Lessee’s failure to comply with all applicable laws supplement and are in addition to and do not replace otherwise existing powers of the City of Scottsdale or any other governmental body.

16.2 Building Permits. If applicable, Lessee shall obtain at its own expense all building or other permits in connection with all construction performed by Lessee and shall comply with all zoning, building safely, fire and similar laws and procedures of every description.

16.3 Airport Regulations. Lessor reserves the right to adopt, amend and enforce against Lessee rules and regulations governing the operation of the Airport, including the Leased Premises, Lessee’s activities therein and thereon, and the public areas and facilities used by Lessee in connection therewith.

16.4 Aviation Regulations. Lessee shall comply with any and all rules, regulations, laws, ordinances, statues or orders of the FAA and any other governmental authority, whether Federal, State, County, or Lessor, lawfully exercising authority over the Airport.

16.5 Liability and Indemnity. Lessee shall be liable to Lessor, and shall pay, indemnify, defend and hold harmless Lessor against, any and all claims, demands, damages, fines or penalties of any nature whatsoever which may be imposed upon Lessor, including attorneys’ fees, arising from any violation of law caused directly or indirectly by act, omission, negligence, abuse or carelessness on the part of Lessee, its employees, agents, customers, visitors, suppliers, or invitees. Without limitation, the preceding sentence requires the payment by Lessee of any fines or penalties for any breach of security arising from the unauthorized entry of any of the aforementioned persons or their vehicles onto the passenger loading areas, taxiways, runways, aircraft movement areas and any other restricted portion of the Airport.

16.6 Grant Agreement Assurances. Lessee shall observe and comply with the following covenants and conditions:

16.6.1 No person shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises on the grounds of race, color, handicap, or national origin. No person shall be excluded on the grounds of race, color, handicap, or national origin from participation in, denied the benefits of, or otherwise be subject to discrimination in the construction of any improvements on, over, or under the Leased Premises and the furnishing of services thereon.

16.6.2 Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

16.6.3 Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchases.
16.6.4 Lessee agrees that it shall insert this article and all of the other provisions of this article titled "Grant Agreement Assurances" in any agreement, lease, contract, etc. by which
Lessee grants a right or privilege to any persons, firm or corporation to render accommodations
and/or services to the public on the Leased Premises together with a provision that the "Grant
Agreement Assurances" shall constitute a material breach thereof, and in the event of such non-
compliance Lessor shall have the right to terminate the agreement and the estate thereby created
without liability therefor. Either or both Lessor or the United States shall have the right to enforce
the "Grant Agreement Assurances."

16.7 Federal Agreements. This Agreement shall be subordinate to the provisions and
requirements of any existing or future agreement between the Lessor and the United States,
relative to the development, operation or maintenance of the Airport.

16.8 Construction Regulations. Lessee shall comply with the notification and review
requirements covered on Part 77 of the Federal Aviation Regulations in the event any future
structure or building is planned for the Leased Premises, or in the event of any planned
modification or alteration of any present or future building or structure situated on the Leased
Premises.

16.9 War or National Emergency. This Agreement 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.

16.10 Affirmative Action. Lessee assures that it will undertake an affirmative action
program if and as required by 14 CFR, Part 152, subpart E, to insure that no person shall on the
grounds of race, creed, color, national origin, or sex be excluded from participating in any
employment activities covered in 14 CFR, Part 152, Subpart E. Lessee assures that no person
shall be excluded on these grounds from participating in or receiving the services or benefits of any
program or activity covered by this subpart. Lessee assures that it will require that its covered sub-
organizations provide assurances to Lessor that they similarly will undertake affirmative action
programs and that they will require assurances from their sub-organizations, as and if required by
14 CFR, Part 152, Subpart E, to the same effect.

XVII. ASSIGNABILITY

17 Assignability. This Agreement is not assignable by Lessee except in strict compliance with
the following:

17.1 No assignment of this Agreement will be made or effective, if at the time of
assignment Lessee is in default of any of the terms of this Agreement.

17.2 No assignment of this Agreement will be made or effective without prior written
notice by the Lessee to the Lessor and prior written approval by the Aviation Director of the City of
Scottsdale.

17.3 Prohibited Assignments: The following assignments are specifically prohibited:

17.3.1 Any involuntary assignment, conveyance, or transfer of the Leased
Premises or any interest therein or any rights under this Agreement, in whole or in part.
17.3.2 Any voluntary or involuntary pledge, lien, mortgage, security interest, judgment, deed of trust, claim or demand, whether arising from any contract, any agreement, any work of construction, repair, restoration, maintenance or removal, or otherwise affecting the Leased Premises (collectively "Liens").

17.3.3 The use, occupation, management, control or operation of the Leased Premises or any part thereof by others.

17.3.4 Any transaction (or series of related or unrelated transactions) transferring a substantial part of the corporate stock (or other evidence of ownership, as applicable) or any other direct or indirect transfer of any substantial part of the ownership, management or control of Lessee or the Leased Premises.

17.3.5 Any assignment for the benefit of creditors, voluntary or involuntary.

17.3.6 Any bankruptcy or reorganization.

17.3.7 The occurrence of any of the foregoing by operation of law.

17.4 Assignment Remedies. Any prohibited assignment shall be void and vest no rights in the assignee. Nevertheless, Lessor may, in its sole discretion and in addition to all other remedies available to Lessor under this Agreement or otherwise and in any combination, collect Rent from the assignee, sublessee or occupant and apply the net amount collected to the Rent required to be paid thereunder and/or void the assignment, all without prejudicing any other right or remedy of Lessor under this Agreement. No cure or grace periods shall apply to assignments prohibited by this Agreement or to enforcement of this Agreement against an assignee who did not receive Lessor's consent. Lessor may elect to increase Rent as a condition to consenting to an assignment.

17.5 No Waiver. No consent or collection or other action or inaction by Lessor shall be deemed a waiver of the prohibition on assignments or any other provision of this Agreement, or the acceptance of the assignee, sublessee or occupant as Lessee, or a release of Lessee from the further performance by Lessee of the provisions of this Agreement. The consent by Lessor to an assignment or subletting shall not relieve Lessee from obtaining the consent in writing of Lessor to any further assignment or sublease. Upon assigning, transferring or subletting the Leased Premises, Lessee shall not be released of any liability hereunder but shall remain fully and personally obligated under this Agreement.

17.6 Enforceability after Assignment. This Agreement shall be enforceable personally and in total against Lessee and each successor, partial or total, and regardless of the method of succession, to Lessee's interest hereunder. Each successor having actual or constructive notice of this Agreement shall be deemed to have agreed to the preceding sentence.

17.7 Grounds for Refusal. No assignments of this Agreement are contemplated or bargained for. Lessor has the absolute right for any reason or for no reason in its sole discretion to give or withhold consent to any assignment or to impose any conditions upon any assignment. Lessee shall pay to Lessor the sum of $500 for legal and administrative expenses related to any request for consent.
17.8 **Form of Assignment.** Any assignment shall be by agreement in form and content acceptable to Lessor. Without limitation, any assignment shall specify and require that each assignee acquiring any interest under this Agreement shall assume and be bound by, and be obligated to perform the terms and conditions of this Agreement, and that in the event Lessor terminates this Agreement because of default by Lessee, Lessor at Lessor's sole option may succeed to the position of Lessee as to any assignee of Lessee without liability for any prior breaches or performances by persons other than Lessor.

17.9 **Assignment Payment.** In addition to all other Rent payable hereunder, in the event of any assignment (including, without limitation a Lien enforcement) which transfers possession of more than 30% of the interior building space of the Leased Premises or has a duration of five (5) or more years, Lessee shall pay to Lessor the amount of Two Thousand Dollars ($2,000). Lessor's contract administrator shall have authority to waive or reduce such payment in the event of an assignment to an affiliate of Lessee. Lessee shall pay to Lessor the sum of One Thousand Dollars ($1,000) as a fee for legal and administrative expenses related to creation of a Primary Lien or any assignment or request for consent to an assignment.

17.10 **Lien Payment.** Lessee shall pay all Liens as the same become due, and in any event before any judicial or non-judicial action or proceeding is commenced to enforce a Lien. Lessee shall pay, indemnify, defend and hold Lessor and the Leased Premises free and harmless for, from and against any and all Liens, together with all liability, costs and expenses in connection therewith, including attorney's fees. Lessor shall have the right at any time to post and maintain on the Leased Premises such notices, pay such amounts, file or record such notices, or take such other actions as Lessor may deem necessary to protect Lessor and its property interests against all Liens.

XVIII. MISCELLANEOUS

18 **Miscellaneous.** The following additional provisions shall apply:

18.1 **Amendments.** This Agreement may not be amended except by a formal writing executed by the parties.

18.2 **Limited Severability.** In the event any term, condition, covenant, stipulation, agreement or provision herein contained is held to be invalid or unenforceable for any reason, the invalidity of such term, condition, covenant, stipulation, agreement or provision shall in no way affect any other term, condition, covenant, stipulation, agreement or provision herein contained. Further, this Agreement shall be deemed automatically reformed to secure to Lessor the legal, equitable, practical and other benefits of the provisions of this Agreement as written to the very maximum extent permitted by law.

18.3 **Conflicts of Interest.** No member, official or employee of Lessor shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement, that is prohibited by law.

18.4 **No Partnership.** This Agreement and the transactions and performances contemplated hereby shall not create any sort of partnership, joint venture or similar relationship between the parties.
18.5 **Time of Essence.** Time is of the essence of each and every provision of this Agreement. Any payments due on Saturday, Sunday or an Arizona legal holiday shall be due on the next succeeding day that is not a Saturday, Sunday or an Arizona legal holiday.

18.6 **Non Liability of Lessor Officials and Employees.** No member, official, representative or employee of Lessor shall be personally liable to any party, or to any successor in interest to any party, in the event of any default or breach by Lessor or for any performance or amount that may become due to any party or successor or with respect to any obligation of Lessor or otherwise under the terms of this Agreement or related to this Agreement.

18.7 **Notices.** Except as otherwise indicated, all notices, waivers, demands, requests and other communications required or permitted by this Agreement (collectively, "Notices") shall be in writing and shall be effective only if sent by one or more of the following methods: (a) personal delivery; (b) generally recognized overnight commercial courier regularly providing proof of delivery, with delivery charges prepaid or duly charged; (c) United States registered or certified mail, return receipt requested, postage prepaid, or (d) electronic mail (email) addressed to the parties at the respective addresses set forth opposite their names below, or to any other address or addresses as any party shall designate from time to time by notice given to the other in the manner provided in this article:

**If to Lessor:**

Scottsdale Aviation Director  
15000 North Airport Drive  
Scottsdale, AZ 85260

City of Scottsdale  
3939 Drinkwater Boulevard  
Scottsdale, AZ 85251  
Attn: City Attorney

**If to Lessee:**

Volanti Restaurant and Lounge, LLC  
6854 E. Ivyleen Circle  
Mesa, Arizona 85207  
Attn: Donna Maza

Notices to Lessee may also be hand delivered to Lessee's management office at the ABC Building. Notices given or served by personal delivery shall be deemed to have been received upon tender to the respective party. Notices given or served by mail or commercial courier shall be deemed to have been given or served as of the date of delivery (whether accepted or refused).

18.8 **Funding.** This article shall control notwithstanding any provision of this Agreement or any exhibit or other agreement or document related hereto. If funds necessary to fulfill Lessor's obligations under this Agreement are not appropriated by the Scottsdale City Council, Lessor may terminate this Agreement by 30 days' notice to Lessee. Termination in accordance with this provision shall not constitute a breach of this Agreement by Lessor. No person will be entitled to any compensation, damages or other remedy from Lessor if this Agreement is terminated pursuant to the terms of this subsection.

18.9 **Article Headings.** The article headings contained herein are for convenience in reference and not intended to define or limit the scope of any provision of this Agreement.
18.10 **Lessor's Right of Entry.** Lessor reserves the right at all reasonable times during the Term for Lessor or Lessor's agents to enter the Leased Premises for the purpose of inspecting and examining the same, and to show the same to actual or prospective tenants or lenders, and to make such repairs, alterations, improvements or additions as Lessor may deem necessary or desirable, and for any other purposes Lessor deems necessary. During the ninety (90) days prior to the expiration of the Term or any renewal term, Lessor may exhibit the Leased Premises to prospective tenants, and place upon the Leased Premises customary "For Lease" signs, as the case may be, which signs Lessee shall permit to remain thereon without molestation. If Lessee shall not be personally present to open and permit entry into said Leased Premises, at any time, when for any reason an entry therein shall be necessary or permissible, Lessor or Lessor's agents may forcibly enter the same, without rendering Lessor or such agents liable therefor, and without any manner affecting the obligations and covenants of this Lease. Nothing herein contained, however, shall be deemed or construed to impose upon Lessor any obligation, responsibility or liability whatsoever for the care, maintenance or repair of the building or any part thereof, except as otherwise herein specifically provided. No exercise by Lessor of any rights under this Article 16 shall entitle Lessee to any damages for inconvenience, disturbance, constructive eviction, loss of business or other damage to Lessee occasioned thereby, nor to any abatement of rent.

18.11 **Attorneys' Fees.** In the event any action or suit or proceeding is brought by Lessor to collect the Rent due or to become due hereunder or any portion thereof or to take possession of the Leased Premises or to enforce compliance with this Agreement or for failure to observe any of the covenants of this Agreement or to vindicate or exercise any of Lessor's rights or remedies hereunder, Lessee agrees to pay Lessor all costs of such action or suit and all expenses of such action or suit together with such sum as the Court may adjudge reasonable as attorneys' fees to be allowed in said suit, action or proceeding.

18.12 **No Third Party Beneficiaries.** Except as otherwise expressly provided, no person or entity shall be a third party beneficiary to this Agreement or shall have any right or cause of action hereunder.

18.13 **Exhibits.** All exhibits attached hereto are incorporated into this Agreement by this reference.

18.14 **Integration.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the Aviation Business Center Premises.

18.15 **Further Assurances.** Lessee agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as Lessor may reasonably require to consummate, evidence, confirm or carry out the agreement contained herein.

18.16 **Construction.** Whenever the context of this Agreement requires, the singular shall include the plural, and the masculine shall include the feminine. This Agreement shall be construed according to its plain meaning and neither for nor against any party hereto. Lessee acknowledges that the Rent payable hereunder was negotiated in light of the plain meaning of this Agreement and this Agreement shall therefore be interpreted according to its plain meaning and without regard to rules of interpretation, if any, which might otherwise favor Lessee.

18.17 **Survival of Liability.** All obligations of Lessee hereunder and all warranties and indemnities of Lessees hereunder shall survive termination of this Agreement for any reason.
18.18 **Choice of Law.** This Agreement shall be governed by the internal laws of the State of Arizona without regard to choice of law rules. Lessor has not waived its claims procedures as respects this Agreement. Exclusive proper venue for any action regarding this Agreement shall be Maricopa County Superior Court. City and Lessee consent to personal jurisdiction in such court. Any such action must be filed, tried and remain in this Court for any and all proceedings. For this purpose, each party expressly and irrevocably consents to the jurisdiction and venue of this Court, and the Lessee hereby waives the right to have such action removed to Federal District Court.

18.19 **Approvals and Inspections.** All approvals, reviews and inspections by Lessor under this Agreement or otherwise are for Lessor’s sole benefit and not for Lessee’s benefit.

18.20 **Statutory Cancellation Right.** In addition to its other rights hereunder, Lessor shall have the cancellator rights specified in A.R.S. § 38-511.

18.21 **Recording.** Within 10 days after the date of this Agreement, Lessor shall cause this Agreement to be recorded in the office of the Maricopa County Recorder.

[SIGNATURES ON NEXT PAGE]
EXECUTED as of the date first given above.

LESSEE: Volanti Restaurant and Lounge, LLC
an Arizona limited liability company

By: Dondra Maza
its: Manager

LESSOR: CITY OF SCOTTSDALE,
an Arizona municipal corporation

By: W.J. "Jim" Lane, Mayor

ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

Bruce Washburn, City Attorney
By: Sherry Scott
Deputy City Attorney

Gary P. Mascaro, Aviation Director

Katie Callaway, Risk Management Director
STATE OF ARIZONA )
 County of Maricopa ) ss.

The foregoing instrument was acknowledged before me this ___ day of ____________
2018, by Dondra Maza, Manager of Volanti Restaurant and Lounge, LLC.

______________________________________
Notary Public

My Commission Expires:

______________________________________

STATE OF ARIZONA )
 County of Maricopa ) ss.

The foregoing instrument was acknowledged before me this ___ day of ____________
2018, by W.J. "Jim" Lane, Mayor of the City of Scottsdale, an Arizona municipal corporation.

______________________________________
Notary Public

My Commission Expires:

______________________________________
Exhibit "B"
Leased Premises
The new Scottsdale Airport ABC Building is generally described as a two-story approximately 21,000 square foot building generally located in the area of the existing terminal building, with the main entrance oriented north towards N. Airport Drive and an address of 15000 N. Airport Drive, Scottsdale Arizona.

The Aviation Business Center is intended to serve as a hub of the Scottsdale Airport and larger airpark area. The building’s plan is formed by function and location in the Sonoran Desert, with details based on aviation themes. The materials of the ABC Building is intended to mainly consist of metal, glass and concrete in different forms. Materials are selected based on modern, progressive design, along with their connection to the overall site and the recently completed Scottsdale Airport Operations Center.

The main glass façade faces north to control heat gain and provide solar shading. Integrated shade screens provide protection from south and west exposures. The landscape is an inviting design based on hospitality and desert design to provide a welcoming and comforting experience using shade and textures with indigenous and other drought-tolerant plants.

On the landside, a welcoming public plaza connects with the other site structures as well as the larger context of the area. The public art component, with a theme tied to the significance of the Airport’s history and contributions to the community is proposed to be located within the building, yet visible and accessible from the plaza. Augmenting the Airport’s historic contribution to the nation, a proposed installation of a WW II-era Stearman bi-plane aircraft, which was the training aircraft of the U.S. military forces, is proposed to be suspended above the plaza and within the buildings shade canopy.
Exhibit "D"
Lessor's Equipment

- Lessor installed Restaurant Hood/Exhaust System
- Fire Suppression/Detection System
- Walk-in Cooler/Freezer
- Permanent Mounted Light Fixtures and other permanently installed fixtures and equipment purchased and installed by Lessor
Exhibit "E"
Lessee's Equipment

Lessee purchased Commercial Food Preparation Equipment not listed in Exhibit "D" as follows:

- Convection Oven, Range
- Countertop Griddle
- Charbroiler
- Fryer
- Food Preparation and Serving Counters, including Hot Food Serving Counter, Steam Tables and Cold Prep Tables

Lessee purchased Commercial Refrigeration Equipment not listed in Exhibit "D" as follows:

- Reach-in Coolers and Freezers
- Back Bar Cooler
- Pizza Preparation Refrigerator
- Refrigerated Merchandiser
- Ice Cuber and Ice Bin Machines

Lessee purchased Additional Equipment not listed in Exhibit "D" as follows:

- Storage Shelving
- Undercounter Dishwasher
- Compartment and Bar Hand Sinks
- Tables, Chairs, Bar Stools for Customer Seating Areas
- Patio Furniture for Dedicated Patio
- Closed Caption/Security System
Exhibit "F"
Operating Plan, Organization, and Marketing

Operating Plan

A. **Restaurant Hours of Operation**
   - Monday-Thursday: 6am – 9pm
   - Friday: 6am – 10pm
   - Saturday: 10am – 10pm
   - Sunday: 10am – 6pm

B. **Theme and Décor**

With every success story, one must first seek the roots. For us, we found our start with the Zulu Cafe at Scottsdale Airport. We built relationships while building ourselves. From changing menus and décor, to expanding into inflight catering we remained steadfast and true to our commitment of excellence. Our relationship to the Airport and the City of Scottsdale is not only a part of our future it’s a testament to our past.

Volanti Restaurant and Lounge will be a continuation of that commitment. Our carefully constructed menu, and full bar will appeal to both our loyal guests and the new ones the renovation is sure to bring in.

Welcome to Volanti Restaurant and Lounge

C. **Use and Expansion of Current Services**

Volanti Private Jet Catering

We have already started to expand our catering services with Net Jets, Aire Culinaire, Vista Jets, Flex Jets, Cutter, Honeywell, Swift and Signature Flight Support. In October 2017 we secured an office and small kitchen near Scottsdale Quarter so that our inflight service would go uninterrupted during the remodel. We are currently in negotiations with Net Jets and Aire Culinaire to be their exclusive provider on the Scottsdale Airport expansion is complete.

Volanti Hangar Events/Hangar V Venue

The restaurant is key to furthering our catering and venue business exclusively at Scottsdale Airport. We have teamed up with Fresh Wata, a nationally known production company based out of Las Vegas and Los Angeles, to continue making Arizona the destination for high-end events. We have worked with them for over four years to bring their expansive list of clients to Arizona. Partnerships like this put us and the Airport on the cutting edge for event technology. We currently have two signed proposals with Fresh Wata at Pacific Air Center and Hangar One with others pending. The addition of the new venue will allow us to accommodate events from 10-2000 attendees. To market outside Arizona we have hired a local PR firm that specializes in national campaigns.

We will continue to grow our relationships within the airpark and the community the best
way we know how — through personal connections. We have outreach projects in place that will be completed by our Managing Member, Dondra Maza. As Ms. Maza focuses on direct partnerships we will be hiring an outside sales person who will be tasked with identifying new opportunities within the community. Ms. Maza will then personally be following up on those connections to build the interpersonal relationships that are at the core of any successful business. Our Development and Outreach lead, Alec Maza, will be working on training team members to create a community based atmosphere. We believe our team will invest in us what we invest in them. Towards that goal, Alec Maza will be working on community projects and events. Some events will be focused on our staff’s personal development and others on local engagement. Events with the Thunderbird Memorial, fly-in pancake breakfasts, Run the Runway and yoga on the tarmac will all be organized by Alec. Partnering events with other community members will increase local investment in the Airport and keep people and their families visiting for years.

“You can’t build the highest wall, if you never lay down the first brick.” Volanti is a brick in the City’s wall. Over the last five years we have grown with the Airport and the City adding bricks along the way. We are more than a restaurant; we are friends, neighbors, a place to get away and relax, a place to reconnect with this beautiful City and all it offers. We are here to build up this community as we’ve always done – brick by brick.

D. **Proposed Menus** (see following pages)
O Breakfast

STEEL CUT OATMEAL $6
Served with Berries, Honey, Butter, Brown Sugar & Nut

2 EGG BREAKFAST $7
Served with Roasted Panini & Toast
-Add Protein $3-

HOUSE-MADE BUTTERMILK PANCAKES $7
Served with Pure Maple Syrup

FRENCH TOAST $7

BANANAS FOSTERS FRENCH TOAST $8

DAILY BREAKFAST FRITTATA $8

DAILY QUICHE $8

HUEVOS RANCHEROS $8

CHEESE OMELET $8

MEAT OMELET $8

VEGGIE $8

VOLANTI SCRAMBLE $8

O The Market Place

LOCAL COFFEE $2.5

LOCAL TEAS $2.5

LATTES $3

CAFFISCINOS $3

EXPRESSO $3

FRESH BAKERIES $2-$3

OATMEAL $5

QUICHE $6

FRITTATA $6

BREAKFAST BURRITOS $7

BREAKFAST SANDWICHES $7

WRAPS $7

ASSORTED SANDWICHES $7

PROTEIN BOXES $7

HOUSE-MADE TRAIL MIXES $7

BROWNIES $3

COOKIES $2

-Daily Specials--
### LUNCH

<table>
<thead>
<tr>
<th>Appetizers</th>
<th>Soups and Salads</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARINATED OLIVES $5</td>
<td>SCRATCH-MADE SOUP OF THE DAY</td>
</tr>
<tr>
<td>Orange, Fennel, Rosemary, Roasted Garlic</td>
<td>STRAWBERRY SALAD $10</td>
</tr>
<tr>
<td>WARM POTATO CHIP STACK $6</td>
<td>Strawberries, Baby Greens, Candied Almonds, Feta Cheese, Cranberries, Agave Nectar Vinaigrette</td>
</tr>
<tr>
<td>Applewood Bacon, Green Onion, Warm Blue Cheese Fondue</td>
<td>FLAT IRON STEAK SALAD* $13</td>
</tr>
<tr>
<td>ROSEMARY &amp; ROASTED GARLIC HUMMUS $7</td>
<td>Grilled Romaine, Gorgonzola, Gala Apple, Tomatoes, Crispy Onion, Mustard Vinaigrette</td>
</tr>
<tr>
<td>Served with Seasonal Vegetables &amp; Grilled Flatbread, Carrottop Bean, Feta Cheese</td>
<td>VOLANTI CHOPPED CHICKEN SALAD $11</td>
</tr>
<tr>
<td>ZUCCHINI CHIPS $6</td>
<td>Romaine Lettuce, Chicken Breast, Black Bean, Tomatoes, Feta Cheese, Fried Tortilla Strips, Chipotle Ranch Dressing</td>
</tr>
<tr>
<td>Served with Parmesan Ranch</td>
<td>ASIAN CHOPPED CHICKEN SALAD $11</td>
</tr>
<tr>
<td>JALAPENO PUFFS $6</td>
<td>Napa Cabbage, Shredded Carrots, Red &amp; Green Peppers, Almonds, Sesame, Sesame Ginger Vinaigrette</td>
</tr>
<tr>
<td>Won Ton Stuffed with Cheddar &amp; Jalapeno with Raspberry Chipotle</td>
<td>ROASTED BEET &amp; GOAT CHEESE SALAD $11</td>
</tr>
<tr>
<td>SALT AND PEPPER CHICKEN WINGS $8</td>
<td>Peas, Greens, Goat Cheese, Candied Walnuts, Apple Cider Vinaigrette</td>
</tr>
<tr>
<td>Served with Chipotle Ranch</td>
<td></td>
</tr>
<tr>
<td>SPINACH AND ARTICHOKE DIP $7</td>
<td></td>
</tr>
<tr>
<td>Served with Crackers</td>
<td></td>
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<tr>
<td>ARTISANAL CHEESE BOARD $12</td>
<td></td>
</tr>
<tr>
<td>Fresh &amp; Dried Fruits, Nuts, Crostini, Local Cheeses</td>
<td></td>
</tr>
</tbody>
</table>
LUNCH

> Sandwiches & Entrees

- Come with your choice of side salad, daily side or French fries -

**VOLANTI BLT** $9
Pesto Aioli, Applewood Bacon, Tomatoes, Aged Cheddar Cheese, Arugula on 9-Grain Bread

**3 CHEESE & TOMATO PANINI** $8
Mozzarella, Provolone, Aged Cheddar, Roasted Tomatoes, Basil on Sourdough Bread

**PORK SHOULDER PRESS** $10
Provolone Cheese, Pickled Onions, Salsa Verde, Grain Mustard Aioli on Ciabatta

**ROASTED TURKEY PANINI** $10
Provolone Cheese, Arugula, Tomato, Cranberry Mayo on 9-Grain Bread

**ACHIOTE CHICKEN WRAP** $9
Avocado, Tomatoes, Iceberg Lettuce, Black Bean Hummus, Chipotle Aioli wrapped with a Flour Tortilla.

**"THE BOMB" RUEBEN** $10
Corned Beef, Sauerkraut, Havarti Cheese, Thousand Island, Fried Jalapeños

**CLASSIC ANGUS BURGER** $11
Aged Cheddar Cheese, Pickled Onions, Arugula, Tomatoes, Applewood Bacon, Chipotle Aioli

**VOLANTI BLUE BURGER** $12
Caramelized Onions, Applewood Bacon, Gorgonzola, Aged Cheddar, Fried Egg, Chipotle

**GREEN CHILI MAC N' CHEESE** $10
Roasted Poblano Peppers, Scallions, Garnished with Buttered Bread Crumb

- "Best Mac N Cheese with a Twist" Award Phoenix New Times 2013 -

*Dining under the stars on the Volanti open Patio overlooking Scottsdale's Elite Private Airport watching private jets fly in listening to quiet live music enjoying causal trendy cuisine.*

Page 5 of 15
DINNER

O Appetizers

MARINATED OLIVES $5
Orange, Fennel, Rosemary, Roasted Garlic

VEAL MEATBALLS $8
Served with House-made Marinara & Crustini

WARM POTATO CHIP STACK $6
Applewood Bacon, Green Onions, Warm Blue Cheese Fondue

ROSEMARY & ROASTED GARLIC HUMMUS $7
Served with Seasonal Vegetables & Grilled Flatbread, Garbanzo Beans, Feta Cheese

ZUCCHINI CHIPS $6
Served with Parmesan Raveh

JALAPENO PUFFS $6
Won Ton Stuffed with Cheddar & Jalapeno, with Raspberry Chipotle

SALT AND PEPPER CHICKEN WINGS $8
Served with Chipotle Ranch

SPINACH AND ARTICHOKE DIP $7
Served with Crostini Bread

ARTISANAL CHEESE BOARD $12
Fresh & Dried Fruit, Nut, Crackers, Local Cheeses

ACHI TUNA TAR TARE TOWER $14
Served with Won Ton Chips

O Soups and Salads

SCRATCH-MADE SOUP OF THE DAY
Ask your server about the Chef's creations

STRAWBERRY SALAD $10
Strawberries, Baby Greens, Candied Almonds, Feta Cheese, Cranberries, Agave Nectar Vinaigrette

FLAT IRON STEAK SALAD* $13
Grilled Romaine, Gorgonzola, Gala Apple, Tomatoes, Crispy Onions, Mustard Vinaigrette

VOLANTI CHOPPED CHICKEN SALAD $11
Romaine Lettuce, Asian Chicken, Black Beans, Tomatoes, Feta Cheese, Frizzled Tortilla Strips, Chipotle Ranch Dressing

ASIAN CHOPPED CHICKEN SALAD $11
Napa Cabbage, Shredded Carrots, Red & Green Peppers, Almonds, Scallions, Sesame Ginger Vinaigrette

ROASTED BEET & GOAT CHEESE SALAD $11
Petite Greens, Goat Cheese, Candied Walnuts, Apple Cider Vinaigrette
DINNER

O Sandwiches & Entrees
- Come with your choice of side salad, daily side or French fries -

VOLANTI BLT $9
Pesto Aioli, Applewood Bacon, Tomatoes,
Aged Cheddar Cheese, Arugula on 9-Grain Bread

3 CHEESE & TOMATO PANINI $8
Mozzarella, Provolone Aged Cheddar, Roasted Tomatoes,
Basil on Sourdough Bread

PORK SHOULD PRESS $10
Provolone Cheese, Pickled Onions, Salsa Verde,
Grain Mustard Aioli on Ciabatta

ROASTED TURKEY PANINI $10
Provolone Cheese, Arugula, Tomatoes,
Cranberry Mayo on 9-Grain Bread

ACHIOTE CHICKEN WRAP $9
Avocado, Tomatoes, Iceberg Lettuce, Black Bean Hummus,
Chipotle Aioli wrapped with a Flour Tortilla

“THE BOMB” RUBEEN $10
Corned Beef, Sauerkraut, Havarti Cheese,
Thousand Island, Fried Jalapeños

CLASSIC ANGUS BURGER* $11
Aged Cheddar Cheese, Pickled Onions, Arugula,
Tomatoes, Applewood Bacon, Chipotle Aioli

VOLANTI BLUE BURGER* $12
Caramelized Onions, Applewood Bacon,
Goat cheese, Aged Cheddar, Fried Egg, Chipotle

GREEN CHILI MAC N’ CHEESE $10
Roasted Poblano Peppers, Scallions,
Garnished with Buttered Bread Crumb
- "Best Mac n Cheese with a Twist" Award Prouixx New Times 2013 -

CHICKEN CHIPOTLE PASTA $12
Sriracha Pasta with Grilled Chicken in a Spicy Cream Sauce

5 SPICE BRAISED PORK BELLY TACOS $12
Bibb Lettuce, Pickled Watermelon Radish Salsa

“STREET” TACOS $12
Marinated Steak, Cabbage Salsa, Cilantro Crema Fraiche,
Tomatillo & Chili Serrano Salsa, Corn Tortillas

MISO CHICKEN BREAST $14
Wild Rice, Grilled Carrots

PAN ROASTED SEA BASS $22
Butterpoached Scallions, Roasted Root Vegetables

GRILLED RIBEYE STEAK $22
Pan seared Au jus, Cabernet Sauce &
Grilled Seasonal Vegetables

DIVER SCALLOPS $22
Coconut Risotto, Vegetable Hash

Seasonal menu options will also enhance the menu.
HAPPY HOUR
(Full Dinner Menu Also Available)

The Nosh Bar
A Rotating Bar of All you can Eat Appetizers
$10.95 with purchase of a drink from the bar

CHEESE DISPLAYS (Daily)
VEGETABLE CRUDITÉS (DAILY)
NACHO BAR (DAILY)

Daily Dip to include one the following:
SPINACH AND ARTICHOKE
HUMMUS
SALSA
JARLSBURG CHEESE
Served with Lahabsh, Pita, Bread and Chips

A rotating menu of two of the following:
MEATBALLS
CHICKEN SATAYS
STREET TACOS
MAC AND CHEESE
MINI SLIDERS WITH FRENCH FRIES
SALT AND PEPPER WINGS
ASSORTED QUESADILLAS

BRUNCH Featuring Live Music on Sundays
Saturday & Sundays $15 per person

BRUNCH BAR
ASSORTMENT OF BREAKFAST PASTRIES & BREADS
FRESH FRUIT DISPLAY
DAILY FRITTATA SPECIAL

Chefs Pastry Choice of the Day to Include:
WAFFLES
BANANAS FOSTER FRENCH TOAST
SPECIALTY PANCAKES
CREPES
MADE TO ORDER OMELET BAR
APPLEWOOD SMOKED BACON
SAUSAGE
CHEFS CHOICE CARVING STATION

BLOODY MARY BAR
HOUSE VODKA PINNACLE $4
PREMIUM TITOS, ABSOLUT, KETTLE $6
MIMOSAS $4
ODER $4
SANGRIA $6

Drinks

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<th>Domestic Beers</th>
<th>$6</th>
<th>Cocktails</th>
<th>$5</th>
<th>House Made Sangrias</th>
<th>$5</th>
<th>Premium Wine</th>
<th>$9/12</th>
<th>Premium Liquors</th>
<th>$12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Beers/Import</td>
<td>$6</td>
<td>Specialty Martini</td>
<td>$5</td>
<td>House Wine</td>
<td>$5</td>
<td>Premium Liquors</td>
<td>$9/12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
E. Restaurant Organization/Staff Positions

Dondra Maza - Managing Member
Alec Maza – Development and Outreach Lead

CFO and Office Manager
General Manager
Executive Chef
Sous Chef
Line Cooks
Prep Cooks
Dishwasher
Accountant
(2) Assistant Managers
Assistant Office Manager
Bartenders
Hostess
Servers
Bussers

F. Proposed Staffing Levels

Volanti Marketplace 6:00 am - 10:00 am
1 Barista/Hostess
1 Chef

Lunch 10:00 am - 2:00 pm
1 Manager
1 Hostess
3 Servers
2 Chefs
1 dishwasher/busser

Dinner
1 Manager
1 Hostess
2 Bartenders
3 Servers
3 Chefs

G. Roles & Responsibilities

General Manager: Cost Accounting, Developing Budgets, Financial Planning and Strategy, Decision Making, Process Improvement, Strategic Planning, Verbal Communication, Customer Focus, Management Proficiency, Managing Profitability, Quality Focus

Assistant Manager: Direct employees through their daily routines and interact with customers to make sure that they have a perfect experience. Quality control, ensuring
customer satisfaction through training employees properly and adhering to company policy. Oversee employees' performance from preparing food, stocking supplies, and serving, charging people for their food, handling cash, credit cards, cleaning tables and counters, resetting tables, greeting customers and answering.

Executive Chef: Review food and beverage purchases, develop and standardize recipes, maintain safety and sanitation in the kitchen, maintain equipment, design food presentation aesthetics, plan and prepare special menu items, choose menu designs and determine menu prices. Supervise all kitchen workers. Conduct performance reviews, grant pay increases and take disciplinary action when necessary. Executive chefs may also help prepare meals in the kitchen and delegate work to other chefs and cooks during the restaurant's busy times.

Line Cooks: Prepare food, help kitchen workers in the preparation of food items and set up allocated stations for menu, as instructed by Chef and compliant with standards.

Hostess: Greet guests and patrons personally and on the telephone, offers appropriate seating arrangements, Present menus and take orders. Set up dining rooms and make reservations.


Bussers: Clean tables, taking plates, utensils and drink ware to the kitchen to be washed, make sure diners' water glasses are full, and reset tables for the next service. Help waiters and waitresses bring food out to a table, restock utensils, napkins and other dining room needs.

Dishwasher & Bartender: self explanatory

H. Marketing Activity Timeline

See following pages for a rough timeline of marketing activities for Volanti. Timelines and engagement points will vary based on the building construction schedule.
Timeline Overview

Following is a rough timeline of marketing activities for Volanti. Timelines and engagement points can vary based on moving opening date as well as any additional needs/nuances from Volanti and the airport.

October 2017
- Kick-off meeting
- Finalize the list of ALL audiences we want to focus on (families, millennials, singles, young affluent couples, event planners, influencers, business people, etc. for both the restaurant, in-flight services, and catering
- Formulation of Integrated PR, Social Media, and Marketing Plan (delivered 2-3 weeks post kick-off meeting)

November 2017
- Set-up of all social media channels (Facebook, Twitter, Instagram, Pinterest, LinkedIn)
- Start of website development project
- Media list creation/initial pre-pitch work done
- Creation of first month of social media content for review
- Follow/Growth (organic and paid) for social media begins

December 2017
- Launch of web site
- Begin daily publishing to social media channels

January 2018
- Implement new engagement of old contacts marketing and networking plan
- Create the “coming soon” marketing promos/direct mailers, etc.

February 2018

March 2018

April 2018

May 2018/June 2018
- Print “Coming Soon” signs and menus; distribute to aviation / car rental companies at airport
- Print “Coming Soon” signs and menus; distribute to aviation / car rental companies at airport

July 2018
• Invite local business leaders and press to pre-opening lunch and/or dinner tastings to create brand loyalty and promote sense of community and ownership
• Host tasting events (when food available, etc.) that specifically target the determined audiences we want to focus on (families, millennials, singles, young affluent couples, event planners, influencers, business people, etc.)
• Draft and distribute press release to local media and online outlets
• Distribute menus and opening specials to local businesses

August 2018 – OPENING
• Friends/Family Grand Opening Dinner
• Media Dinner
• Grand Opening Party/Ribbon Cutting – to be managed in partnership with city, etc.

September 2018
• Begin ongoing monthly national and local media pitches (will be in plan)
• Begin monthly charitable outreach
• Begin monthly theme/giveaways/social media influencers management
• Begin pitching season for 2019 – specifically special event and brand managers
1. **Planning & Operations Timeline**

See following pages for a rough timeline of planning activities for Volanti. Timelines and engagement points will vary based on the building construction schedule.
Timeline for Volanti

September 2017
- Set up meetings to introduce professional service providers and executive team to Gary and Carmen
- Finalize furniture, fixtures, & décor for Volanti Restaurant and Lounge
- Finalize marketing material for inflight, get website ready to Launch in October
- Work with Mike Raun on 3D version for venue with props
- Fingerprint, management training for Liquor License
- Submit Liquor License
- Meet 20 new companies in the airpark
- Receive sample chair for venue
- Work on direct marketing for Customs agents to give to planes as they arrive

October 2017
- Launch venue and private jet catering website with landing soon page for restaurant
- Finalize marketing for venue
- Order new inflight bags, coffee mugs, insulated bags and disposables
- Move into new space at Scottsdale Quarters
- Start selling and signing contracts for new venue
- Order collateral for NBAA convention for inflight
- Pedro starts working part time on developing inflight
- Visit 30 new companies around the airpark
- Develop collateral for Kick off event for Thunderbird memorial

November 2017
- Kick off event for Thunderbird memorial invite potential clients for venue and restaurant
- Start campaign for concierge/sales teams for all Scottsdale resorts for both restaurant and venue
- Start website development for Restaurant
- Receive sample chair and table for restaurant if approved place order
- Visit 30 new companies in airpark
- Attend NBAA

December 2017
- Completed Website Launch
Exhibit "F"

- Develop marketing collateral for Schedulers and Dispatchers convention
- Market to jets tying in for Barrett Jackson and The Phoenix Open
- Drop of Holiday gifts to all potential clients for restaurant and venue around airpark
- Visit 30 new companies expanding away from airpark

January 2018
- Start building data base for direct marketing for inflight
- Create "Landing soon" marketing promos direct mailers
- Liquor License issued
- Attend Schedulers and Dispatchers

February 2018-April 2018
- Pedro starts full time
- Develop and design plates of food for restaurant
- Develop and redesign platters and plates for inflight
- Have photographer take photos of all restaurant and inflight plates
- Create recipe and photo handbooks for inflight and restaurant
- Develop service standards, handbooks, training material,
- Design uniforms

May 2018
- Order point of sale system
- Input all data into POS system
- Set standards and training material outline for executive staff
- Hire General Manager for Restaurant
- PR Firm to start marketing in full force

June 2018
- Executive team starts full time
- Training of executive staff
- Cultivate our working environment
- Set standards and training material for staff

July 2018
- Hire staff
- Training for Staff
- PR Team will launch Press Release on Local News, Social media, Direct Mailers
- Distribute menus and opening specials to local businesses

August 2018
- Opening Events, Local Businesses, Airport Friends and Family, Media and Press, Clients
- Training Days 4 days prior to opening: Invite friends and family to dine on us while we perfect our brand
WHEN RECORD ED RETURN TO:
ONE STOP SHOP & CHRIS READ
City of Scottsdale
7447 E. Indian School Road, Suite 100
Scottsdale, AZ 85261

TERMINATION OF LEASE AGREEMENTS

THIS TERMINATION OF LEASE AGREEMENTS ("Lease") is made and entered into this ___ day of ______, 2018, by and between the City of Scottsdale, an Arizona municipal corporation (hereinafter referred to as "Lessor") and MAZA Concepts LLC, dba The Brick (hereinafter referred to as “Lessee”) collectively the “Parties.”

WITNESSETH

WHEREAS, pursuant to the terms of those certain Lease Agreements (Contract No. 2016-030-COS and Contract No. 2016-031-COS) dated April 5, 2016 made by the Parties recorded on April 3, 2016 in the Maricopa County Recorder’s Office at Document No. 20160235150 and Document No. 20160235153, (hereinafter referred to as the "Lease Agreements") the City leased to Lessee those certain Leased Premises, which will be located at 15000 N. Airport Drive, Scottsdale, Arizona as more particularly depicted on Exhibit “A” attached hereto; and

WHEREAS, MAZA Concepts LLC, dba The Brick (hereinafter referred to as “Lessee”) was never fully formed or recognized by the State of Arizona as an LLC or separate legal entity and never took possession of the Leased Premises; and

WHEREAS, the Parties now wish to terminate the Lease Agreements under the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

A. FIXTURES AND PERSONALITY

The Parties agree that the Lessee never took possession of the Leased Premises and never left any personal property or fixtures at the Leased Premises and that the Lessor does not owe any obligations to the Lessee other than the proper disposition of the security deposit as discussed below.
B. **SECURITY DEPOSIT**

At the time of the execution of the Lease Agreements, security deposits guaranteeing the faithful performance of the Lease Agreements in the amount of $10,579.16 (for City of Scottsdale Contract No. 2016-030-COS) and $3,306.26 (for City of Scottsdale Contract No. 2016-031-COS) were provided by Lessee to Lessor. Any portion of said security deposit to which Lessee may be entitled net of any setoff or other obligation of the Lessee to the Lessor, will be paid to Lessee within 60 days after termination of the Lease.

C. **RENT AMOUNTS**

There are no rent amounts due or payable by the Lessee under the Lease Agreements because the Lessee has yet to take possession of any portion of the Leased Premises.

D. **EFFECTIVE DATE OF LEASE TERMINATION**

The Lease Agreements shall terminate immediately upon the date this Termination is entered into and fully executed as set forth above. Thereafter, the Lease Agreements at Maricopa County Recorder Document No. 20160235150 and at Maricopa County Recorder Document No. 20160235153 shall be of no further force or effect. This Termination of Lease Agreements shall be recorded with the Maricopa County Recorder.

E. **COUNTERPARTS**

This Termination of Lease Agreements may be executed in any number of counterparts, all of which together shall be deemed to constitute one instrument and each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Termination of Lease Agreements as of the day and year first above written.

LESSEE:

MAZA CONCEPTS, LLC
dba The Brick

By __________________________
Dondra Maza
Its: Manager
CITY OF SCOTTSDALE, an Arizona municipal corporation

W.J. "Jim" Lane, Mayor

ATTEST:

__________________________
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

__________________________
Bruce Washburn, City Attorney
By: Sherry R Scott, Deputy City Attorney

STATE OF ARIZONA 

) ss.
County of Maricopa 

The foregoing instrument was acknowledged before me this _____ day of
_________________, 2013, by Dondra Maza, the Manager of Maza Concepts, LLC, dba The Brick,
an Arizona limited liability company.

__________________________
Notary Public

My Commission Expires:

STATE OF ARIZONA 

) ss.
County of Maricopa 

The foregoing instrument was acknowledged before me this _____ day of _____________,
2018 by W.J. "Jim Lane, Mayor of the City of Scottsdale, an Arizona municipal corporation.

__________________________
Notary Public

My Commission Expires:
COMMISSION ACTION REPORT

Discussion and Possible Action to Recommend Adoption of Resolution No. 11012, Contract No. 2018-020-COS with Scottsdale West Holdings, LLC for Lease of Space in the Aviation Business Center

ACTION

Discussion and possible action to recommend adoption of Resolution No. 11012 authorizing lease agreement No. 2018-020-COS with Scottsdale West Holdings, LLC for the lease of office space located in the future Aviation Business Center at Scottsdale Airport.

PURPOSE

To fill vacant office space in the future Aviation Business Center and generate additional revenue for the Aviation Enterprise fund.

KEY CONSIDERATIONS

- The City negotiated a lease agreement with an existing tenant to lease 1,678 SF of office space at the Aviation Business Center ground floor.
- Term of lease agreement is sixty (60) months with two options to renew at three (3) years each.
- A Municipal Property Corporation (MPC) bond has been issued to cover the costs of the development of the Aviation Business Center.
- Associated revenues received from the above referenced lease agreement will cover some of the costs of the debt service for the bond.

Attachments: 1. Resolution No. 11012
              2. 2018-020-COS with Scottsdale West Holdings, LLC, a lease agreement

Action taken:
RESOLUTION NO. 11012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING CONTRACT NO. 2018-020-COS WITH SCOTTSDALE WEST HOLDINGS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY FOR THE LEASE OF OFFICE SPACE IN THE NEW AVIATION BUSINESS CENTER CURRENTLY UNDER CONSTRUCTION.

WHEREAS, the City is the owner of certain real property known as the Scottsdale Airport on which the City desires to construct a new Aviation Business Center; and

WHEREAS, near the new Aviation Business Center, the City will construct two (2) corporate jet hangars and ancillary support space together with a fuel farm; and

WHEREAS, Scottsdale West Holdings, LLC is an Arizona limited liability company in good standing wishing to rent office space from the City in the New Aviation Business Center; and

WHEREAS, it is in the best interest of the City to enter into a new lease with Scottsdale West Holdings, LLC to rent it office space at the Aviation Business Center subject to the timely completion of the construction projects;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The Mayor is authorized and directed to execute on behalf of the City of Scottsdale Contract No. 2018-020-COS with Scottsdale West Holdings, LLC.

PASSED AND ADOPTED by the City Council of the City of Scottsdale, Maricopa County, Arizona this ____ day of ______________, 2018.

CITY OF SCOTTSDALE, an Arizona municipal corporation

ATTEST:

Carolyn Jagger, City Clerk

W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:

Bruce Washburn, City Attorney
By: Sherry R. Scott, Deputy City Attorney
WHEN RECORDED, RETURN TO:
City of Scottsdale
City Clerk
(Aviation Director)
3939 N. Drinkwater Blvd.
Scottsdale, AZ 85251

Contract No. 2018-020-COS
Resolution No. 11012

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this ___ day of__________, 2018, by
and between the CITY OF SCOTTSDALE, an Arizona municipal corporation ("Lessor"), and
Scottsdale West Holdings, LLC, an Arizona limited liability company ("Lessee").

WITNESSETH

A. Lessor is the owner of certain real property at the Scottsdale Airport (the "Airport")
on which it is constructing a new building to be known as the Aviation Business Center (the "ABC
Building."). The ABC Building will be located at 15000 N. Airport Drive, Scottsdale, Arizona, within
the footprint of the Aviation Business Center Premises. A conceptual depiction of the site of the
Aviation Business Center Premises is attached hereto as Exhibit "A" and incorporated by this
reference and a conceptual floor plan of the first floor of the ABC Building is attached hereto as
Exhibit "A1."

B. Lessor desires to lease to Lessee, and Lessee desires to lease space in the new
ABC Building primarily for administrative office space within the ABC Building (the "Leased
Premises") subject to the requirements of this Agreement. The Leased Premises, which will be
located at 15000 N. Airport Drive, Scottsdale, Arizona is conceptually depicted on the attached
Exhibit "A1", incorporated by this reference as supplemented by the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing, the rent hereinafter to be
paid by Lessee, and the covenants and agreements contained herein to be kept and performed by
Lessee, and other good and valuable consideration, Lessor and Lessee agree as follows:

I. RECITALS

1. Recitals. The foregoing recitals are incorporated into this Agreement.
II. DEFINITIONS

2. Definitions.

2.1 "ABC Building" shall mean the building located at 15000 N. Airport Drive, Scottsdale Arizona on the Aviation Business Center Premises depicted on attached Exhibit "A1".

2.2 "Aviation Business Center Premises" shall mean the ABC Building and the surrounding area depicted on attached Exhibit "A".

2.3 "Floor area" shall mean Lessor's estimate of the total enclosed rentable square footage measured from the exterior faces of all exterior walls, service corridors and fire walls, and from the center line of the common demising walls separating the Leased Premises from other spaces. No deduction shall be made for columns or interior construction or equipment.

2.4 "Leased Premises" shall mean the approximately 1,678 square feet of interior floor area on the first floor of the ABC Building depicted on Exhibit "A1."

III. PREMISES

3. Premises and Fixtures.

3.1 Agreement to Lease. Lessee desires to lease the Leased Premises upon completion of the construction project. Lessor hereby leases to Lessee and Lessee hereby leases and accepts from Lessor, subject to the terms and conditions of this Agreement, the Leased Premises.

3.2 Antennae. Lessee shall have the right to install and use a single communications dish antenna or whip antenna upon the roof of the ABC Building, but only if such antenna complies with all of the requirements of all applicable laws and this Agreement, and subject to such conditions and requirements as Lessor may impose.

3.3 Rights in Adjacent Space. Lessee's rights are expressly limited to the real property defined as the "Leased Premises" in this Agreement. Without limitation, in the event any public or private property adjacent to the Leased Premises is owned, dedicated, abandoned or otherwise acquired, used, improved or disposed of by Lessor, such property shall not accrue to this Agreement but shall be Lessor's only. In addition, and severable from the preceding sentence, upon any such event, Lessee shall execute and deliver to Lessor without compensation a quit-claim deed to such property. In the event the Leased Premises consists of more or less than the stated area, this Agreement shall nevertheless continue and Lessee's obligations hereunder shall not be diminished.

3.4 Title. Lessee's rights hereunder are subject to all covenants, restrictions, easements, agreements, reservations and encumbrances upon, and all other conditions of title to, the Leased Premises. Notwithstanding the preceding sentence, Lessor agrees that on the commencement date there will be no mortgage lien or deed of trust covering the Leased Premises, other than current taxes or liens, resulting from the acts or omissions of Lessee. Lessee's rights hereunder are further subject to all present and future building restrictions, regulations, zoning laws, ordinances, resolutions, and orders of all bodies, bureaus, commissions and bodies of any municipal, county, state, or federal authority, now or hereafter having jurisdiction over the Leased Premises or Lessees use thereof. Lessee shall have no right under this Agreement to do (or fail to
do) anything prohibited (or required) by any documents affecting legal title to the Leased Premises.

3.5 **Lessor's Fixtures Included.** The Leased Premises also includes the fixtures owned and installed by the Lessor. This property will be maintained in good working condition by Lessee from time to time at Lessee's expense. If and when, during the term of this Agreement, any of this property wears out, Lessor may dispose of it at Lessee's expense. Lessee at Lessee's expense will replace all worn out installed fixtures which Lessor owns at all times. Lessee is solely responsible for the condition of the leased premises including all fixtures from the time it takes possession of the Leased Premises.

**IV. TERM OF LEASE**

4. **Term of Lease.** This Agreement is subject to the following provisions and conditioned upon Lessee's full, timely, complete and faithful performance of all obligations and things to be performed or done hereunder by Lessee and Lessee shall accept the Leased Premises in writing at the time possession of the Leased Premises is delivered to Lessee, the date of which will mark the beginning term of the lease.

4.1 **Term.** The term of this Agreement shall be for a period of 60 months from the time possession of the Leased Premises is delivered to the Lessee. Possession of the leased premises shall be delivered no later than 30 days after Lessor receives a Certificate of Occupancy for the ABC Building.

4.2 **Option to Extend.** Provided (i) Lessee has not at any time been in default under any of the terms, covenants, or conditions of this Agreement, which default remained uncured after the applicable cure period, through and including the commencement date of an Extension Term set forth below, (ii) the Leased Premises are continually operated for the use specifically permitted by this Agreement, and in accordance with other applicable provisions of this Agreement, and (iii) Lessee is not in bankruptcy or receivership, and has not made an assignment for the benefit of creditors pursuant to applicable state law, then Lessee shall have the option to extend the term of this Agreement for two (2) periods of five (5) years each (the "Extension Term") provided the Aviation Director agrees in writing to the requested Extension Term. The option for the second Extension Term shall not be exercisable unless Lessee exercised the option for the first Extension Term. Lessee shall exercise each such option by providing Lessor with written notice of such exercise not later than 180 days or earlier than 365 days before the commencement of the applicable Extension Term. The Aviation Director shall have the authority to grant or deny the requested Extension Term in writing within 90 days of the receipt of the written notice. Lessee shall have no right to further extend or renew this Lease other than as set forth in these Extension Terms. Time is of the essence with respect to the exercise of any such option by Lessee. If Lessee fails to exercise an option when required, such option shall thereafter be of no force or effect.

4.3 **Extended Term Rental.** If an option to extend the term of the lease as described above is properly exercised by Lessee, then all of the covenants and agreements contained in this Agreement shall apply during the applicable Extension Term, except that the Base Rent for the first and each subsequent lease year of an Extension Term shall be increased in accordance with the provisions of Article 5.4 below.

4.4 **Option Personal.** The options set forth herein are strictly personal to the original entity executing this Agreement ("Original Lessee") only, and may be exercised only so long as the
Original Lessee occupies the Leased Premises without assigning this Agreement or subletting the Leased Premises or any part thereof, and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than the Original Lessee. The Options are not assignable separate and apart from this Agreement, nor may the Option be separated from this Agreement in any manner, either by reservation or otherwise.

4.5 **Holding Over.** In any circumstance whereby Lessee would hold over and remain in possession of the Leased Premises after the expiration of this Agreement, such holding over shall not be considered to operate as a renewal or extension of this Agreement, but shall only create a tenancy from month to month which may be terminated at any time by Lessor upon 10 days' notice to Lessee. During any such hold over period, Base Rent shall increase to 150% of its previous rate and shall be prorated to the date Lessee vacates the Leased Premises.

V. **LEASE PAYMENTS**

5. **Lease Payments.** Lessee shall pay to Lessor all of the following payments together with all other payments required by this Agreement (all payments by Lessee to Lessor required by this Agreement for any reason are collectively the "Rent"): 

5.1 **Rent Payment Date.** All Rent shall be payable one month in advance on the twenty-fifth day of the preceding calendar month. For example, the Rent for September shall be payable on or before August 25th. The first installment of Rent prorated for the portion of the month remaining in the month in which this Agreement is executed is due immediately upon delivery of possession of the Leased Premises.

5.2 **Base Rent.** The rental amount (the "Base Rent") Lessee shall pay to Lessor for each of the first 12 months from the commencement of the term of this Agreement is $4,195.00. The Base Rent is due and payable each month during the term thereof.

5.3 **Base Rent Adjustment.** The Base Rent shall be automatically adjusted upward on the first anniversary of the commencement of the term of this Agreement (month 13) as follows:

<table>
<thead>
<tr>
<th>Months 1 - 12:</th>
<th>1678 SF</th>
<th>$4,195.00</th>
<th>Full Service</th>
<th>$30.00 sf/yr</th>
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<tbody>
<tr>
<td>Months 13 - 24:</td>
<td>1678 SF</td>
<td>$4,320.85</td>
<td>Full Service</td>
<td>$30.90 sf/yr</td>
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<tr>
<td>Months 25 - 36:</td>
<td>1678 SF</td>
<td>$4,450.90</td>
<td>Full Service</td>
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<tr>
<td>Months 37 - 48:</td>
<td>1678 SF</td>
<td>$4,583.74</td>
<td>Full Service</td>
<td>$32.78 sf/yr</td>
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<tr>
<td>Months 49 - 60:</td>
<td>1678 SF</td>
<td>$4,720.77</td>
<td>Full Service</td>
<td>$33.76 sf/yr</td>
</tr>
</tbody>
</table>

5.4 **Option to Extend Base Rent Adjustment.** If the option to Extend the Lease Terms is properly exercised, the base rent adjustment will be on the basis of changes in the United States Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average published by the United States Bureau of Labor Statistics as of the date two (2) months prior to the adjustment date (the "Cost of Living Index"). The amount of each adjusted monthly rent installment of Base Rent (represented by the letter "R" in the formula set forth below) shall be equal to the then current Cost of Living Index number (represented by the letter "C" in the formula set forth below) divided by the Cost of Living Index number for the month during which the term of this Lease commences (represented by the letter "M" in the formula set forth below), and multiplied by the monthly Base Rent
Rent amount of $4,720.77 (represented by the "$" symbol in the formula set forth below). This computation is expressed by the following formula:

\[ R = \frac{C}{M} \times $ \]

provided, that in no event shall the Base Rent be adjusted downward from any previous period. If such Cost of Living Index shall no longer be published at the adjustment date, then another similar index published by any federal agency shall be substituted by Lessor in Lessor's reasonable discretion. In the event of a holdover without Lessor's consent, Base Rent shall be increased by an additional one hundred fifty percent (150%) over the amount of Base Rent otherwise payable.

5.5 Additional Rent. In addition to Base Rent, all other amounts to be paid by Lessee to Lessor pursuant to this Lease shall be deemed to be Additional Rent, irrespective of whether designated as such, and shall be due and payable within five (5) days after receipt by Lessee of Lessor's statement or together with the next succeeding installment of Base Rent, whichever shall first occur. Lessor shall have the same remedies for the failure to pay Additional Rent as for the nonpayment of Base Rent.

5.6 Aeronautical Business Permit. To the extent required by law, all persons occupying or operating at the Leased Premises shall obtain an Aeronautical Business Permit. This article applies to any type of permit or other rule or requirement that may supplement or replace the Aeronautical Business Permit. In addition to all other Rent payable hereunder, if Lessee does not from time to time hold an Aeronautical Business Permit covering all activities relating to its own operations, activity, and business at the Leased Premises and pay all fees related thereto, Rent shall include an additional amount equal to the amount that would be payable to obtain such an Aeronautical Business Permit.

5.7 Security Deposit. At the time of execution of this Agreement, Lessee shall provide to, and maintain with Lessor at all times during the term of this Agreement, a security deposit guaranteeing the faithful performance of this Agreement in the name of Lessor, in the sum of $4,195.00. Any portion of said security deposit to which Lessee may then be entitled, net of any setoff or other obligation of Lessee to Lessor, shall be paid to Lessee by the then owner of the fee title to the Leased Premises within 60 days after termination of this Agreement.

5.8 Taxes, Liens and Assessments. In addition to all other Rent herein provided, Lessee shall pay, when due and as the same become due and payable, all taxes and general and special fees, charges, and assessments of every description which during the term of this Agreement may be levied upon or assessed against the Leased Premises, the operations conducted therein, any Rent paid or other performances under this Agreement by either party, and all possessory interest in the Leased Premises and improvements and other property thereon, whether belonging to the Lessor or Lessee. Lessee agrees to indemnify, defend, and hold harmless Lessor and the Leased Premises and such property and all interest therein and improvements thereon from any and all such taxes and assessments, including any interest, penalties and other expenses that may be imposed, and from any lien therefor or sale or other proceedings to enforce payment thereof. Lessee shall have the right to contest, but not the right to refuse to timely pay, any taxes and assessments. Lessor shall have the right from time to time to
require that all of the foregoing payments be made by Lessee through Lessor. Lessee shall pay all sales, transaction privilege, and similar taxes.

5.9 Government Property Lease Excise Tax. Lessee shall be responsible for any and all property taxes and all government property lease excise taxes described in A.R.S. § 42-6201 et seq. or similar laws in force from time to time applicable to the Leased Premises as determined by the Lessor. Pursuant to A.R.S. § 42-6206, failure by Lessee to pay the taxes after notice and an opportunity to cure is an event of default that could result in divesting Lessee of any interest in or right of occupancy of the Leased Premises.

5.10 Late Fees. Should any installment of Rent not be paid on or before the date due, a ten percent (10%) late fee shall be added to the amount due, or found to be due. Furthermore, any and all amounts payable by Lessee under this Agreement that are not timely paid shall accrue interest at the rate of 1% per month from the date the amount first came due until paid. Lessee expressly agrees that the foregoing represent reasonable estimates of Lessor's costs in the event of a delay in payment of Rent.

5.11 Rent Amounts Cumulative. All amounts payable by Lessee hereunder or under any tax, assessment or other existing or future ordinance or other law of the City of Scottsdale or the State of Arizona shall be cumulative and payable in addition to each other payment required hereunder, and such amounts shall not be credited toward, substituted for, or setoff against each other in any manner.

5.12 No Setoffs. All Rents shall be paid in full directly to Lessor without setoff or deduction of any description. Lessee expressly waives any right of setoff.

5.13 Utilities. Lessor will pay all charges, fees, deposits and other amounts for gas, electricity, water, sewer and waste disposal services at the applicable rates as determined by Lessor. Lessee will pay all telephone, cable, data and security system service charges and fees for the Leased Premises.

VI. USE RESTRICTIONS

6.1 Use Restrictions. Lessee's use and occupation of the Leased Premises shall in all respects conform to all and each of the following cumulative provisions:

6.2 Permitted Uses. Lessee will use the Leased Premises for administrative office space only (the "Permitted Uses"), or as approved in writing by the Aviation Director.

6.2.1 Animals. No animals are allowed on the Leased Premises other than seeing-eye dogs and similar service animals providing health assistance to disabled persons. Customers' dogs on leashes are also permitted, if allowed by applicable laws and regulations from time to time.

6.2.2 Governmental Relations. Lessee shall conduct its activities in coordination with Lessor as necessary to maintain good relations with all governmental and other entities having jurisdiction over the Leased Premises. The preceding sentence does not prohibit Lessee from asserting its legal rights against such entities. Lessee shall immediately give to Lessor notice of any actual or threatened dispute, violation or other disagreement relating to the Leased Premises. Lessee is not an agent for Lessor. Without limitation, such entities (who are not third party
beneficiaries to this Agreement) include (to the extent that such entities have jurisdiction over the Leased Premises), the State of Arizona, Maricopa County, Arizona Department of Environmental Quality, Arizona Department of Transportation, and Federal Aviation Administration.

6.2.3 Noise. Except as Lessor may specifically allow from time to time, outdoor music and sound equipment is prohibited at the Leased Premises. The doors of the Leased Premises must be kept closed when music is playing, except that doors may remain open at Lessor's sole discretion, from time to time. In exercising this discretion, Lessor may take into account any and all factors that Lessor determines influence or may influence the effect of the music or other noise upon the Leased Premises and surrounding areas, and any activity or condition in the surrounding area, including without limitation, Lessor's desire to maintain a quiet and calm ambiance in surrounding areas.

6.3 Lessee's Agent. Lessee shall at all times during normal business hours or when the Leased Premises are otherwise occupied retain on call available to Lessor upon the Leased Premises an active, qualified, competent and experienced manager to supervise all activities of the Leased Premises and who shall be authorized to represent and act for Lessee in matters pertaining to all emergencies and the day-to-day operation of the Leased Premises and all activities under this Agreement. During any temporary periods of absence by said manager, an assistant manager or designated representative of Lessee with like authorization must be present upon the Leased Premises. Lessee shall also provide notice to Lessor of the name, address, and regular and after-hours telephone numbers of a person to handle Lessee's affairs and emergencies at the Leased Premises.

6.4 Security Requirements. Lessee shall participate in any public safety program promulgated from time to time by the City of Scottsdale Aviation Department and Police Department or other law enforcement agency selected by Lessor from time to time. Lessee shall reasonably cooperate with Lessor and the City of Scottsdale Police regarding concerns and countermeasures affecting security and related risks of business and other operations and activities at and near the Leased Premises.

6.5 Conduct at Leased Premises. In entering into this Agreement, Lessor and Lessee have foremost in mind providing the public with an orderly atmosphere devoid of any act by any person contrary to the highest standards of community sensitivity, and avoiding any substance or appearance of any noisy, unruly, inebriated, disruptive, disorderly, lewd, nude, partially nude, adult oriented, unwholesome or sexually oriented behavior, business, entertainment, or other activity of any description or to any degree at the Leased Premises. Any such behavior, business or activity at the Leased Premises by Lessee, any customer of Lessee or anyone else using the Leased Premises pursuant to this Agreement is strictly prohibited. The requirements of this article are specifically acknowledged to be a requirement of this Agreement independent of and in addition to any zoning or other governmental regulation affecting the Leased Premises. Any violation of this article by any person using the Leased Premises pursuant to or under this Agreement shall be an "Unruly Behavior Occurrence" by Lessee under this Agreement. To that end and without limitation, all of the following shall apply:

6.5.1 Prohibited Behavior. No materials shall be displayed, viewed or produced upon the Leased Premises depicting specified anatomical areas or specified sexual activities. Also, no person upon the Leased Premises shall make visible his or her specified anatomical areas. "Specified anatomical areas" shall mean less than completely and opaquely covered human genitals, pubic region, buttock and female breast below a point immediately above the top
of the areola; and human male genitals in a discernible turgid state, even if completely and opaquely covered, or any simulation or portrayal of any of the foregoing. All specified sexual activities are prohibited without exception. Specified sexual activities shall mean human genitals in a state of sexual simulation or arousal; acts of masturbation, sexual intercourse or sodomy; fondling or other erotic touching of human genitals, pubic region, buttock or female breast, or any simulation or portrayal of any of the foregoing.

6.5.2 Lessee shall immediately cause any person to be safely and responsibly removed from the Leased Premises who:

6.5.2.1 Is obviously intoxicated or under the influence of any narcotic or chemical.

6.5.2.2 Commits any act of violence.

6.5.2.3 Acts in a loud or unusually boisterous manner.

6.5.2.4 Harms or threatens harm to any person or thing.

6.5.2.5 Uses profanity that can be heard by users of the Leased Premises or the public.

6.5.2.6 Violates any law or any regulation applicable to the Leased Premises.

6.5.2.7 Commits or causes, directs or encourages any person to commit an Unruly Behavior Occurrence.

6.6 Common Areas. Subject to current and future regulations and policies governing the use of, and access to, the Aviation Business Center Premises and the airport, Lessee, its officers, employees, agents, patrons and invitees, and its suppliers of services and furnishers of materials shall have the right of ingress to and egress from the Leased Premises through such portions of the Aviation Business Center Premises as are open to the public from time to time. Such right is strictly limited to ingress and egress. There shall be absolutely no office activity or storage, however temporary, in the halls, steps, porches or other areas of or surrounding the Aviation Business Center Premises or the Airport. Lessee shall immediately clean up any spills or debris caused by Lessee or its suppliers or customers. Lessor may from time to time make available to Lessee and/or other users a conference room for use by reservation subject to conflicting uses by Lessor and others and subject to Lessee’s payment of a fee established by Lessor.

6.6.1 Control of Common Areas. All parking areas, driveways, entrances and exits thereto, sidewalks, ramps, landscaping areas, exterior stairways, restrooms, elevators, and all other Common Areas and facilities provided by Lessor for the common use of the tenants of the ABC Building and their officers, agents, employees and customers, shall at all times be subject to the exclusive control and management of Lessor, and Lessor shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to the use of all the Common Areas and facilities. Lessor shall have the right to operate and maintain the same in such manner as Lessor, in its sole discretion, shall determine from time to time, including without limitation the right to employ all personnel and to make all rules and regulations pertaining to anc
necessary for the proper operation and maintenance of the Common Areas and facilities. Lessor shall have the exclusive right at any and all times to alter, construct, re-construct, enlarge, contract, modify or relocate any of the Common Areas, to close any portion of the Common Areas for the purpose of making repairs, changes or additions thereto and may change the size, area, layout or arrangement of the parking areas or the number of spaces or the lighting thereof, within or adjacent to the existing areas and may enter into agreements with adjacent owners for cross-easements for parking, ingress or egress. The Lessor shall also have the right to place vending or amusement devices in the Common Areas, to utilize the Common Areas for promotions, exhibits, rides, shows, displays, kiosks, carts, decorative items and landscaping, and any other use which, in the Lessor's judgment, tends to benefit the Aviation Business Center and the Airport.

6.7 Parking. Parking shall be subject to current and future regulations governing parking at the Aviation Business Center Premises and the Airport. There shall be no guaranteed number of parking places available to the Leased Premises, with the exception of Two (2) Covered Parking spaces that will be reserved for the Lessee at no additional cost to the Lessee. Lessee has the option to request additional reserved parking at a mutually agreeable additional cost, which must be approved in writing by the Aviation Director. Lessee's customers, patrons and invitees shall only park motor vehicles in such parking spaces as may be designated at the Airport from time to time as public parking areas, and that are available for parking by the general public. Lessee's employees shall park in areas designated by Lessor from time to time. Vehicles making deliveries to the Leased Premises shall park only in areas specifically designated by Lessor from time to time as delivery areas.

6.8 Airport Operations. Lessee acknowledges that Lessee's use of the Leased Premises shall be subject and subordinate to Lessor's operation of the Airport, which will necessarily directly and indirectly affect Lessee, the Leased Premises, and Lessee's use of the Leased Premises. Lessee's use of the Leased Premises shall not be permitted by Lessee to in any way adversely affect Lessor's use or operation of the Airport. Without limitation:

6.8.1 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.

6.8.2 There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of Lessor and the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Airport.

6.8.3 Lessee by accepting this Agreement agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner that might interfere with the taxing, landing and taking off of aircraft from the Airport, the loading or unloading of passengers or cargo or other aircraft operations or otherwise constitute a hazard. Whether any particular conduct complies with the forgoing shall be determined by Lessor.

6.9 Signs. Lessor will display at the Lessor's sole expense at least one standard suite directory sign indicating the Lessee's business name and suite number. Lessee shall have the right to install and operate one (1) other appropriate interior sign at the Leased Premises entry to identify Lessee's business provided that all of the following conditions are met (Lessor in its sole discretion may authorize the placement of additional signs from time to time):
6.9.1 That the location, size and style of each such sign shall be subject to the provisions of the applicable sign ordinance and shall be in keeping with the Airport sign program as the same may change from time to time and with the overall aesthetics and utility of the Airport facilities and grounds, as determined by Lessor, and shall be designed, made and installed in a professional manner; and

6.9.2 That no sign shall be erected, installed or operated until Lessee has submitted written request, together with descriptions and drawings showing the intended locations, size, style and colors of such signs, to the Aviation Director, and has received prior written approval from the Aviation Director; and

6.9.3 That regardless of signage existing from time to time, Lessor shall have the absolute right from time to time and without compensation to Lessee or any other person to require Lessee to conform to a new Airport sign program and to limit or reduce the amount of signage for the Leased Premises to: (a) one (1) single-faced interior sign on the door in the Leased Premises as directed by Lessor. At Lessor's election, Lessee shall cause said exterior sign to be combined with other signage at the ABC Building. Without Lessor's written consent signed by the Aviation Director, said interior signs shall not exceed two square feet in gross sign area.

6.9.4 That Lessee shall bear all costs pertaining to the erection, installation and operations, maintenance and removal of all signs including, but not limited to, the application for and obtaining of any required building permits.

6.10 Hazardous Materials. Lessee shall not produce, dispose, transport, treat, use or store any hazardous waste or materials or toxic substance upon or about the Leased Premises or any substance now or hereafter subject to regulation under the Arizona Hazardous Waste Management Act, A.R.S. § 49-601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., or the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., or any other federal, state, county, or local law pertaining to hazardous waste or toxic substances (collectively "Toxic Substances"). The preceding sentence does not prohibit use of ordinary janitorial supplies used to clean and maintain the Leased Premises. Lessee shall pay, indemnify, defend and hold Lessor harmless against any loss or liability incurred by reason of any Toxic Substance on or affecting the Leased Premises caused by Lessee or its invitees occurring after the date of this Agreement, and shall immediately notify Lessor of any Toxic Substance at any time discovered or existing upon the Leased Premises. Lessee understands the hazards presented to persons, property and the environment by dealing with Toxic Substances. Lessee shall cause any on-site or off-site storage, treatment, transportation, disposal or other handling of Toxic Substance by Lessee in connection with the Leased Premises to be performed by persons, equipment, facilities and other resources who are at all times properly and lawfully trained, authorized, licensed and otherwise permitted to perform such services.

6.11 Name of Business. Lessee shall conduct the Permitted Uses at the Leased Premises under Lessee's name given at the beginning of this Agreement, or if such name is not available or if Lessor and Lessee desire otherwise, such other name as Lessor may approve in Lessor's reasonable discretion. Following termination of this Agreement for any reason, Lessor has the exclusive right to use or allow others to use any name used to identify Lessee's business at the Leased Premises and at other locations within and without the Airport, so long as Lessor does not use Lessee's name as stated at the beginning of this Agreement.
6.12 **Quality Service.** Lessee shall operate the Leased Premises in a first-class manner, shall furnish prompt, clean and courteous service; and shall keep the Leased Premises attractively maintained, orderly, clean, sanitary, and in an inviting condition at all times, all to Lessor's reasonable satisfaction.

6.13 **Communications Operations Restriction.** Lessee shall not install, operate, or allow the use of equipment, methodology or technology that may or would interfere with the optimum effective use or operation of Lessor's fire, emergency or other communication equipment, methodology or technology (i.e., voice or other data carrying, receiving or transmitting equipment) that is presently in use or could be in use in the future. If such interference should occur, Lessee shall immediately discontinue using such equipment, methodology or technology that causes the interference until corrective measures are taken. Any such corrective measures shall be made at no cost to Lessor.

6.14 **Prohibited Names.** Lessee shall not allow use in connection with any operations at the Leased Premises any name that directly or indirectly refers to or contains any part of Lessor's name or the Airport’s name or otherwise suggests a connection between Lessor and Lessee or Lessee's activities. Lessee shall also not use in connection with its operations at the Leased Premises any name associated with products or purveyors of any sort of alcohol, tobacco, adult entertainment or gambling related products or services.

6.15 **E-Verify Program.** Under the provisions of A.R.S. §41-4401, the Lessee warrants to the Lessor that the Lessee and all its Subcontractors will comply with all Federal Immigration laws and regulations that relate to their employees and that the Lessee and all its Subcontractors now comply with the E-Verify Program under A.R.S. §23-214(A).

A breach of this warranty by the Lessee or any of its Subcontractors will be considered a material breach of this Agreement and may subject the Lessee or Subcontractor to penalties up to and including termination of this Agreement or any subcontract.

The Lessor retains the legal right to inspect the papers of any employee of the Lessee or any Subcontractor who works on this Agreement to ensure that the Lessee or any Subcontractor is complying with the warranty given above.

The Lessor may conduct random verification of the employment records of the Lessee and any of its Subcontractors to ensure compliance with this warranty. The Lessee agrees to indemnify, defend and hold the Lessor harmless for, from and against all losses and liabilities arising from any canc all violations of these statutes.

The Lessor will not consider the Lessee or any of its Subcontractors in material breach of this Agreement if the Lessee and its Subcontractors establish that they have complied with the employment verification provisions prescribed by 8 USC §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). The "E-Verify Program" means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

The provisions of this Article must be included in any contract the Lessee enters into with any and all of its Subcontractors who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure,
building or transportation facility or improvement to real property. The Lessee will take appropriate steps to assure that all Subcontractors comply with the requirements of the E-Verify Program. The Lessee's failure to assure compliance by all its Subcontractors with the E-Verify Program may be considered a material breach of this Agreement by the City.

6.16 Compliance with Americans with Disabilities Act. Lessee acknowledges that, in accordance with the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Lessee will provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Lessee agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Lessee, its employees, agents or assigns will constitute a material breach of this Agreement.

6.17 No Preferential Treatment or Discrimination. In accordance with the provisions of Article II, Section 36 of the Arizona Constitution, the City will not grant preferential treatment or discriminate against any individual or group on the basis of race, sex, sexual identity or preference, color, ethnicity, religion or national origin.

VII. LESSOR'S CONSTRUCTION OF IMPROVEMENTS

7 Initial Construction. Lessor shall be responsible for the design, financing, and construction of the ABC Building consisting of approximately 21,000 square feet, in conformance with the requirements of Arizona Revised Statutes, Title 34, and in accordance with the description of Lessor's Work set forth in Exhibit "B", attached hereto ("Lessor's Work"). By accepting possession of the Leased Premises, Lessee shall be deemed to have accepted the Aviation Business Center Premises, the Leased Premises, and Lessor's Work in the condition delivered by Lessor, except for any express representation or warranty made by Lessor under this Article 8. Lessor represents and warrants that Lessor's Work shall be performed in a good and workmanlike manner and in compliance with all applicable laws pertaining to the performance of Lessor's Work, and that upon delivery of the Leased Premises to Lessee the utility systems serving the Leased Premises shall be in good operating condition. Except as expressly set forth in this Lease, Lessee has not relied upon any representations or warranties regarding the condition of the Leased Premises, Aviation Business Center Premises, or Airport or any other matter or thing affecting or related to the Leased Premises, Aviation Business Center Premises, or Airport.

Lessor agrees as follows with respect to the design, construction and delivery to Lessee of Lessor's Work: (a) Lessor shall submit the initial application for Lessor's Work to the City of Scottsdale ("City") Development Services Department after the full execution and delivery of this Lease; (b) upon receipt of approval from the City Development Services Department of the initial application, Lessor shall submit construction documents to the applicable City department and diligently pursue the issuance of all permits for the construction of Lessor's Work; and (c) Lessor shall use its diligent efforts to commence construction of Lessor's Work as soon as reasonably possible following receipt of all permits for the construction of Lessor's Work, and use its diligent efforts to substantially complete such construction by the end of Summer of 2018, subject to Force Majeure events beyond the control of Lessor. These events include, but are not limited to, Acts of God, riots, acts of war or terrorism, epidemics, excessive weather, changes in governmental regulations imposed after the fact, fire, communication line failures, or power failures. If Lessor is unable to substantially complete construction of Lessor's Work and deliver possession of the
Leased Premises to Lessee on or before August 31, 2018, as such date may be extended by delays incurred by Lessor in the permitting, design and construction of Lessor's Work for reasons beyond the reasonable control of Lessor, then Lessee shall have the right to terminate this Lease by written notice to Lessor at any time prior to Lessor's substantial completion of Lessor's Work and delivery of possession of the Leased Premises to Lessee; provided, however, that if Lessor substantially completes Lessor's Work and delivers possession of the Leased Premises to Lessee within twenty (20) days after Lessee's termination notice, then such termination notice shall be rendered null and void and this Lease shall remain in effect.

7.1 Lessee's Tenant Improvements. Upon delivery of possession of the Leased Premises to Lessee, Lessee shall be responsible, at Lessee's sole cost and expense for performing the installation of any additional improvements it may desire, as first approved by the Lessor in writing, and of all telecommunications and computer services necessary to render the Leased Premises suitable for Lessee's permitted use. Lessor shall be responsible for all utility development or connection fees charged in connection with the construction by Lessor of Lessor's Work.

7.2 Maintenance by Lessor. Lessor will maintain the structural integrity of the portions of the ABC Building comprising the Leased Premises (including without limitation doors, roof, main air conditioning and heating units, interior and exterior walls). Lessor is not responsible for maintenance of a routine or minor nature or of Lessee's furnishings, fixtures or improvements.

7.3 Maintenance by Lessee. Lessee is responsible for the following:

7.3.1 Janitor and all other cleaning service in the Leased Premises. Lessor reserves the right to require Lessee to increase the frequency of inspections and services based on the condition in which the leased space is kept.

7.3.2 Interior washing of all windows and interior and exterior washing of all lamps in the Leased Premises.

7.3.3 Adequate and sanitary handling and disposal of all trash, garbage and other refuse related to Lessee's use of the Leased Premises.

7.3.4 All other repairs and maintenance of the Leased Premises not specifically required to be performed by Lessor, except that if it is determined by the Lessor that the failure of any of the systems described in this Section is due to the negligence of the Lessee, the Lessee will be responsible for the costs of any such repairs.

7.4 Sanitation, Hygiene, and Cleanliness.

7.4.1 Lessee shall keep the Leased Premises, along with any service pathways used by Lessee, clean, well-maintained and free of garbage, unpleasant odors, and hazardous conditions and notify Lessor promptly of hazardous conditions in the public areas outside the Leased Premises.

7.4.2 Lessee shall provide a complete and sanitary handling of all garbage and recyclables generated as a result of operations on the Leased Premises, and shall provide for its timely removal to the central collection point provided by Lessor. At no time shall Lessee accumulate garbage or recyclables outside the Leased Premises or within passenger view.
7.4.3  **Lessor’s Fixtures and Person Property.** Lessee shall not remove, alter or
damage in any way any improvements or any personal property of Lessor upon the Leased
Premises without Lessor’s prior written approval. In all cases, Lessee will repair any damage or
other alteration to Lessor’s property to as good or better condition than existed before the damage
or alteration.

**VIII. LESSEE’S FIXTURES AND IMPROVEMENTS GENERALLY**

8  **Lessee’s Improvements Generally.** It is anticipated that most, if not all, of Lessee’s tenant
improvements will be completed as a part of Lessor’s Work. However, should Lessee require
additional improvements after substantial completion of Lessor’s Work and Lessee’s required
tenant improvements, the following provisions will govern all fixtures, improvements, repairs,
installation, removal, demolition and other construction work of any description by Lessee whether
or not specifically described in this Agreement (collectively “Lessee’s Improvements”) upon or
related to the Leased Premises:

8.1  **Lessee’s Furnishings, Fixtures and Improvements.** Lessee’s furnishings, fixtures
and improvements shall include all, furnishings, fixtures, equipment, draperies, wall treatments,
communications cabling, and decorations. Lessee’s corporate colors are acceptable as a part of
the general design of the Leased Premises. All such furnishings shall be first-class, which shall be
defined as being of the most superior or excellent grade and quality, and shall be of high quality,
safe, fire resistant, modern in design, attractive in appearance, all as approved by Lessor. Lessee
shall diligently and expeditiously pursue the installation of all approved Lessee’s furnishings,
fixtures and improvements, and shall complete installation of all of Lessee’s furnishings, fixtures
and improvements within such time frame as is authorized by the Lessor. Any and all installations
performed on the Leased Premises by Lessee shall be performed in a workman-like manner as
reasonably determined by Lessor and shall be diligently pursued to completion and in conformance
with all building codes and similar rules. All Lessee’s permanent improvements affixed to the
Leased Premises shall be and become part of the realty and the real property of Lessor “brick by
brick” as constructed. In any event, the Leased Premises must be left in as good or better
condition as it may be on the date of this Agreement, or such better condition as the Leased
Premises may hereafter be placed.

8.2  **Zoning and Similar Approval Processes.** The zoning processes, building permit
processes, and similar regulatory requirements that apply to Lessee’s Fixtures and Improvements
are completely separate from the plans approval processes under this Agreement. Lessee’s
satisfaction of any requirement of this Agreement does not count toward any compliance with any
regulatory requirement. Lessee’s satisfaction of any regulatory requirement does not count toward
compliance with any requirement of this Agreement. Lessee must make all submittals and
communications regarding the requirements of this Agreement through Lessor’s contract
administrator for this Agreement and not through planning, zoning, building safety or other staff.
Lessee is responsible to directly obtain all necessary permits and approvals from any and all
governmental or other entities having standing or jurisdiction over the Leased Premises. Lessee
bears sole responsibility to comply with all stipulations and conditions that are required in order to
secure rezoning and other approvals.

8.3  **Relationship of Plans Approval to Regulatory Processes.** Lessee’s submission of
plans under this Agreement, Lessor’s approval of plans for purposes of this Agreement, and the
plans approval process under this Agreement, are separate and independent of all development,
 zoning, design review and other regulatory or similar plans submittal and approval processes, all of
which will continue to apply in addition to the requirements of this Agreement and its approvals. BUILDING PERMITS, ZONING CLEARANCES, OR ANY OTHER GOVERNMENTAL REVIEWS OR ACTIONS DO NOT CONSTITUTE APPROVAL OF ANY PLANS FOR PURPOSES OF THIS AGREEMENT.

8.4 Contract Administrators. Lessor and Lessee will each designate a contract administrator to coordinate the respective party’s participation in designing and constructing the Lessee’s Improvements. Each contract administrator will devote such time and effort to the Lessee’s Improvements as may be necessary for timely, good faith, and convenient coordination among the parties and their representatives involved with the Lessee’s Improvements and compliance with this Agreement.

8.5 Contract Administrator. Lessee’s contract administrator is Michael Donahoe. Lessor’s contract administrator will not be exclusively assigned to this Agreement or the Lessee’s Improvements. Lessor’s initial contract administrator is Lessor’s Aviation Management Analyst. Lessor’s contract administrator’s authority with respect to the Leased Premises is limited to the administration of the requirements of this Agreement. No approval, consent or direction by Lessor’s contract administrator or other persons affiliated with Lessor inconsistent with this Agreement is binding upon Lessor. Lessee is responsible for securing all zoning approvals, development review, and other governmental approvals and for satisfying all governmental requirements pertaining to Lessee’s Improvements and will not rely on Lessor or Lessor’s contract administrator for any of the same.

8.6 Lessor’s Fixtures and Personalty. Lessee will not remove, alter or damage in any way any improvements or any personal property of Lessor upon the Leased Premises without Lessor’s prior written approval. In all cases, Lessee will repair any damage or other alteration to Lessor’s property to as good or better condition than existed before the damage or alteration.

8.7 Design Requirements. All Lessee’s Improvements will comply with the following design requirements:

8.7.1 All Lessee’s Improvements must be contained entirely within the Leased Premises and without any encroachment or dependence upon any other property.

8.7.2 All Lessee’s Improvements must be designed and made at Lessee’s sole cost and expense.

8.7.3 Lessee will perform any and all approved construction work on the Leased Premises in a workman-like manner as reasonably determined by Lessor and in conformance with all building codes and similar rules. All Lessee’s Improvements will be and become part of the realty and the real property of Lessor “brick by brick” as constructed. In any event, Lessee must leave the Leased Premises in as good or better condition as it may be on the date of this Agreement, or such better condition as the Leased Premises may subsequently be placed.

8.7.4 All work beyond that constructed by Lessor as a part of Lessor’s Work and the requirements of Article 7.1 must be done strictly at Lessee’s expense and paid for by Lessee. In no event, including without limitation termination of this Agreement for any reason, will Lessor be obligated to compensate Lessee in any manner for any of Lessee’s Improvements or other work provided by Lessee during or related to this Agreement.
8.7.5 Lessee's Improvements include improvements, equipment, fixtures, paint, decorations, lighting and other construction work as described in plans delivered by Lessee to Lessor. All plans and construction for Lessee's tenant improvements beyond that constructed by Lessor as a part of Lessor's Work and the requirements of Article 7.1 are subject to inspection and final approval by Lessor as to colors, fabrics, materials, site plan, etc., as well as design, function and appearance.

8.7.6 Lessee will make no alterations, modifications or additions to the Leased Premises without having first received the written consent of Lessor that Lessor may withhold in Lessor's sole and absolute discretion.

8.7.7 Any changes to utility facilities are strictly limited to the Leased Premises.

8.7.8 All Lessee Improvements will be designed so as to present uniformity of design, function, appearance and quality throughout and consistency with the design of the ABC Building.

8.7.9 All of Lessee's Improvements must be of high quality, safe, modern in design, and attractive in appearance, all as approved by Lessor.

8.8 Plans Required. Lessee's design of all additions or modifications to the Leased Premises requiring building permits will occur in 3 stages culminating in final working construction documents for the Lessee's Improvements (the "Final Plans"). The 3 stages are, in order of submission and in increasing order of detail, as follows:

8.8.1 Conceptual plans showing the general layout, locations, configuration, and capacities of all significant improvements, utilities, and other features significantly affecting the appearance, design, function or efficient operation of each element of the Lessee's Improvements to the Leased Premises.

8.8.2 Preliminary plans showing the floor plans of the Leased Premises, general internal building design of the Leased Premises and decoration schemes, mechanical, electrical and plumbing systems in the Leased Premises, and all other elements necessary before preparation of final working construction documents and showing compliance with all requirements of this Agreement. The preliminary plans must show all detail necessary before preparation of final plans.

8.8.3 Final working construction documents for the Lessee's Improvements (collectively the "Final Plans").

8.9 Approval Process. The following procedure will govern Lessee's submission to Lessor of all plans, including any proposed changes by Lessee of previously approved plans:

8.9.1 All plans submitted under this Agreement must show design, appearance, style, mechanical, utility, communication and electrical systems, building materials, layout, colors, views, and other information reasonably considered necessary by Lessor for a complete understanding of the work proposed, all in detail reasonably considered appropriate by Lessor for the level of plans required by this Agreement.

8.9.2 Lessee must deliver all plan submissions for non-regulatory approvals directly to Lessor's contract administrator and will clearly label the submissions to indicate that they
are submitted in accordance with this Agreement and not for building permits, zoning or other approvals. Each submittal of plans by Lessee for Lessor’s review will include 5 complete sets of the plans on paper together with 2 copies of the plans in electronic form. If required by Lessor, within 30 days after completion of any Lessee’s Improvements, Lessee will deliver to Lessor 1 copy of “as-built” plans for the Lessee’s Improvements, on paper and 2 copies in electronic form. All plans in electronic form must include vector line drawings of the improvements and any other information as this Agreement requires, all in a machine readable and manipulatable form. The format of this data and the media upon which this data is supplied must be in a reasonably common data format and media as specified from time to time by Lessor.

8.9.3 All plans must comply with all requirements of law and this Agreement. No plans will be considered approved by Lessor until Lessor’s contract administrator stamps them “APPROVED AS OF ________, 20_ ONLY FOR PURPOSES OF THE PLANS APPROVAL REQUIREMENTS OF ARTICLE EIGHT OF LEASE AGREEMENT,” and dates them (collectively “Stamped”).

8.9.4 All sheets of engineering work for Lessee’s Improvements must bear these words: “The engineer has performed this work for the benefit and reliance of the City of Scottsdale and assures the City of Scottsdale that the engineer’s work is properly performed and that it complies with any engineering requirements set out in the Lease Agreement No. 2018-015-COS.

8.9.5 Lessee acknowledges that Lessor has a substantial interest in the design, construction and operation of the Lessee’s Improvements. No construction, reconstruction, alteration or other individually or cumulatively significant work will occur upon the Leased Premises except in compliance with plans approved by Lessor in accordance with this Agreement.

8.9.6 Lessor has the right to require Lessee to submit any Lessee Improvements to the City of Scottsdale Design Review Board or any similar body for approval.

8.9.7 Lessee will coordinate with Lessor as necessary on significant design issues before preparing plans to be submitted.

8.9.8 Submission dates will be the dates as are necessary for Lessee to timely obtain the approvals required by this Agreement.

8.9.9 Within 10 days after Lessor’s receipt of plans from Lessee, Lessor will hand deliver to Lessee 1 copy of the plans submitted Stamped, or marked to indicate the changes that would be necessary in order for Lessor to approve the plans.

8.9.10 If changes are required, Lessee will revise the plans incorporating the changes requested by Lessor and will, within 5 days after Lessor returns the marked up plans to Lessee, submit to Lessor the revised plans. Within 5 days after Lessor’s receipt of the plans, Lessor will hand deliver to Lessee 1 copy of the revised plans Stamped.

8.9.11 The parties will endeavor to resolve any design and construction issues to their mutual satisfaction but, in the event of an impasse for any reason or however arising, as a condition of Lessor’s entering into this Agreement, final decision authority regarding all design and construction issues rests with Lessor.
8.9.12 Lessee will provide copies of any and all designs or plans for improvements upon the Leased Premises to Lessor for Lessor’s unrestricted use at the Leased Premises or elsewhere.

8.10 Time for Completion. Lessee will diligently and expeditiously pursue to completion the construction or installation of all approved Lessee’s improvements. Lessee will complete initial construction of the Project no later than 30-days after the commencement of this Agreement, unless such time is extended in writing by Lessor. Any future Improvements by Lessee must be done in accordance with the terms of this Agreement, must have the prior written approval of Lessor, must be completed at Lessee’s sole cost and expense, and must be completed within the time-frame authorized by Lessor. All Lessee’s permanent improvements affixed to the Leased Premises shall be and become part of the realty and the real property of Lessor “brick by brick” as constructed.

8.11 Design and Construction Professionals. All construction and plans preparation for the Lessee’s Improvements beyond those constructed by Lessor as a part of Lessor’s Work and the requirements of Article 7.1, from initial proposals through final construction documents and completion of construction or installation will be performed by licensed professionals selected and paid by Lessee. All of Lessee’s design and construction contractors must have substantial experience in timely and successfully constructing projects similar to the Project.

8.12 Construction Assurances. In addition to any other payment or performance required under this Agreement, at Lessor’s exclusive option, Lessee will, before beginning any construction work by Lessee at the Leased Premises, provide to Lessor bonds, letters of credit, or other assurances acceptable to Lessor in Lessor’s sole and absolute discretion that the contractor will properly and timely complete the work and that Lessee will pay for the work. Lessee will deliver directly to Lessor’s legal department (together with a copy to Lessor as provided for notices under this Agreement) a full and complete draft of all bonds or other assurances and all related and supporting documentation at least 30 days before the date the actual bond or assurance is required.

IX. BREACH

9 Breach by Lessee. Lessee shall comply with, perform and do each performance and thing required of Lessee herein and Lessee’s failure to do so shall be a breach by Lessee of this Agreement.

9.1 Events of Default. This entire Agreement is made upon the condition that each and every one of the following events shall be deemed an "Event of Default" and a material breach by Lessee of Lessee’s material obligations under this Agreement:

9.1.1 If Lessee shall be in arrears in the payment of Rent and shall not cure such arrearage within 10 days after Lessor has notified Lessee in writing of such arrearage.

9.1.2 If Lessee shall abandon the Leased Premises before the end of the term hereof without Lessor’s consent.

9.1.3 If Lessee shall fail to maintain the Leased Premises as required in this Agreement.
9.1.4 If Lessee shall fail to operate the facilities herein required for a period of 3 consecutive days or a total of 5 days within any calendar year without Lessor's prior written approval.

9.1.5 If any assignment of any of Lessee's property shall be made for the benefit of creditors, Lessee files a voluntary bankruptcy or is forced to file an involuntary petition in bankruptcy and such petitions are not dismissed within 30 days after filing.

9.1.6 If any representation or warranty made by Lessee in connection with this Agreement or the negotiations leading to this Agreement shall prove to have been false in any material respect when made.

9.1.7 If Lessee shall fail to observe and comply with all bidding requirements of Lessor with respect to this Agreement and with all performances promised by Lessee with respect to Lessee's bid submitted in connection therewith.

9.1.8 If Lessee shall fail to timely pay any taxes or other amounts herein required to be paid by Lessee to Lessor or to any other person.

9.1.9 If Lessee shall fail to obtain or maintain any licenses, permits, or other governmental approvals from Lessor or any other governmental body or timely pay any taxes with respect to this Agreement, the Leased Premises or Lessee's use of the Leased Premises.

9.1.10 If any environmental, health or similar inspector issues any formal notice of investigation or violation of health, environmental or similar regulations in connection with Lessee's use of the Leased Premises or determines during any two or more consecutive inspections that the same deficiency has been repeated or that the overall operation falls materially below standards for first rate well operated similar facilities in Maricopa County.

9.1.11 If Lessee shall engage in a pattern of repeated failure (or neglect) to timely do or perform or observe any provision contained herein. Three (3) or more failures to comply with any provision of this Agreement during any 12 month period constitutes a repeated failure by Lessee to comply with such provision.

9.1.12 If Lessee shall fail to or neglect to do or perform or observe any other provisions contained herein on its part to be kept or performed and such failure or neglect to do or perform or observe any of such other provisions shall continue for a period of 30 days after Lessor has notified Lessee in writing of Lessee's default hereunder.

9.2 Lessor's Remedies. Upon the occurrence of any Event of Default or at any time thereafter, Lessor may, at its option and from time to time, without further demand or notice, exercise any or all or any combination of the following remedies in any order and repetitively at Lessor's option:

9.2.1 Terminate this Agreement.

9.2.2 Enter into and upon the Leased Premises or any part thereof, and expel Lessee and those claiming by, through or under it, and remove their effects, if any, forcibly if necessary, without being deemed guilty of trespass and without prejudice to any other remedy.
9.2.3 Enforce a lien (which is hereby granted to Lessor) upon Lessee’s property now or at any time hereafter at the Leased Premises securing all of Lessee’s obligations hereunder.

9.2.4 Cause a receiver to be appointed for the Leased Premises and for the continuing operation of Lessee’s business thereon.

9.2.5 Pay or perform, for Lessee’s account and at Lessee’s expense, any or all payments or performances required hereunder to be paid or performed by Lessee.

9.2.6 Abate at Lessee’s expense any violation of this Agreement.

9.2.7 Pursue at Lessee’s expense any and all other remedies, legal or equitable, to which Lessor may be entitled.

9.2.8 Refuse without any liability to Lessee therefore to perform any obligation imposed on Lessor by this Agreement.

9.2.9 Be excused from further performance under this Agreement.

9.2.11 Notwithstanding anything in this Agreement to the contrary, unilaterally and without Lessee’s or any other person’s consent or approval, draw upon, withdraw or otherwise realize upon or obtain the value of any letter of credit, escrowed funds, insurance policies, or other deposits, sureties, bonds or other funds or security held by Lessor or pledged or otherwise obligated to Lessor by Lessee or by any third party (whether or not specifically mentioned herein) and use the proceeds for any remedy permitted by this Agreement.

9.2.12 Insist upon Lessee’s full and faithful performance under this Agreement and upon Lessee’s full and timely payment of all Rent during the entire remaining term of this Agreement, including a continuing obligation to pay the agreed Rent for the remaining term of this Agreement upon the early termination of the Lease as a result of Lessee’s default under the terms of this Agreement.

9.3 Notice of Breach. Lessee shall promptly give notice to Lessor of any event or circumstance that is (or with the passing of time or the giving of notice or both will become) an Event of Default under this Agreement.

9.4 Non-waiver. Lessee acknowledges Lessee’s unconditional obligation to comply with this Agreement. No failure by Lessor to demand any performance required of Lessee under this Agreement, and no acceptance by Lessor of any imperfect or partial performance under this Agreement, shall excuse such performance or impair in any way Lessor’s ability to insist prospectively and retroactively, upon full compliance with this Agreement. No acceptance by Lessor of Rent or other performances hereunder shall be deemed a compromise or settlement of any claim Lessor may have for additional or further payments or performances. Any waiver by Lessor of any breach of condition or covenant herein contained to be kept and performed by Lessee shall not be deemed or considered as a continuing waiver and shall not operate to bar or otherwise prevent Lessor from declaring a default for any breach or succeeding breach either of the same condition or covenant or otherwise. No statement, bill or notice by Lessor concerning
payments or other performances due hereunder shall excuse Lessee from compliance with this Agreement nor estop Lessor (or otherwise impair Lessor’s ability) to at any time correct such notice and/or insist prospectively and retroactively upon full compliance with this Agreement. No waiver of any description (including any waiver of this sentence or article) shall be effective against Lessor unless made in writing by a duly authorized representative of Lessor specifically identifying the particular provision being waived and specifically stating the scope of the waiver. LESSEE EXPRESSLY DISCLAIMS AND SHALL NOT HAVE THE RIGHT TO RELY ON ANY SUPPOSED WAIVER OR OTHER CHANGE OR MODIFICATION, WHETHER BY WORD OR CONDUCT OR OTHERWISE, NOT CONFORMING TO THIS ARTICLE.

9.5 Reimbursement of Lessor's Expenses. Lessee shall pay to Lessor upon demand any and all amounts expended or incurred by Lessor in performing Lessee's obligations.

9.6 Inspection. Lessor shall have access to the Leased Premises at all times upon reasonable prior notice (except, in the event of an emergency, without notice) for the purpose of examining, inspecting, evaluating, planning, repairing, designing, maintaining or showing the Leased Premises or exercising Lessor's other rights hereunder. Lessee shall promptly undertake appropriate action to rectify any deficiency (identified by Lessor during such inspections or otherwise) in Lessee's compliance with this Agreement. This article does not limit Lessor's other rights of access to the Leased Premises elsewhere in this Agreement or otherwise.

9.7 Default by Lessor. Notwithstanding anything in this Agreement to the contrary, in the event Lessor at any time is required to render any performance, such performance is not due until 30 days after notice by Lessee to Lessor that that the performance is due. If a cure cannot be affected during that period, Lessor shall not be in default so long as Lessor commences cure during the period and diligently prosecutes the cure to completion provided such cure must be completed within 60 days after it is due.

X. TERMINATION

10 Rights at Termination. The following provisions shall apply upon expiration or other termination of this Agreement at any time for any reason:

10.1 Surviving Obligations. Lessee's obligations existing or arising prior to or simultaneous with, or attributable to, the termination or events leading to or occurring before termination shall survive and not terminate.

10.2 Delivery of Possession. Lessee shall, without demand, peaceably and quietly quit and deliver up the Leased Premises to Lessor thoroughly cleaned, in good repair, maintained and repaired and in as good order and condition, reasonable use and wear excepted, as the same now are or in such better condition as the Leased Premises may hereafter be placed by Lessee or Lessor.

10.3 Confirmation of Termination. Lessee shall provide to Lessor, upon demand, quit claim deeds covering the Leased Premises executed by Lessee and by all persons who claim that they have received from or through Lessee any interest in or right to use the Leased Premises or any interest in Lessee's rights under this Agreement.

10.4 Fixtures and Improvements. If the same has not occurred earlier, title to any and all fixtures and structural or permanent improvements placed upon the Leased Premises by Lessee
together with all other equipment and personal property of every description attached or affixed to the Leased Premises shall automatically vest in Lessor without any payment by Lessor or any compensation to Lessee and without requirement of any deed, conveyance, or bill of sale. The preceding sentence does not apply to other personal property that is not physically attached in any way to the Leased Premises. However, if Lessor shall request any documents in confirmation thereof, Lessee shall promptly execute, acknowledge and deliver the same. Lessee shall assign and deliver to Lessor all operating manuals, warranties and similar materials pertaining to all personal property transferred to Lessor. Further, Lessee shall at its own expense, but only to the extent requested by Lessor in writing, remove and dispose of any said property and any fixtures and structural or permanent improvements placed upon the Leased Premises by Lessee and completely repair the Leased Premises to match adjacent finishes. Lessor may, in the exercise of its sole and absolute discretion, consider any Lessee property remaining on or about the Leased Premises after the time for removal, abandoned and subject to removal, storage and disposal by Lessor at Lessee’s expense and without compensation or accounting.

XI. INSURANCE

11 Insurance. During the entire term of this Agreement, Lessor shall insure the Leased Premises and all property and activities at and about the Leased Premises as follows:

11.1 Insurance Required. Prior to granting occupancy to the Leased Premises, and at all times thereafter, Lessee shall obtain and cause to be in force and effect the following insurance:

11.1.1 Commercial General Liability. Commercial general liability insurance with a limit of $1,000,000 for each occurrence and a limit of $2,000,000 general aggregate limit per policy year. The policy shall cover liability arising from Leased Premises, operations, independent contractors, products, completed operations, personal injury, bodily injury, advertising injury, and liability assumed under an “insured contract” including this Agreement. The policy shall contain a “separation of insureds” clause. The policy shall include a Fire Damage Liability limit sufficient to cover the replacement of the portions of the building in the Lessee’s care, custody, and control. The Leased Premises liability portion of the policy shall extend to the entire building Leased Premises and all ingress and egress routes used by the Lessee’s customers and all areas that are within Lessee’s operations and responsibility.

11.1.2 Automobile Liability. If any vehicle is used in the performance of the Lessee’s business or the Leased Premises that is subject to this Agreement, the Lessee must maintain Automobile liability insurance with a combined single limit of $1,000,000 for each accident covering any and all owned, hired, and non-owned vehicles assigned to or used in any way in connection with Lessee’s use of the Leased Premises. Without limitation, such insurance shall cover hazards of motor vehicle use for loading and offloading.

11.1.3 Workers’ Compensation. Such workers’ compensation and similar insurance as is required by law and employer’s liability insurance with a minimum limit of $100,000 for each accident, $100,000 disease for each employee, $500,000 policy limit for disease. All contractors and subcontractors must provide like insurance.

11.1.4 Personal Property. Lessee shall maintain special causes of loss personal property coverage, as defined by Insurance Services Office, Inc., in an amount per occurrence equal to full replacement cost of all personal property used in connection with the Leased
Premises. In addition, Lessee shall maintain special causes of loss property insurance coverage for the full replacement value of the Lessee’s betterments and improvements.

11.1.5 Other Insurance. Any other insurance Lessor may reasonably require for the protection of Lessor and Lessor’s employees, officials, representatives, officers and agents (all of whom, including Lessor, are collectively “Additional Insureds”), the Leased Premises, surrounding property, Lessee, or the activities carried on or about the Leased Premises.

11.1.6 Limit and Other Adjustments. Lessor may elect by notice to Lessee to increase the amount or type of any insurance to account for inflation, changes in risk, or any other factor that Lessor reasonably determines to affect the prudent type or amount of insurance to be provided.

11.2 Form of All Insurance. All insurance provided by Lessee with respect to the Leased Premises, whether required by this Agreement or not, and all insurance provided by third parties under this Agreement, shall meet the following requirements:

11.2.1 “Occurrence” coverage is required. “Claims made” insurance is not permitted.

11.2.2 If Lessee uses any excess insurance then such excess insurance shall be “follow form” equal to or broader in coverage than the underlying insurance.

11.2.3 Policies must also cover and insure Lessee’s activities relating to the business operations and activities conducted away from the Leased Premises.

11.2.4 Lessee must clearly show by providing copies of insurance policies, certificates, formal endorsements or other documentation acceptable to Lessor that all insurance coverage required by this Agreement is provided.

11.2.5 Lessee’s insurance shall be primary insurance.

11.2.6 All policies, including workers’ compensation, shall waive transfer rights of recovery (subrogation) against Lessor, and the other Additional Insureds.

11.2.7 No deductibles, retentions, or “self-insured” amounts shall exceed $100,000.00 in the aggregate per year, per policy. Lessee shall be solely responsible for any self-insurance amount or deductible.

11.2.8 No deductible shall be applicable to coverage provided to Lessor.

11.2.9 Lessor may require Lessee from time to time to secure payment of any deductible or self-insured retention by a surety bond or by a clean, irrevocable and unconditional letter of credit in content and form satisfactory to the city attorney’s office.

11.2.10 All policies shall contain provisions that neither Lessee’s breach of a policy requirement or warranty, nor inadvertent failure to follow claims reporting procedures, shall affect coverage provided to Lessor.
11.2.11 All policies except workers' compensation must cover Lessor and the other Additional Insureds as additional insureds. Lessee shall cause coverage for Additional Insureds to be incorporated into each insurance policy by endorsement.

11.2.12 All policies must be endorsed to provide Lessee with at least 30 days prior notice of cancellation or 10 days prior notice of cancellation for non-payment of premiums.

11.2.13 All policies shall require that notices be given to Lessor in the manner specified for notices to Lessor under this Agreement.

11.3 Insurance Certificates. Lessee shall evidence all insurance by furnishing to Lessor the Standard ACORD certificate of insurance annually and with each change in insurance coverage. The Certificate must evidence that the policy described by the certificate is in full force and effect and that the policy satisfies each requirement of this Agreement applicable to the policy. For example, the certificate must evidence that Lessor and the other Additional Insureds are additional insureds. All certificates are in addition to the actual policies and endorsements required. Lessee shall provide updated certificates at Lessor's request.

11.4 Acceptable Insurers. All insurance policies shall be issued by insurers acceptable to Lessor. At a minimum, all Insurers shall be duly licensed (or qualified non-admitted insurer) by the State of Arizona, Department of Insurance. At a minimum, all insurers shall have and maintain an A.M. Best, Inc. rating of B++/6.

11.5 Lessor's Election to Provide Insurance. Lessor is not required to carry any insurance covering or affecting the Leased Premises or use of Lessor's property related to this Agreement. Lessor may elect to acquire all or any part of the insurance required by this Agreement (with or without any other real property Lessor may own, or control) and Lessee shall pay to Lessor the costs of such insurance as reasonably determined by Lessor. Lessee shall provide all required insurance not so provided by Lessor. Any insurance or self-insurance maintained by Lessor shall not contribute to Lessee's insurance.

11.6 Insurance Proceeds. All insurance proceeds (whether actually paid before or after termination of this Agreement) shall be paid to Lessee and Lessor jointly and shall be allocated among Lessor, Lessee and other interested parties as their interests may appear.

11.7 No Representation of Coverage Adequacy. By requiring insurance herein, Lessor does not represent that coverage and limits will be adequate to protect Lessee. Lessor reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but have no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Lessee from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times.

11.8 Use of Subcontractors. If Lessee subcontracts or otherwise delegates any work or use of the Leased Premises under this Agreement, Lessee shall cause the delegatee to execute and provide to Lessor a writing executed by the delegatee containing the same indemnification clauses and insurance requirements set forth herein protecting Lessor and Lessee.

11.9 Lessee's Indemnity. In addition to all other obligations hereunder, to the fullest extent permitted by law, throughout the term of this Agreement and until all obligations and
performances under or related to this Agreement are satisfied and all matters described in this article are completely resolved, Lessee (and all other persons using, acting, working or claiming through or for Lessee or this Agreement (if they or their subcontractor, employee or other person or entity hired or directed by them participated in any way in causing the claim in question) shall jointly and severally indemnify, defend and hold harmless Lessor and all other Additional Insureds for, from and against any and all claims or harm related to the Leased Premises or this Agreement (the "Indemnity"). Without limitation, the Indemnity shall include and apply to any and all allegations, demands, judgments, assessments, taxes, impositions, expenses, proceedings, liabilities, obligations, suits, actions, claims (including without limitation claims of personal injury, bodily injury, sickness, disease, death, property damage, destruction, loss of use, financial harm, or other impairment), damages, losses, expenses, penalties, fines or other matters (together with all attorney fees, court costs, and the cost of appellate proceedings and all other costs and expenses of litigation or resolving the claim) that may arise in any manner out of any use of the Leased Premises or other property related to this Agreement or any actions, acts, errors, mistakes or omissions relating to work or services in the performance of or related to this Agreement, including without limitation any injury or damages or cause of action claimed or caused by any employees, contractors, subcontractors, tenants, subtenants, agents or other persons upon or using the Leased Premises or surrounding areas related to this Agreement, including without limitation claims, liability, harm or damages caused in part by Lessor or any other Additional Insured or anyone for whose mistakes, errors, omissions or negligence Lessee or Lessor may be liable. As a condition to Lessor's executing this Agreement, Lessee specifically agrees that to the extent any provision of this article is not fully enforceable against Lessee for any reason whatsoever, this article shall be deemed automatically reformed to the minimal extent necessary to cause it to be enforceable to the fullest extent permitted by law. The Indemnity shall also include and apply to any environmental injury, personal injury or other liability relating to Lessor's or Lessee's acquisition, lessorship or use of real property developed, operated, owned, used, controlled or possessed by Lessor or Lessee under this Agreement. This indemnity includes any claim or amount arising out of, or recovered under, the Worker's Compensation Law or statute, ordinance, rule, regulation, or court decree. It is agreed that the Lessee will be responsible for primary investigation, defense, and judgment costs where this indemnification is applicable. The Lessee agrees to waive all rights of subrogation against the City, its officers, agents, representatives, directors, officers, and employees for losses arising from the actions of the Lessee.

Notwithstanding the foregoing, the Indemnity does not apply to:

11.9.1 Claims arising only from the sole gross negligence of Lessor.

11.9.2 Claims that the law prohibits from being imposed upon the indemnitee.

11.10 Risk of Loss. Lessee assumes the risk of any and all loss, damage or claims to the Leased Premises or related to Lessee's use of the Leased Premises or other property of Lessor, Lessee or third parties throughout the term hereof. Lessee shall be responsible for any and all damage to its property and equipment related to this Agreement and shall hold harmless and indemnify Lessor and all other Additional Insureds, regardless of the cause of such damages.

11.11 Indemnities and Insurance Cumulative. Lessee's obligations to indemnify do not diminish in any way Lessee's obligations to insure; and Lessee's obligations to insure do not diminish in any way Lessee's obligations to indemnify. Lessee's obligations to indemnify and provide insurance are in addition to, and do not limit, any and all other liabilities or obligations of Lessee under or connected with this Agreement. The amount and type of insurance coverage
required by this Agreement will in no way be construed as limiting the scope of the indemnities or other requirements of this Agreement.

11.12 **Insurance to be Provided by Others.** Lessee shall cause its contractors or other persons occupying, working on or about, or using the Leased Premises pursuant to this Agreement to be covered by their own or Lessee’s insurance meeting the requirements of this Agreement. The preceding sentence does not require such persons to provide insurance that merely duplicates insurance Lessee provides.

**XII. CONDEMNATION**

12 **Condemnation.** If any part of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, and in the event that such taking or condemnation shall render the Leased Premises unsuitable for use as an office space, then the term of this Agreement shall cease and terminate as of the date of taking of possession in such proceeding and Lessee shall have no claim for the value of any unexpired term of this Agreement. In the event of such an acquisition, Lessor shall pay to Lessee separate and apart from any condemnation action an amount equal to the lesser of i) the actual original cost of Lessee’s Improvements acquired less depreciation on a straight line basis from the time of construction of Lessee’s Improvements so acquired through the remaining original term of this Agreement, or ii) if Lessor is not the condemnor, the net amount actually received by Lessor with respect to such Lessee’s Improvements. In the event of a partial taking or condemnation which is not extensive enough to render the Leased Premises unsuitable for use as an office space, Lessor shall promptly restore the Leased Premises to a condition comparable to its condition at the time of such condemnation less the portion lost in the taking, this Agreement shall continue in full force and effect, and the Base Rent (but not the Percentage Rent) shall be reduced in proportion to the gross rentable area of the Leased Premises so taken. In the event of any taking or condemnation, Lessee shall not be entitled to any part of the award, as damages or otherwise. Lessor is entitled to receive the full amount of the award or other payment and Lessee hereby waives any right thereto. Nothing in this article shall be construed to permit the abatement in whole or in part of the Percentage Rent.

**XIII. DAMAGE TO OR DESTRUCTION OF LEASED PREMISES**

13 **Damage to or Destruction of Leased Premises.** If the Leased Premises are partially damaged by fire, explosion, the elements, the public enemy, or other casualty, but not rendered untenable, and provided that such damage is not caused by the act or omission of Lessee or its officers, employees, representatives, agents or customers, any such damage shall be repaired with due diligence by Lessor at its own cost and expense, provided however, that Lessee shall, at its sole cost and expense, be responsible for repairing or replacing any tenant improvements, fixtures, furnishings, or equipment constructed or installed by Lessee beyond those tenant improvements made by Lessor pursuant to this Lease Agreement. There shall be no reduction of Rent. If such damage shall be so extensive as to render the Leased Premises untenable, but capable of being repaired in 90 days, the same shall be repaired with due diligence by Lessor at its own cost and expense, and the Rent payable herein shall be proportionately paid up to the time of such damage and thereafter cease until such time as the Leased Premises are restored. In the event the Leased Premises are completely destroyed by fire, explosion, the elements, the public enemy or other casualty; or so damaged that they will remain untenable for more than 90 days, Lessor shall be under no obligation to repair and reconstruct the Leased Premises, and Rent payable hereunder shall be proportionately paid up to the time of such damage or destruction, and shall thenceforth
cease until such time as the Leased Premises may be fully restored. If within 12 months after the
time of such damage or destruction said Leased Premises shall not have been repaired or
reconstructed, Lessee may give Lessor written notice of its intention to cancel this Agreement in its
entirety as of the date of such damage or destruction. Notwithstanding all of the foregoing
provisions, all repairs required of Lessor shall be limited to the building structure, roof and outer
walls. Repairs to finished improvements including, but not limited to, decorations, furnishings, floor
and wall coverings, fixtures and equipment, shall be accomplished by Lessee at its cost and
expense within 90 days of the completion of Lessor's restoration of the Leased Premises.

XIV. COMPLIANCE WITH LAW

14 Compliance with Law. Lessee shall perform its obligations under this Agreement in
accordance with all federal, state, county and local laws, ordinances, regulations or other rules or
policies as are now in effect or as may hereafter be adopted or amended. Without limiting in any
way the generality of the foregoing, Lessee shall comply with all and each of the following:

14.1 Applicability of Municipal Law. Without limitation, Lessee shall comply with
municipal laws as follows:

14.1.1 Lessee acknowledges that this Agreement does not constitute, and Lessor
has not promised or offered, any type of waiver of, or agreement to waive (or show any type of
forbearance, priority or favoritism to Lessee with regard to) any law, ordinance, power, regulation,
tax, assessment or other legal requirement now or hereafter imposed by the City of Scottsdale or
any other governmental body upon or affecting Lessee or the Leased Premises, or Lessee's use of
the Leased Premises.

14.1.2 All of Lessee's obligations hereunder are in addition to, and cumulative upon
(and not to any extent in substitution or satisfaction of), all existing or future laws and regulations
applicable to Lessee.

14.1.3 In the case of an ordinance or other law of the City of Scottsdale authorizing
a credit, reduction in tax or amount charged or assessed, or any other benefit as a result of
performances rendered under this Agreement, Lessee expressly waives, relinquishes and
repudiates all such benefits with respect to performances rendered under this Agreement.

14.1.4 This Agreement is not intended to diminish any performances that would be
required of Lessee by law if this Agreement had been made between Lessee and a private citizen.

14.1.5 Lessor has not relinquished or limited any right of condemnation or eminent
domain over the Leased Premises or any other property related to this Agreement.

14.1.6 This Agreement does not impair City of Scottsdale's power to enact, apply
or enforce any laws or regulations, or exercise any governmental powers affecting in any way
Lessee or the Leased Premises.

14.1.7 Lessor's rights and remedies hereunder for Lessee's failure to comply with
all applicable laws supplement and are in addition to and do not replace otherwise existing powers
of the City of Scottsdale or any other governmental body.
14.2 **Building Permits.** If applicable, Lessee shall obtain at its own expense all building or other permits in connection with all construction performed by Lessee and shall comply with all zoning, building safety, fire and similar laws and procedures of every description.

14.3 **Airport Regulations.** Lessor reserves the right to adopt, amend and enforce against Lessee rules and regulations governing the operation of the Airport, including the Leased Premises, Lessee's activities therein and thereon, and the public areas and facilities used by Lessee in connection therewith.

14.4 **Aviation Regulations.** Lessee shall comply with any and all rules, regulations, laws, ordinances, statutes or orders of the FAA and any other governmental authority, whether Federal, State, County, or Lessor, lawfully exercising authority over the Airport.

14.5 **Liability and Indemnity.** Lessee shall be liable to Lessor, and shall pay, indemnify, defend and hold harmless Lessor against, any and all claims, demands, damages, fines or penalties of any nature whatsoever which may be imposed upon Lessor, including attorneys' fees, arising from any violation of law caused directly or indirectly by act, omission, negligence, abuse or carelessness on the part of Lessee, its employees, agents, customers, visitors, suppliers, or invitees. Without limitation, the preceding sentence requires the payment by Lessee of any fines or penalties for any breach of security arising from the unauthorized entry of any of the aforementioned persons or their vehicles onto the passenger loading areas, taxiways, runways, aircraft movement areas and any other restricted portion of the Airport.

14.6 **Grant Agreement Assurances.** Lessee shall observe and comply with the following covenants and conditions:

14.6.1 No person shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises on the grounds of race, color, handicap, or national origin. No person shall be excluded on the grounds of race, color, handicap, or national origin from participation in, denied the benefits of, or otherwise be subject to discrimination in the construction of any improvements on, over, or under the Leased Premises and the furnishing of services thereon.

14.6.2 Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

14.6.3 Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchases.

14.6.4 Lessee agrees that it shall insert this article and all of the other provisions of this article titled "Grant Agreement Assurances" in any agreement, lease, contract, etc. by which Lessee grants a right or privilege to any persons, firm or corporation to render accommodations and/or services to the public on the Leased Premises together with a provision that the "Grant Agreement Assurances" shall constitute a material breach thereof, and in the event of such non-
compliance Lessor shall have the right to terminate the agreement and the estate thereby created without liability therefore. Either or both Lessor or the United States shall have the right to enforce the "Grant Agreement Assurances."

14.7 Federal Agreements. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Lessor and the United States, relative to the development, operation or maintenance of the Airport.

14.8 Construction Regulations. Lessee shall comply with the notification and review requirements covered on Part 77 of the Federal Aviation Regulations in the event any future structure or building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises.

14.9 War or National Emergency. This Agreement 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.

14.10 Affirmative Action. Lessee assures that it will undertake an affirmative action program if and as required by 14 CFR, Part 152, subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR, Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered sub-organizations provide assurances to Lessor that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as and if required by 14 CFR, Part 152, Subpart E, to the same effect.

XV. ASSIGNABILITY

15 Assignability. This Agreement is not assignable by Lessee except in strict compliance with the following:

15.1 No assignment of this Agreement will be made or effective, if at the time of assignment Lessee is in default of any of the terms of this Agreement.

15.2 No assignment of this Agreement or subleasing of the Leased Premises will be made or effective without prior written notice by the Lessee to the Lessor and prior written approval by the Aviation Director of the City of Scottsdale.

15.3 Prohibited Assignments. The following assignments are specifically prohibited:

15.3.1 Any involuntary assignment, conveyance, or transfer of the Leased Premises or any interest therein or any rights under this Agreement, in whole or in part.

15.3.2 Any voluntary or involuntary pledge, lien, mortgage, security interest, judgment, deed of trust, claim or demand, whether arising from any contract, any agreement, any work of construction, repair, restoration, maintenance or removal, or otherwise affecting the Leased Premises (collectively "Liens").
15.3.3 The use, occupation, management, control or operation of the Leased Premises or any part thereof by others not specifically agreed to in writing by the Aviation Director.

15.3.4 Any transaction (or series of related or unrelated transactions) transferring a substantial part of the corporate stock (or other evidence of ownership, as applicable) or any other direct or indirect transfer of any substantial part of the ownership, management or control of Lessee or the Leased Premises.

15.3.5 Any assignment for the benefit of creditors, voluntary or involuntary.

15.3.6 Any bankruptcy or reorganization.

15.3.7 The occurrence of any of the foregoing by operation of law.

15.4 Assignment Remedies. Any prohibited assignment shall be void and vest no rights in the assignee. Nevertheless, Lessor may, in its sole discretion and in addition to all other remedies available to Lessor under this Agreement or otherwise and in any combination, collect Rent from the assignee, sublessee or occupant and apply the net amount collected to the Rent required to be paid thereunder and/or void the assignment, all without prejudicing any other right or remedy of Lessor under this Agreement. No cure or grace periods shall apply to assignments prohibited by this Agreement or to enforcement of this Agreement against an assignee who did not receive Lessor's consent. Lessor may elect to increase Rent as a condition to consenting to an assignment.

15.5 No Waiver. No consent or collection or other action or inaction by Lessor shall be deemed a waiver of the prohibition on assignments or any other provision of this Agreement, or the acceptance of the assignee, sublessee or occupant as Lessee, or a release of Lessee from the further performance by Lessee of the provisions of this Agreement. The consent by Lessor to an assignment or subletting shall not relieve Lessee from obtaining the consent in writing of Lessor to any further assignment or sublease. Upon assigning, transferring or subletting the Leased Premises, Lessee shall not be released of any liability hereunder but shall remain fully and personally obligated under this Agreement.

15.6 Enforceability after Assignment. This Agreement shall be enforceable personally and in total against Lessee and each successor, partial or total, and regardless of the method of succession, to Lessee's interest hereunder. Each successor having actual or constructive notice of this Agreement shall be deemed to have agreed to the preceding sentence.

15.7 Grounds for Refusal. No assignments of this Agreement are contemplated or bargained for. Lessor has the absolute right for any reason or for no reason in its sole discretion to give or withhold consent to any assignment or to impose any conditions upon any assignment. Lessee shall pay to Lessor the sum of $500 for legal and administrative expenses related to any request for consent.

15.8 Form of Assignment. Any assignment shall be by agreement in form and content acceptable to Lessor. Without limitation, any assignment shall specify and require that each assignee acquiring any interest under this Agreement shall assume and be bound by, and be obligated to perform the terms and conditions of this Agreement, and that in the event Lessor terminates this Agreement because of default by Lessee, Lessor at Lessor's sole option may
succeed to the position of Lessee as to any assignee of Lessee without liability for any prior breaches or performances by persons other than Lessor.

15.9 Assignment Payment. In addition to all other Rent payable hereunder, in the event of any assignment (including, without limitation a Lien enforcement) which transfers possession of more than 30% of the interior building space of the Leased Premises or has a duration of five (5) or more years, Lessee shall pay to Lessor the amount of Two Thousand Dollars ($2,000). Lessor's contract administrator shall have authority to waive or reduce such payment in the event of an assignment to an affiliate of Lessee. Lessee shall pay to Lessor the sum of One Thousand Dollars ($1,000) as a fee for legal and administrative expenses related to creation of a Primary Lien or any assignment or request for consent to an assignment.

15.10 Lien Payment. Lessee shall pay all Liens as the same become due, and in any event before any judicial or non-judicial action or proceeding is commenced to enforce a Lien. Lessee shall pay, indemnify, defend and hold Lessor and the Leased Premises free and harmless for, from and against any and all Liens, together with all liability, costs and expenses in connection therewith, including attorney's fees. Lessor shall have the right at any time to post and maintain on the Leased Premises such notices, pay such amounts, file or record such notices, or take such other actions as Lessor may deem necessary to protect Lessor and its property interests against all Liens.

XVI. MISCELLANEOUS

16 Miscellaneous. The following additional provisions shall apply:

16.1 Amendments. This Agreement may not be amended except by a formal writing executed by the parties.

16.2 Limited Severability. In the event any term, condition, covenant, stipulation, agreement or provision herein contained is held to be invalid or unenforceable for any reason, the invalidity of such term, condition, covenant, stipulation, agreement or provision shall in no way affect any other term, condition, covenant, stipulation, agreement or provision herein contained. Further, this Agreement shall be deemed automatically reformed to secure to Lessor the legal, equitable, practical and other benefits of the provisions of this Agreement as written to the very maximum extent permitted by law.

16.3 Conflicts of Interest. No member, official or employee of Lessor shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement, that is prohibited by law.

16.4 No Partnership. This Agreement and the transactions and performances contemplated hereby shall not create any sort of partnership, joint venture or similar relationship between the parties.

16.5 Time of Essence. Time is of the essence of each and every provision of this Agreement. Any payments due on Saturday, Sunday or an Arizona legal holiday shall be due on the next succeeding day that is not a Saturday, Sunday or an Arizona legal holiday.

16.6 Non Liability of Lessor Officials and Employees. No member, official, representative or employee of Lessor shall be personally liable to any party, or to any successor in interest to any party, in the event of any default or breach by Lessor or for any performance or amount that may
become due to any party or successor or with respect to any obligation of Lessor or otherwise under the terms of this Agreement or related to this Agreement.

16.7 Notices. Except as otherwise indicated, all notices, waivers, demands, requests and other communications required or permitted by this Agreement (collectively, "Notices") shall be in writing and shall be effective only if sent by one or more of the following methods: (a) personal delivery; (b) generally recognized overnight commercial courier regularly providing proof of delivery, with delivery charges prepaid or duly charged; (c) United States registered or certified mail, return receipt requested, postage prepaid, or (d) electronic mail (email) addressed to the parties at the respective addresses set forth opposite their names below, or to any other address or addresses as any party shall designate from time to time by notice given to the other in the manner provided in this article:

If to Lessor: Scottsdale Aviation Director 15000 North Airport Drive Scottsdale, AZ 85260
City of Scottsdale 3939 Drinkwater Boulevard Scottsdale, AZ 85251 Attn: City Attorney

If to Lessee: Scottsdale West Holdings, LLC 15000 N. Airport Drive Scottsdale, AZ 85260 Attn: Michael Donahoe

Notices to Lessee may also be hand delivered to Lessee’s management office at the ABC Building. Notices given or served by personal delivery shall be deemed to have been received upon tender to the respective party. Notices given or served by mail or commercial courier shall be deemed to have been given or served as of the date of delivery (whether accepted or refused).

16.8 Funding. This article shall control notwithstanding any provision of this Agreement or any exhibit or other agreement or document related hereto. If funds necessary to fulfill Lessor’s obligations under this Agreement are not appropriated by the Scottsdale City Council, Lessor may terminate this Agreement by 30 days’ notice to Lessee. Termination in accordance with this provision shall not constitute a breach of this Agreement by Lessor. No person will be entitled to any compensation, damages or other remedy from Lessor if this Agreement is terminated pursuant to the terms of this subsection.

16.9 Article Headings. The article headings contained herein are for convenience in reference and not intended to define or limit the scope of any provision of this Agreement.

16.10 Lessor’s Right of Entry. Lessor reserves the right at all reasonable times during the Term for Lessor or Lessor’s agents to enter the Leased Premises for the purpose of inspecting and examining the same, and to show the same to actual or prospective tenants or lenders, and to make such repairs, alterations, improvements or additions as Lessor may deem necessary or desirable, and for any other purposes Lessor deems necessary. During the ninety (90) days prior to the expiration of the Term or any renewal term, Lessor may exhibit the Leased Premises to prospective tenants, and place upon the Leased Premises customary “For Lease” signs, as the
case may be, which signs Lessee shall permit to remain thereon without molestation. If Lessee shall not be personally present to open and permit entry into said Leased Premises, at any time, when for any reason an entry therein shall be necessary or permissible, Lessor or Lessor's agents may forcibly enter the same, without rendering Lessor or such agents liable therefor, and without any manner affecting the obligations and covenants of this Lease. Nothing herein contained, however, shall be deemed or construed to impose upon Lessor any obligation, responsibility or liability whatsoever for the care, maintenance or repair of the building or any part thereof, except as otherwise herein specifically provided. No exercise by Lessor of any rights under this Article 16 shall entitle Lessee to receive damages for inconvenience, disturbance, constructive eviction, loss of business or other damage to Lessee occasioned thereby, nor to any abatement of rent.

16.11 Attorneys' Fees. In the event any action or suit or proceeding is brought by Lessor to collect the Rent due or to become due hereunder or any portion hereof or to take possession of the Leased Premises or to enforce compliance with this Agreement or for failure to observe any of the covenants of this Agreement or to vindicate or exercise any of Lessor's rights or remedies hereunder, Lessee agrees to pay Lessor all costs of such action or suit and all expenses of such action or suit together with such sum as the Court may adjudge reasonable as attorneys' fees to be allowed in said suit, action or proceeding.

16.12 No Third Party Beneficiaries. Except as otherwise expressly provided, no person or entity shall be a third party beneficiary to this Agreement or shall have any right or cause of action hereunder.

16.13 Exhibits. All exhibits attached hereto are incorporated into this Agreement by this reference.

16.14 Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the Aviation Business Center Premises.

16.15 Further Assurances. Lessee agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as Lessor may reasonably require to consummate, evidence, confirm or carry out the agreement contained herein.

16.16 Construction. Whenever the context of this Agreement requires, the singular shall include the plural, and the masculine shall include the feminine. This Agreement shall be construed according to its plain meaning and neither for nor against any party hereto. Lessee acknowledges that the Rent payable hereunder was negotiated in light of the plain meaning of this Agreement and this Agreement shall therefore be interpreted according to its plain meaning and without regard to rules of interpretation, if any, which might otherwise favor Lessee.

16.17 Survival of Liability. All obligations of Lessee hereunder and all warranties and indemnities of Lessee hereunder shall survive termination of this Agreement for any reason.

16.18 Choice of Law. This Agreement shall be governed by the internal laws of the State of Arizona without regard to choice of law rules. Lessor has not waived its claims procedures as respects this Agreement. Exclusive proper venue for any action regarding this Agreement shall be Maricopa County Superior Court. City and Lessee consent to personal jurisdiction in such court. Any such action must be filed, tried and remain in this Court for any and all proceedings. For this
purpose, each party expressly and irrevocably consents to the jurisdiction and venue of this Court, and the Lessee hereby waives the right to have such action removed to Federal District Court.

16.19 Approvals and Inspections. All approvals, reviews and inspections by Lessor under this Agreement or otherwise are for Lessor's sole benefit and not for Lessee's benefit.

16.20 Statutory Cancellation Right. In addition to its other rights hereunder, Lessor shall have the cancellation rights specified in A.R.S. § 38-511.

16.21 Recording. Within 10 days after the date of this Agreement, Lessor shall cause this Agreement to be recorded in the office of the Maricopa County Recorder.

EXECUTED as of the date first given above.

LESSEE: Scottsdale West Holdings, LLC,
an Arizona limited liability company

By: __________________________
    Michael Donahoe
    Its: Manager

LESSOR: CITY OF SCOTTSDALE,
an Arizona municipal corporation

By: __________________________
    W.J. "Jim" Lane, Mayor

ATTEST:

______________________________
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

______________________________
Bruce Washburn, City Attorney
By: Sherry Scott
    Deputy City Attorney

______________________________
Gary P. Mascaro, Aviation Director

______________________________
Katie Callaway, Risk Management Director
STATE OF ARIZONA )
County of Maricopa  ) ss.

The foregoing instrument was acknowledged before me this ____ day of ____________
2018, by Michael Donahoe, ___________________________ of Scottsdale West Holdings, LLC.

______________________________
Notary Public

My Commission Expires:

______________________________

STATE OF ARIZONA )
County of Maricopa  ) ss.

The foregoing instrument was acknowledged before me this ____ day of ____________
2018, by W.J. "Jim" Lane, Mayor of the City of Scottsdale, an Arizona municipal corporation.

______________________________
Notary Public

My Commission Expires:

______________________________
Exhibit "A"
General Site Plan and Depiction of Aviation Business Center Premises
Exhibit "A1"
Aviation Business Center
First Level Floor Plan
Exhibit "B"
ABC Building
Lessor’s Work

The new Scottsdale Airport ABC Building is generally described as a two-story approximately 21,000 square foot building generally located in the area of the existing terminal building, with the main entrance oriented north towards N. Airport Drive and an address of 15000 N. Airport Drive, Scottsdale Arizona.

The Aviation Business Center is intended to serve as a hub of the Scottsdale Airport and larger airpark area. The building’s plan is formed by function and location in the Sonoran Desert, with details based on aviation themes. The materials of the ABC Building is intended to mainly consist of metal, glass and concrete in different forms. Materials are selected based on modern, progressive design, along with their connection to the overall site and the recently completed Scottsdale Airport Operations Center.

The main glass façade faces north to control heat gain and provide solar shading. Integrated shade screens provide protection from south and west exposures. The landscape is an inviting design based on hospitality and desert design to provide a welcoming and comforting experience using shade and textures with indigenous and other drought-tolerant plants.

On the landside, a welcoming public plaza connects with the other site structures as well as the larger context of the area. The public art component, with a theme tied to the significance of the Airport's history and contributions to the community is proposed to be located within the building, yet visible and accessible from the plaza. Augmenting the Airport's historic contribution to the nation, a proposed installation of a WWII Il-era Stearman bi-plane aircraft, which was the training aircraft of the U.S. military forces, is proposed to be suspended above the plaza and within the buildings shade canopy.
COMMISSION ACTION REPORT
Discussion and possible action to approve Airport Advisory Commission Annual Report

ACTIONS
Discussion and possible action to approve Airport Advisory Commission Annual Report.

PURPOSE
The City Council desires to be better informed of the actions and operations of each Board and Commission and has asked staff to prepare an annual report.


Action Taken:
Airport Advisory Commission Annual Report for 2017
Prepared by Gary P. Mascaro, Aviation Director, December 2017
Approved by the Airport Advisory Commission on _________________
Web Site Address: http://www.scottsdaleaz.gov/boards

Number of Meetings Held: 10  Public Comments: 3

Major Topics of Discussion / Action Taken:
- Approval of Aeronautical Business Permits
- Discussion of Airport Operations and Construction
- Discussion of Airport Financials
- Discussion of Public Outreach and Planning Projects
- Discussion of air traffic, navigable airspace obstruction initiative, and noise concerns
- Recommend approval of Aviation Enterprise Fund Five-Year Financial Plan and Capital Improvement Program
- Recommended approval of Construction Bid Awards – Airport Transient Apron Reconstruction Project; Taxiway A Reconstruction Project
- Recommended approval of Construction Manager at Risk (CMAR) Contract for the Terminal Area Redevelopment Project
- Recommended approval on proposed development within the airport influence area - Wolf Springs Ranch zoning amendment.
- Amend Airpark Minimum Standards adding engine overhaul services
- Support events - Run the Runway and Sky Kids
- Discussion of Self-Serve Avgas Facility

Current Member Attendance:

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<tr>
<th>Member Name, Title</th>
<th>Present</th>
<th>Absent</th>
<th>Service Dates</th>
</tr>
</thead>
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<tr>
<td>Brad Berry, Chair</td>
<td>10</td>
<td>0</td>
<td>From January to December</td>
</tr>
<tr>
<td>John Celigoy, Vice Chair</td>
<td>10</td>
<td>0</td>
<td>From January to December</td>
</tr>
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<td>Steve Ziomek, Commissioner</td>
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<td>2</td>
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<td>Bob Hobbi, Commissioner</td>
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<td>1</td>
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<td>Cory Little, Commissioner</td>
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<td>Kevin Maxwell</td>
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<tr>
<td>John Berry</td>
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<td>From January to December</td>
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<tr>
<td>Larry Bernosky</td>
<td>2</td>
<td>0</td>
<td>From October to December</td>
</tr>
</tbody>
</table>

*Commissioner Ziomek (term limit) replaced by Commissioner Larry Bernosky

Subcommittees: None

Ethics Training: Yes, January 2017

Selected Officers: Yes, January 18, 2017

Reviewed Bylaws/City Code: Yes, January 18, 2017
**Anticipated Key Issues:** None at this time.

**Future Significant Work Products:** Construction contractor award North Box Hangar Development

**Upcoming Opportunities, Challenges, or Outcomes:** None at this time.

**Additional Comments/Recommendations:** None.

Report Approved on: ________________________
INFORMATION

Aviation staff will update the Airport Advisory Commission regarding aircraft noise complaints received during the fourth quarter of 2017.

PURPOSE

Community members that wish to report their concerns pertaining to aircraft noise and overflight activity associated with Scottsdale Airport air traffic may do so anytime by calling the aircraft noise report line or by submitting their complaint(s) via the Scottsdale Airport website. Each quarter a summary report is generated to depict the number of noise complaints that were received, along with the number of people who submitted complaints and a map depicting the location of where the complaints were generated.

KEY CONSIDERATIONS

- The quarterly noise complaint summary is used to identify and evaluate trends. It is not used to change flight procedures or restrict aircraft operating activity.
- It is normal to see increases and decreases in aircraft noise complaints associated with changes in weather and seasonal conditions.
- Aviation staff will respond to noise complaints within the Airport Noise Influence Area only when there is a specific request for a callback, or if the complainant is new.

STAFF RESPONSE

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<thead>
<tr>
<th>Callbacks</th>
<th>Emails</th>
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<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Quarterly Noise Report
October 1 through December 31, 2017

**Total Complainant Summary**

- **Repeat Complainants**: 46
- **New Complainants**: 26
- **Total**: 72
- **Percent New**: 36%

This table reflects the number of complainants for "local" complaints received this quarter.

<table>
<thead>
<tr>
<th>Year-Quarter</th>
<th>Complainants (Repeat)</th>
<th>Complainants (New)</th>
<th>Total</th>
<th>Percent New</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 - Qtr 4</td>
<td>46</td>
<td>26</td>
<td>72</td>
<td>36%</td>
</tr>
</tbody>
</table>

**4th Quarter Complaint Comparison**

This table shows the total complaints received in the "local" area for this quarter along with a comparison of the same quarter the previous year.

- **2016**: 3519
- **2017**: 1668

This table reflects the number of complainants for "local" complaints received this quarter.
Aircraft Noise Complaint Map

Complaints and complainants within the Airport Influence Area

October 1, 2017 through December 31, 2017

The map below represents the Scottsdale Airport Influence Area. Each grid block indicates the total number of complaints (green - on bottom) received per square mile for the summary period, and the number of complainants or people (black - on top) who filed them. Please refer to the map legend below for other map features.
### Monthly Noise Complaint History

**Through December 31, 2017**

The following table lists monthly data on the number of complaints and complainants recorded within the “local” or Airport Influence Area (see grid on page two of this report).

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Annual Total</th>
</tr>
</thead>
<tbody>
<tr>
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INFORMATION

Review of Airport and Airpark permittees and major tenant Aeronautical Business Permit additions, cancellations, and revocations.

PURPOSE

Per the request of the Airport Advisory Commission, a report will be provided as needed indicating additions, cancellations, and revocations of Aeronautical Business Permits.

KEY CONSIDERATIONS

- Attached are the current lists of Airport and Airpark permittees.
- List provides what type of aeronautical activity the business is conducting and the contact information.
- Any additions, cancellations, suspensions, and revocations will be highlighted on the list.

Attachment(s):
1. Current Airport Permittee List by Category
2. Current Airpark Permittee List by Category
# AIRPORT AERONAUTICAL BUSINESS PERMITS & TENANTS

## JANUARY 2018

### AIRCRAFT CHARTER, SALES & MANAGEMENT

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15266070
s2 "Airport"
## AIRCRAFT MAINTENANCE & REPAIR

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## AIRCRAFT WASHING & DETAILING

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## HANGAR, SHADE & OFFICE LEASING SERVICES

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## IN-FLIGHT CATERING SERVICES

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**LEGEND:**
- Green = New Permit
- Yellow = Recently Cancelled Permit
- Orange = Suspension/Pending Revocation
- Red = Permit Revoked

**ACC** = Air Commerce Center; 14605 N. Airport Drive, Scottsdale, AZ 85260
**APK** = Various locations in Airpark
**RA** = Ross Aviation (former Landmark Aviation); 14600 N. Airport Drive, Scottsdale, AZ 85260
**RASC** = Ross Aviation South Complex; 14700 N. Airport Drive, Scottsdale, AZ 85260
**SFS** = Signature Flight Support; 15290 N. 78th Way, Scottsdale, AZ 85260
**RANC** = Ross Aviation North Complex; 15115 N. Airport Drive, Scottsdale, AZ 85260
**TOWER** = FAA Air Traffic Control Tower; 14960 N. 78th Way, Scottsdale, AZ 85260
**GRNWY** = Greenway Hangars and Shades; 15135 N. Airport Drive, Scottsdale, AZ 85260
### AIRCRAFT CHARTER, SALES & MANAGEMENT & SPECIALTY SERVICES

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### HELICOPTER RENTAL, LEASING & FLIGHT TRAINING

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### HANGAR, SHADE & OFFICE LEASING SERVICES

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<td>ICIC Commercial Investments, LLC</td>
<td>Hangar/Shade Leasing</td>
<td>Thomas Blake, Jr.</td>
<td>602-955-4777</td>
<td>602-688-8002</td>
</tr>
<tr>
<td>Jet Linx Scottsdale</td>
<td>Hangar/Shade Leasing</td>
<td>Jon Hulburd</td>
<td>866-538-5469</td>
<td>888-398-3189</td>
</tr>
<tr>
<td>Jon Veely Revocable Trust</td>
<td>Hangar/Shade Leasing</td>
<td>John Meyer</td>
<td>480-483-1985</td>
<td>480-483-1726</td>
</tr>
<tr>
<td>Larry Coffey</td>
<td>Hangar/Shade Leasing</td>
<td>Larry Coffey</td>
<td>480-607-0140</td>
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<tr>
<td>Lookout Peak, LLC</td>
<td>Hangar/Shade Leasing</td>
<td>Moshe Bar</td>
<td>480-483-8107</td>
<td>480-483-8172</td>
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<tr>
<td>Mobile Inn Associates</td>
<td>Hangar/Shade Leasing</td>
<td>Martin Dehaan</td>
<td>480-483-1985</td>
<td>480-483-1726</td>
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<tr>
<td>NDS</td>
<td>Hangar/Shade Leasing</td>
<td>John Meyer</td>
<td>480-483-1985</td>
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<tr>
<td>Pacific Marine Management</td>
<td>Hangar/Shade Leasing</td>
<td>Al Chittenden</td>
<td>360-653-4266</td>
<td>360-659-4216</td>
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<tr>
<td>Plo Properties</td>
<td>Hangar/Shade Leasing</td>
<td>Lyn Olivier</td>
<td>480-948-3789</td>
<td>480-948-3610</td>
</tr>
<tr>
<td>Ross Aviation</td>
<td>Hangar/Shade Leasing</td>
<td>Rick Wielebski</td>
<td>480-948-2400</td>
<td>480-443-7227</td>
</tr>
<tr>
<td>Scottsdale Hangar One</td>
<td>Hangar/Shade Leasing</td>
<td>Andy Shafer</td>
<td>480-624-9000</td>
<td>480-659-6051</td>
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<tr>
<td>Sky Harbor Leasing, LLC</td>
<td>Hangar/Shade Leasing</td>
<td>Reg Cooper</td>
<td>480-483-1999</td>
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<tr>
<td>Sky Peak</td>
<td>Hangar/Shade Leasing</td>
<td>Tonya Cole</td>
<td>480-483-8107</td>
<td>480-483-8172</td>
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<tr>
<td>Southest Jet Center</td>
<td>Hangar/Shade Leasing</td>
<td>Gary Daichendt</td>
<td>949-254-3027</td>
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<tr>
<td>TC Hangar 3</td>
<td>Hangar/Shade Leasing</td>
<td>Jim Keeley</td>
<td>602-254-7457</td>
<td>602-252-8236</td>
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<td>TC Hangar Giant</td>
<td>Hangar/Shade Leasing</td>
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<td>480-483-1726</td>
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<td>Bob Wallace</td>
<td>480-998-8861</td>
<td>480-998-0388</td>
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<td>Watts Investments, LLC</td>
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<td>Chris Nute</td>
<td>602-761-4571</td>
<td>302-275-3346</td>
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<td>22B Airpark</td>
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<td>480-483-1726</td>
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<td>7689, LLC</td>
<td>Hangar/Shade Leasing</td>
<td>John Meyer</td>
<td>480-289-5715</td>
<td>480-751-1559</td>
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</tbody>
</table>

**Legend:**
- Green = New Permit
- Yellow = Recently Cancelled Permit
- Orange = Suspension/Pending Revocation
- Red = Permit Revoked
INFORMATION

Airport Construction Update for January 2018.

PURPOSE

The purpose of this item is to keep the Airport Advisory Commission informed as to the status of all construction activity at the City's airport.

PROJECTS CURRENTLY UNDERWAY

<table>
<thead>
<tr>
<th>% Complete</th>
<th>Completed Work - December</th>
<th>Anticipated Work - January</th>
<th>Operational Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>Underground utilities installed, hangar walls formed and raised.</td>
<td>Underground Utilities installation – cont., building foundations completion–cont., steel erection-cont. hangar roofing and floor construction, elevator shaft construction.</td>
<td>Airport Admin staff relocated to Operations Center, U.S. Customs relocated to temporary trailer</td>
</tr>
</tbody>
</table>
### Commission Information Report
Airport Monthly Construction Report for January 2018

**Agenda Item No.: 13**

**Transient Apron Reconstruction Project – ($1,171,000)**
**November 2017 to January 2018**

<table>
<thead>
<tr>
<th>% Complete</th>
<th>Completed Work – December</th>
<th>Anticipated Work - January</th>
<th>Operational Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>97%</td>
<td>Base material cement stabilization, Import of P-209 (base material).</td>
<td>Paving/Project completion.</td>
<td>Transient apron closed except for outer taxilane.</td>
</tr>
</tbody>
</table>

### Images
1. Work in progress: Dump truck unloading materials.
2. Construction equipment: Paving machinery on the site.
3. Workers: Operations at the apron reconstruction site.
## PLANNED PROJECTS

### Taxiway “A” Reconstruction Project

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
<th>Status</th>
<th>Start Date</th>
<th>Estimated Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconstruct the southern 2/3 of taxiway A, overlay/sealcoat the northern 1/3 of taxiway, replace all taxiway A lighting and signage with L.E.D. fixtures.</td>
<td>$3,841,496.50</td>
<td>Project Mobilization/Start</td>
<td>January 22, 2018</td>
<td>August, 2018</td>
</tr>
</tbody>
</table>
INFORMATION

Airport Monthly Operations Update for November and December 2017.

PURPOSE

The purpose of this item is to keep the Airport Advisory Commission informed as to the operational status of the Airport.

<table>
<thead>
<tr>
<th>BASED AIRCRAFT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helicopter</td>
</tr>
<tr>
<td>Current Month</td>
</tr>
<tr>
<td>January 2017</td>
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</table>

<table>
<thead>
<tr>
<th>OPERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2016</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>IFR</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>ALERTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
</tr>
<tr>
<td>11/05/17</td>
</tr>
<tr>
<td>11/06/17</td>
</tr>
<tr>
<td>12/10/17</td>
</tr>
<tr>
<td>12/13/17</td>
</tr>
<tr>
<td>12/18/17</td>
</tr>
<tr>
<td>12/19/17</td>
</tr>
</tbody>
</table>
## Incidents

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/08/17</td>
<td>Fuel truck broke taxiway light at ramp edge</td>
</tr>
<tr>
<td>11/10/17</td>
<td>Small fuel leak, Ross Aviation main ramp</td>
</tr>
<tr>
<td>11/11/17</td>
<td>Tour bus hit parking canopy at Operations Center</td>
</tr>
<tr>
<td>11/11/17</td>
<td>Fuel spill, driver forgot to put gas cap back on fuel truck tank</td>
</tr>
<tr>
<td>11/12/17</td>
<td>Small fuel spill, Ross main ramp</td>
</tr>
<tr>
<td>11/15/17</td>
<td>Regulated garbage spill</td>
</tr>
<tr>
<td>11/17/17</td>
<td>Fuel spill, driver forgot to put gas cap back on fuel truck tank</td>
</tr>
<tr>
<td>11/26/17</td>
<td>Citation 560, flat main tire after landing</td>
</tr>
<tr>
<td>12/10/17</td>
<td>T-6, small fuel spill Ross main</td>
</tr>
<tr>
<td>12/18/17</td>
<td>Fuel line leak in Greenway hangar</td>
</tr>
<tr>
<td>12/27/17</td>
<td>Cessna 172, aircraft taxied into utility box on Delta ramp</td>
</tr>
</tbody>
</table>

## Enforcement Actions

<table>
<thead>
<tr>
<th>Date</th>
<th>Violation</th>
<th>Enforcement Method Used</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/04/17</td>
<td>Unauthorized vehicle driving on airpark taxilane</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/07/17</td>
<td>Vehicle not displaying vehicle/driver permit</td>
<td>N.O.V.</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/09/17</td>
<td>Conducting aircraft repair work without an Aeronautical Business Permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/09/17</td>
<td>Adding and abetting conducting work without an Aeronautical Business Permit (2)</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/10/17</td>
<td>Conducting aircraft maintenance work in an unsprinklered hangar without a maintenance permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/11/17</td>
<td>Fuel spill violation</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/13/17</td>
<td>Non-aviation items stored in hangar</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/17/17</td>
<td>Fuel spill violation</td>
<td>N.O.V.</td>
<td>2nd Violation</td>
</tr>
<tr>
<td>11/21/17</td>
<td>Failure to display company signage on vehicle</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/22/17</td>
<td>Aircraft parked on airport without filing proper paperwork with airport office</td>
<td>N.O.V.</td>
<td>2nd Violation</td>
</tr>
<tr>
<td>11/22/17</td>
<td>Aircraft parked on airport without filing proper paperwork with airport office</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/24/17</td>
<td>Aircraft parked in unauthorized location</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/27/17</td>
<td>Aircraft run-up violation</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>11/28/17</td>
<td>Aircraft in airpark without Visiting Aircraft Notice</td>
<td>N.O.V.</td>
<td>2nd Violation</td>
</tr>
<tr>
<td>11/28/17</td>
<td>Airpark access device violation</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
</tbody>
</table>
**Commission Information Report**

**Agenda Item No.: 14**

Airport Monthly Operations Update for November and December 2017

---

<table>
<thead>
<tr>
<th>Date</th>
<th>Violation</th>
<th>Enforcement Method Used</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/28/17</td>
<td>Aircraft in airpark without Visiting Aircraft Notice</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/04/17</td>
<td>Tenant performing maintenance on auto in hangar</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/04/17</td>
<td>Failure to display vehicle permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/04/17</td>
<td>Airpark access device violation</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/04/17</td>
<td>Speeding</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/04/17</td>
<td>Airpark access device violation</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/04/17</td>
<td>Failure to display vehicle permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/08/17</td>
<td>Vehicle parking violation</td>
<td>N.O.V.</td>
<td>2nd Violation</td>
</tr>
<tr>
<td>12/10/17</td>
<td>Aircraft parked in non-airworthy condition (flat tires)</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/11/17</td>
<td>Aircraft maintenance performed without an Aeronautical Business Permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/11/17</td>
<td>Non-based aircraft in Greenway hangar</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/19/17</td>
<td>Failure to display vehicle permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/20/17</td>
<td>Failure to display vehicle permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/20/17</td>
<td>Fueling aircraft in hangar</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/21/17</td>
<td>Aircraft maintenance performed without an Aeronautical Business Permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/21/17</td>
<td>Failure to display vehicle permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/21/17</td>
<td>Aircraft maintenance performed without an Aeronautical Business Permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/22/17</td>
<td>Non-based aircraft in Greenway hangar</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/22/17</td>
<td>Non-based aircraft in City shade</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/23/17</td>
<td>Failure to display vehicle permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/26/17</td>
<td>Aircraft maintenance performed without an Aeronautical Business Permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/26/17</td>
<td>Aiding and abetting aircraft maintenance performed without an Aeronautical Business Permit</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/27/17</td>
<td>Aircraft in airpark without Visiting Aircraft Notice (aircraft owner)</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
<tr>
<td>12/27/17</td>
<td>Aircraft in airpark without Visiting Aircraft Notice (hangar operator)</td>
<td>Verbal</td>
<td>1st Violation</td>
</tr>
</tbody>
</table>

---

**U.S. Customs**

<table>
<thead>
<tr>
<th><em>Revenue (FYTD)</em></th>
<th>Total Uses Month</th>
<th>Total Uses (FYTD)</th>
<th>U.S. Visit Uses (flights/current month)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>$242,125</td>
<td>113</td>
<td>416</td>
<td>10</td>
<td>27 Mexican, 2 French, 2 Norwegian, 5 Swiss, 1 British</td>
</tr>
</tbody>
</table>

---

*Note: U.S. Visit Summary:*
**Commission Information Report**

Airport Monthly Operations Update for November and December 2017

**U.S. Customs – Cont.**

<table>
<thead>
<tr>
<th><em>Revenue (FYTD)</em></th>
<th>Total Uses Month</th>
<th>Total Uses (FYTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/18 $242,125</td>
<td>DECEMBER 2017 113</td>
<td>2017/18 416</td>
</tr>
<tr>
<td>2016/17 $254,075</td>
<td>DECEMBER 2016 107</td>
<td>2016/17 445</td>
</tr>
</tbody>
</table>

*Revenue = User Fees and Overtime Fees Charged to Users
75,000 lbs. + PPR = 49 (calendar year 2017)

Attachment(s): 1. Scottsdale Airport Operations Counts 2016-17
## SCOTTSDALE AIRPORT OPERATIONS 2016-2017

### Monthly Operations 2016-2017

<table>
<thead>
<tr>
<th>Month</th>
<th>ITIN</th>
<th>LOCAL</th>
<th>IFR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-16</td>
<td>8,286</td>
<td>5,135</td>
<td>2,916</td>
<td>13,421</td>
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<tr>
<td>Jul-16</td>
<td>7,286</td>
<td>4,622</td>
<td>2,413</td>
<td>11,908</td>
</tr>
<tr>
<td>Aug-16</td>
<td>7,567</td>
<td>5,178</td>
<td>2,789</td>
<td>12,534</td>
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<tr>
<td>Sep-16</td>
<td>7,523</td>
<td>5,198</td>
<td>3,535</td>
<td>15,257</td>
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<tr>
<td>Oct-16</td>
<td>8,895</td>
<td>4,548</td>
<td>3,854</td>
<td>17,336</td>
</tr>
<tr>
<td>Nov-16</td>
<td>9,506</td>
<td>4,339</td>
<td>4,510</td>
<td>18,600</td>
</tr>
<tr>
<td>Dec-16</td>
<td>8,137</td>
<td>4,126</td>
<td>3,958</td>
<td>16,221</td>
</tr>
<tr>
<td>Jan-17</td>
<td>9,439</td>
<td>4,249</td>
<td>4,854</td>
<td>19,541</td>
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<tr>
<td>Feb-17</td>
<td>9,268</td>
<td>5,862</td>
<td>4,507</td>
<td>19,669</td>
</tr>
<tr>
<td>Mar-17</td>
<td>11,186</td>
<td>5,428</td>
<td>5,360</td>
<td>22,026</td>
</tr>
<tr>
<td>Apr-17</td>
<td>10,333</td>
<td>5,802</td>
<td>4,838</td>
<td>21,483</td>
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<tr>
<td>May-17</td>
<td>8,838</td>
<td>4,640</td>
<td>3,924</td>
<td>17,416</td>
</tr>
<tr>
<td>Jun-17</td>
<td>7,685</td>
<td>5,024</td>
<td>2,742</td>
<td>15,477</td>
</tr>
<tr>
<td>Jul-17</td>
<td>6,760</td>
<td>4,633</td>
<td>3,118</td>
<td>14,516</td>
</tr>
<tr>
<td>Aug-17</td>
<td>7,625</td>
<td>4,571</td>
<td>3,739</td>
<td>16,025</td>
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<tr>
<td>Sep-17</td>
<td>8,555</td>
<td>5,960</td>
<td>4,069</td>
<td>19,081</td>
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<tr>
<td>Oct-17</td>
<td>9,586</td>
<td>4,726</td>
<td>4,730</td>
<td>19,029</td>
</tr>
<tr>
<td>Nov-17</td>
<td>10,094</td>
<td>4,409</td>
<td>4,262</td>
<td>19,765</td>
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<tr>
<td>Dec-17</td>
<td>9,027</td>
<td>4,409</td>
<td>4,262</td>
<td>18,699</td>
</tr>
</tbody>
</table>

### 2007 TOTAL OPS

<table>
<thead>
<tr>
<th>Month</th>
<th>ITIN</th>
<th>LOCAL</th>
<th>IFR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-16</td>
<td>16,662</td>
<td>15,127</td>
<td>15,800</td>
<td>15,127</td>
</tr>
<tr>
<td>Jul-16</td>
<td>16,322</td>
<td>16,141</td>
<td>16,662</td>
<td>16,141</td>
</tr>
<tr>
<td>Aug-16</td>
<td>17,873</td>
<td>17,982</td>
<td>16,662</td>
<td>17,982</td>
</tr>
<tr>
<td>Sep-16</td>
<td>17,472</td>
<td>17,472</td>
<td>17,873</td>
<td>17,472</td>
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<tr>
<td>Oct-16</td>
<td>15,451</td>
<td>15,451</td>
<td>17,472</td>
<td>17,472</td>
</tr>
<tr>
<td>Nov-16</td>
<td>15,127</td>
<td>15,127</td>
<td>17,472</td>
<td>17,472</td>
</tr>
<tr>
<td>Dec-16</td>
<td>15,800</td>
<td>15,800</td>
<td>17,873</td>
<td>17,873</td>
</tr>
</tbody>
</table>

### Pre-Recession Comparison

<table>
<thead>
<tr>
<th>Month</th>
<th>ITIN</th>
<th>LOCAL</th>
<th>IFR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-07</td>
<td>10,132</td>
<td>5,319</td>
<td>3,651</td>
<td>18,102</td>
</tr>
<tr>
<td>Dec-17</td>
<td>9,027</td>
<td>4,409</td>
<td>4,262</td>
<td>17,700</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>ITIN</th>
<th>LOCAL</th>
<th>IFR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-07</td>
<td>10,132</td>
<td>5,319</td>
<td>3,651</td>
<td>18,102</td>
</tr>
<tr>
<td>Dec-17</td>
<td>9,027</td>
<td>4,409</td>
<td>4,262</td>
<td>17,700</td>
</tr>
</tbody>
</table>

### % Change

- **ITIN**: 10.9%
- **LOCAL**: 17.1%
- **IFR**: 16.7%
- **TOTAL**: 15.8%

## Pre-Recession Comparison

<table>
<thead>
<tr>
<th>Month</th>
<th>ITIN</th>
<th>LOCAL</th>
<th>IFR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-07</td>
<td>10,132</td>
<td>5,319</td>
<td>3,651</td>
<td>18,102</td>
</tr>
<tr>
<td>Dec-17</td>
<td>9,027</td>
<td>4,409</td>
<td>4,262</td>
<td>17,700</td>
</tr>
</tbody>
</table>

### % Change

- **ITIN**: 10.9%
- **LOCAL**: 17.1%
- **IFR**: 16.7%
- **TOTAL**: 15.8%
### COMMISSION INFORMATION REPORT

Discussion and Input Regarding Monthly Financial Reports for October 2017

**AVIATION OPERATING BUDGET**

**FISCAL YEAR 2017/18**

<table>
<thead>
<tr>
<th></th>
<th>FY 2017/18 Adopted Budget</th>
<th>FY 2017/18 Approved Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$3,914,371</td>
<td>$3,914,371</td>
</tr>
<tr>
<td>Expenses</td>
<td>$2,795,083</td>
<td>$2,824,473</td>
</tr>
<tr>
<td>Net</td>
<td>$1,119,288</td>
<td>$1,089,898</td>
</tr>
</tbody>
</table>

**FY 2017/18 Year to Date (through October 2017)**

<table>
<thead>
<tr>
<th></th>
<th>Approved Budget</th>
<th>Actual</th>
<th>Dollar Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$999,721</td>
<td>$903,560</td>
<td>-$96,161</td>
<td>-10%</td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,277,866</td>
<td>$1,043,336</td>
<td>-$234,530</td>
<td>-18%</td>
</tr>
<tr>
<td>Net</td>
<td>-$278,145</td>
<td>-$139,776</td>
<td>$138,369</td>
<td></td>
</tr>
</tbody>
</table>

**AVIATION FUND CASH BALANCE**

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>CIP Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of 10/31/17</td>
<td>$8,724,774</td>
<td>$1,484,678</td>
<td>$10,209,452</td>
</tr>
<tr>
<td>As of 10/31/16</td>
<td>$7,998,965</td>
<td>$844,352</td>
<td>$8,843,317</td>
</tr>
</tbody>
</table>

**MONTHLY REVENUE AND EXPENDITURE COMPARISON (ACTUALS)**

<table>
<thead>
<tr>
<th></th>
<th>October 2016</th>
<th>October 2017</th>
<th>% Change From Last Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$324,088</td>
<td>$310,624</td>
<td>-4%</td>
</tr>
<tr>
<td>Expenses</td>
<td>$179,410</td>
<td>$162,116</td>
<td>-10%</td>
</tr>
<tr>
<td>Net</td>
<td>$144,678</td>
<td>$148,508</td>
<td>3,830</td>
</tr>
</tbody>
</table>

**ACOUNTS RECEIVABLE AGING REPORT**

Aging Report Data current as of 10/31/2017

<table>
<thead>
<tr>
<th></th>
<th>1-30 Days</th>
<th>31-60 Days</th>
<th>61-90 Days</th>
<th>91-120 Days</th>
<th>&gt;120 Days</th>
<th>Total Amt Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Accounts</td>
<td>32,248.71</td>
<td>1,417.61</td>
<td>183.90</td>
<td>-591.41</td>
<td>-153.23</td>
<td>-536.78</td>
</tr>
</tbody>
</table>

**Fuel Flowage (@ $0.08 per gallon)**

<table>
<thead>
<tr>
<th></th>
<th>October 2016</th>
<th>October 2017</th>
<th>% Change From Last Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport JET</td>
<td>$34,412</td>
<td>$35,330</td>
<td>59.6%</td>
</tr>
<tr>
<td>Airport AVGAS</td>
<td>$2,096</td>
<td>$2,173</td>
<td>3.6%</td>
</tr>
<tr>
<td>Airpark</td>
<td>$21,261</td>
<td>$21,880</td>
<td>36.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$57,769</td>
<td>$59,383</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Fiscal YTD 2016/17</th>
<th>Fiscal YTD 2017/18</th>
<th>% Change From Last Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport JET*</td>
<td>$108,980</td>
<td>$115,576</td>
<td>57.3%</td>
</tr>
<tr>
<td>Airport AVGAS*</td>
<td>$8,489</td>
<td>$8,830</td>
<td>3.6%</td>
</tr>
<tr>
<td>Airpark</td>
<td>$72,765</td>
<td>$77,653</td>
<td>38.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$190,234</td>
<td>$202,059</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

* Extra May 2016 revenues factored out

---

**Scottsdale Airport Fuel Flowage (@ $0.08 per gallon) - Fiscal Year-to-Date**

*$108,980* *$115,576* *$8,489* **$77,653***
## Aviation Operating Budget
### FY 2017/18

<table>
<thead>
<tr>
<th></th>
<th>FY 2017/18</th>
<th></th>
<th>FY 2017/18</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adopted</td>
<td>Approved</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Revenue</td>
<td>$3,914,371</td>
<td>$3,914,371</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>$2,795,083</td>
<td>$2,824,473</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net</td>
<td>$1,119,288</td>
<td>$1,089,898</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### FY 2017/18 Year to Date (through November 2017)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017/18 Year to Date</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approved Budget</td>
<td>Actual</td>
<td>Dollar Variance</td>
<td>% Variance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$1,329,233</td>
<td>$1,253,062</td>
<td>-$76,171</td>
<td>-6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,442,703</td>
<td>$1,207,628</td>
<td>-$235,075</td>
<td>-16%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net</td>
<td>-$113,470</td>
<td>$45,434</td>
<td>$158,904</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Aviation Fund Cash Balance

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>GP Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of 11/30/17</td>
<td>$7,975,133</td>
<td>$988,809</td>
<td>$8,963,942</td>
</tr>
<tr>
<td>As of 11/30/16</td>
<td>$8,161,389</td>
<td>$567,066</td>
<td>$8,728,455</td>
</tr>
</tbody>
</table>

## Monthly Revenue and Expenditure Comparison (Actuals)

<table>
<thead>
<tr>
<th></th>
<th>November 2016</th>
<th>November 2017</th>
<th>Dollar Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$403,710</td>
<td>$349,502</td>
<td>-$54,208</td>
<td>-13%</td>
</tr>
<tr>
<td>Expenses</td>
<td>$151,732</td>
<td>$164,292</td>
<td>$12,560</td>
<td>8%</td>
</tr>
<tr>
<td>Net</td>
<td>$251,978</td>
<td>$185,210</td>
<td>-$66,768</td>
<td></td>
</tr>
</tbody>
</table>

## Accounts Receivable Aging Report

**Aging Report Data current as of 11/30/2017**

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>1-30 Days</th>
<th>31-60 Days</th>
<th>61-90 Days</th>
<th>91-120 Days</th>
<th>&gt;120 Days</th>
<th>Total Amt Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Accounts</td>
<td>$60,350.72</td>
<td>$16,209.71</td>
<td>-52.11</td>
<td>35.76</td>
<td>-227.81</td>
<td>75,871.50</td>
<td></td>
</tr>
</tbody>
</table>

## Fuel Flowage (@ $0.08 per gallon)

### Fiscal YTD 2016/17

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Gallons</th>
<th>% Total</th>
<th>Revenue</th>
<th>Gallons</th>
<th>% Total</th>
<th>% Change From Last Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport JET</td>
<td>$44,852</td>
<td>56,650</td>
<td>64.5%</td>
<td>$47,880</td>
<td>59,500</td>
<td>66.1%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Airport AVGAS</td>
<td>$2,646</td>
<td>33,075</td>
<td>3.8%</td>
<td>$2,572</td>
<td>32,150</td>
<td>3.6%</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Airpark</td>
<td>$22,024</td>
<td>275,300</td>
<td>31.7%</td>
<td>$21,931</td>
<td>274,138</td>
<td>30.3%</td>
<td>-0.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$69,522</td>
<td>869,025</td>
<td>100.0%</td>
<td>$72,383</td>
<td>904,788</td>
<td>100.0%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

### Fiscal YTD 2017/18

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Gallons</th>
<th>% Total</th>
<th>Revenue</th>
<th>Gallons</th>
<th>% Total</th>
<th>% Change From Last Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport JET</td>
<td>$153,832</td>
<td>1,922,900</td>
<td>59.2%</td>
<td>$163,456</td>
<td>2,043,200</td>
<td>59.6%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Airport AVGAS</td>
<td>$11,135</td>
<td>139,188</td>
<td>4.3%</td>
<td>$11,402</td>
<td>142,525</td>
<td>4.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Airpark</td>
<td>$94,789</td>
<td>1,184,863</td>
<td>36.5%</td>
<td>$99,584</td>
<td>1,244,800</td>
<td>36.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$259,756</td>
<td>3,246,950</td>
<td>100.0%</td>
<td>$274,442</td>
<td>3,430,525</td>
<td>100.0%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>

*Extra May 2016 revenues factored out.*

### Scottsdale Airport Fuel Flowage (@ $0.08 per gallon) - Fiscal Year-to-Date

- **Fiscal YTD 2017/18**
- **Fiscal YTD 2016/17**

---

**Agenda Item No.: 15**

**Meeting Date:** 01/17/18

**Staff Contact:** Carmen Williams, Management Analyst

**Phone:** (480) 312-8475
**INFORMATION**

Monthly update of the marketing, community, planning, and pilot outreach programs at Scottsdale Airport.

**PURPOSE**

The purpose of this item is to keep the Airport Advisory Commission informed of the airport’s marketing, outreach, and planning projects efforts.

### FAA Flight Path Changes

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Purpose</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Next Gen / Phoenix Metroplex</td>
<td>The FAA and the City of Phoenix have entered into a settlement on the litigation about flight path changes at Sky Harbor; FAA press release lays out a two-step process that involves future public outreach meetings.</td>
<td>In progress</td>
</tr>
</tbody>
</table>

### Marketing Program

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Purpose</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Media and Social Media</td>
<td>The Construction Equipment Guide publication published an in-depth article on the terminal area redevelopment project; CBS 5 did a video interview onsite for the terminal area redevelopment project.</td>
<td>Completed</td>
</tr>
<tr>
<td>2</td>
<td>List serves</td>
<td>Sent list serves on box hangars project and holiday message; also sending construction updates on terminal redevelopment project as well as Taxiway “A” project.</td>
<td>As needed</td>
</tr>
<tr>
<td>3</td>
<td>Tradeshows</td>
<td>Scheduled to exhibit at the NBAA Schedulers and Dispatchers convention in Long Beach this February.</td>
<td>In progress</td>
</tr>
</tbody>
</table>

### Community Outreach

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Purpose</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brochures, flyers, other print materials &amp; videos</td>
<td>Launched a short video of the construction of the executive hangars.</td>
<td>Completed</td>
</tr>
<tr>
<td>2</td>
<td>Realtor/ Homeowner Assoc. Outreach</td>
<td>Will update commission on any presentations to realtors or associations.</td>
<td>As needed</td>
</tr>
</tbody>
</table>
### Planning Projects

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Purpose</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Monitor property development through the Planning Department</td>
<td>Working with the Planning Department to protect the airspace and development uses near Scottsdale Airport. There were six projects in November and three in December listed in the Planning and Zoning reports.</td>
<td>In progress</td>
</tr>
</tbody>
</table>

### Pilot Outreach

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Purpose</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pilot Briefing &amp; Outreach</td>
<td>The next Pilot’s Briefing has not been scheduled at this time.</td>
<td>In progress</td>
</tr>
<tr>
<td>2</td>
<td>Voluntary Curfew Outreach (10:00 p.m. – 6:00 a.m.)</td>
<td>The Voluntary Curfew Program is designed to respond to a complaint received for an operation between 10 p.m. and 6 a.m. If a flight can be confirmed, a letter is sent out to the operator to ask them for their cooperation in flying outside these hours when possible. There were 14 voluntary curfew letters for November and seven for December.</td>
<td>As needed</td>
</tr>
</tbody>
</table>
INFORMATION

Discussion regarding status of the Airport Advisory Commission’s items to City Council, and aviation-related items approved by Planning Commission, Design Review Board, or City Council.

Attachment(s): 1. Airport Advisory Commission Items to City Council
   2. Aviation-related items to Planning Commission, Design Review Board, or City Council
   3. City Council Meeting Calendar
## Airport Advisory Commission Aviation Items to City Council 2018

<table>
<thead>
<tr>
<th>AIRPORT COMMISSION DATE</th>
<th>APPROVED</th>
<th>ITEM DESCRIPTION</th>
<th>CITY COUNCIL DATE</th>
<th>APPROVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/18/17</td>
<td>7-0</td>
<td>Adopt Resolution No. 10915 authorizing the city manager, or designee, to accept federal and state airport development grants for the airport’s capital improvement projects.</td>
<td>11/13/17</td>
<td>Approved on consent</td>
</tr>
<tr>
<td>01/17/18</td>
<td>?</td>
<td>Discussion and possible action to recommend adoption of Resolution No. 11011 authorizing lease agreement No. 2016-028-COS-A1 Amendment No. 1 with Gemini Air Group, Inc. for the lease of two hangar facilities located at the Scottsdale Airport</td>
<td>02/20/18</td>
<td>?</td>
</tr>
<tr>
<td>01/17/18</td>
<td>?</td>
<td>Discussion and possible action to recommend adoption of Resolution No. 11006 authorizing lease agreement No. 2018-015-COS with Volanti Restaurant and Lounge, LLC for the lease of restaurant and office space located at the future Aviation Business Center at Scottsdale Airport</td>
<td>02/20/18</td>
<td>?</td>
</tr>
<tr>
<td>01/17/18</td>
<td>?</td>
<td>Discussion and Possible Action to Recommend Adoption of Resolution No. 11012, Contract No. 2018-020-COS with Scottsdale West Holdings, LLC for the lease of office space in the future Aviation Business Center at Scottsdale Airport</td>
<td>02/20/18</td>
<td>?</td>
</tr>
</tbody>
</table>
## AVIATION-RELATED ITEMS TO PLANNING COMMISSION, DESIGN REVIEW BOARD OR CITY COUNCIL
(Projects that may be on airport, have taxi lane access, have height implications, or have sensitive noise uses)

<table>
<thead>
<tr>
<th>AIRPORT COMMISSION DATE</th>
<th>APPROVED</th>
<th>ITEM DESCRIPTION</th>
<th>PLANNING, DRB, OR CITY COUNCIL AGENDA DATE</th>
<th>APPROVED</th>
</tr>
</thead>
</table>
| N/A                     | N/A      | Aire Lane remodel & new hangars  
Remodel existing office building exterior with new parking lot & landscaping (Staff Approval) and construct 3 new hangars of approximately 18,700 sf. Located at 7345 E. Acoma. 361-PA-2017. | ? | ? |
| ?                       | ?        | St. Patrick’s Catholic Church  
Request by owner for approval of a site plan, landscape plan, and building elevations for a Master Plan expansion, including an activity center and additional parking, for an existing church on a +/- 10.38-acre site with single-family residential district (R1-35) zoning, located at 10815 N. 84th St. | ? | ? |
| 01/17/2018              | ?        | Crossroads East Planned Community  
Request by owner for a zoning district map amendment to revise the Crossroads East Planned Community (P-C) District Development Plan, including but not limited to, addition of the Planned Airpark Core (PCP) district to the list of P-C comparable zoning districts, amendments to the Land Use Budget, replacement of outdated zoning districts with current zoning districts, increasing number of Planning Units and amendments to development standards for a +/- 1,000-acre site located east of Scottsdale Road on the north and south sides of the Loop 101 freeway. 19-ZN-2002#6 | ? | ? |
| ?                       | ?        | La Via (CrackerJax site)  
Request by owner for approval of a Zoning District Map Amendment from General Commercial (C-4) to Planned Airpark Core Development –Airpark Mixed Use – Residential with a Planned Shared Development overlay (PCP AMU-R PSD) on 28+/ | ? | ? |
| N/A | N/A | **Airpark Garage Condos**
Request by owner for approval of a site plan, landscape plan, and building elevations for a new garage condominium (storage) development on a +/- 1.2-acre site with Industrial Park (I-1) zoning, located at 15032 N. 74th Street. 46-DR-2017 |
| N/A | N/A | **Wolff Legacy**
Request by owner for a Zoning District Map Amendment from Central Business, Environmentally Sensitive Lands (C-2 ESL) and Industrial Park Environmentally Sensitive Lands (I-1, ESL), zoning to Commercial Office, Environmentally Sensitive Lands (C-O ESL) zoning on a +/- 14-acre site located on the northwest corner of E. Legacy Blvd and N. Pima Rd. for senior living community. 23-ZN-2017 |
| N/A | N/A | **Stamper Hangar**
Request by owner for approval of a site plan, landscape plan, and building elevations for a new airport hangar development on a +/- 1.2-acre site with Industrial Park (I-1) zoning, located at 16061 N. 81st Street. 49-DR-2017 |
# 2018 City Council Meeting Calendar and Agenda Review Meeting Schedule

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**Key**
- Council Meetings
- Optional Additional Mtg and/or Study Session
- General Plan
- Events
- City of Scottsdale Holidays
- Election
- No meetings will be scheduled
- Strategic Planning Workshop - TBD
- Agenda Review Staff Meeting

**Events**
- Jan: 09 - MLK Dinner
- 30 - Waste Management Phoenix Open Party
- 31 - State of the City Address
- Mar: 11-14 - NLC Conference
- Apr: 13-Optional Meeting Date for Regular and GP items, if needed
- May: 22 - Tentative Budget Adoption
- June: 12 - Final Budget Adoption
- Aug: 21-24 - AZ League Conference
- 28 - Primary Election
- Sept: 6 - General Election
- 7-10 - NLC Conference
- Oct: 11-12 Major General Plan Amendments and Reg Council Mtgs
- 13-Optional Meeting Date for Regular and GP items, if needed
- Updated: 9/22/2017
ACTIONS

Review Airport Advisory Commission meeting schedule.

PURPOSE

Pursuant to By-Laws of the Scottsdale Airport Advisory Commission, Section 202, “Regular meetings of the Commission shall be held on the third Wednesday of each month immediately following the study session, unless otherwise scheduled by majority vote of its members. In the event the Commission desires not to hold the preceding study session, the regular meeting shall begin at 6:00 p.m., unless otherwise scheduled by majority vote of its members.”

Attachment(s): 1. Airport Advisory Commission meeting schedule.

Action taken: 
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- Election of Officers
- By-Laws Review
- Quarterly Noise Program Update

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- Quarterly Noise Program Update
- Risk Management Insurance Update
- Chamber Update

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- Quarterly Noise Program Update
- Experience Scottsdale Update

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- Quarterly Noise Program Update
- AZ Business Aviation Assn. Update
- Chamber Update

- Aviation Enterprise Fund Five-Year Financial Plan

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