

## Phoenix-Mesa Gateway Airport Authority

# BOARD MEETING AGENDA

5835 S. Sossaman Road ♦ Mesa, Arizona 85212

**Monday, October 19, 2009 ♦ 9:00 a.m.**

1. **Call to Order: Phoenix-Mesa Gateway Airport Authority – Mayor Art Sanders, Chair**
2. **Awards, Guest Introductions, and Announcements**
3. **Comments From the Public:** *(Members of the public may comment on any item of interest. Arizona Open Meeting law does not permit the Board to discuss items not specifically on the agenda.)*
4. **Progress Reports:**
  - a) **ASU Polytechnic – Dr. Keith Hjelmstad, Vice President & Dean, College of Technology & Innovation**
  - b) **Chandler-Gilbert Community College – John Schroeder, Provost**
5. **Review of Monthly Staff Reports and Updates on: Staffing ♦ Construction ♦ Commercial Service ♦ Finance ♦ \$8.9 Million FAA Grant ♦ USGS/WorldWide Ground Handling – Lynn Kusy, Executive Director**
6. **Consent Agenda - Consideration and Possible Approval of:**
  - Tab A- Minutes** of Board Meeting held on September 14, 2009.
  - Tab B- Resolution No. 09-39 – Authorizing a Custodial Contract with ISS Facility Services** Commencing November 1, 2009 in the Amount of \$43,154.
  - Tab C- Resolution No. 09-40 – Authorizing a Three-Year Concession Lease Agreement with National Vending, LLC** to Operate a Concession in the Airport Passenger Terminal beginning November 1, 2009 and Payable Monthly at the Greater of \$363 or 20 Percent of Gross Revenues.
  - Tab D - Resolution No. 09-44 – Authorizing Willis of Arizona, Inc.,** to Purchase Insurance from Various Vendors for Plan Year January 1 through December 31, 2010, at an Estimated Annual Cost of \$899,011.
7. **Public Hearing –** Receive Public Comments on the Proposed Issuance and Sale of the Authority's Special Facility Revenue Bond (Embraer Project) Series 2009, in the Aggregate Principal Amount of Not to Exceed \$6,460,000 to Reimburse Embraer Aircraft Holding, Inc. for a Portion of the Costs and Planning, Designing, Constructing, and Equipping an Authority-owned Aircraft Maintenance and Repair Facility at the Airport in Mesa, Arizona Operated by Embraer Executive Jet Services, LLC.
8. **Resolution No. 09-43 –** Consider, and if Deemed Advisable, Adopt a Resolution Authorizing the Issuance and Sale of the Airport's **Special Facility Revenue Bond (Embraer Project), Series 2009** in the Aggregate Principal Amount of Not to Exceed \$6,460,000 to Reimburse Embraer Aircraft Holding, Inc. for a Portion of the Costs of Planning, Designing, Constructing, and Equipping an Authority-owned Aircraft Maintenance and Repair Facility at the Airport in Mesa, Arizona Operated by Embraer Executive Jet Services, LLC.

9. **Resolution No. 09-42** – Authorizing a One-Year Contract with **Ampco System Parking** for Parking Lot Management and Shuttle Services Effective November 1, 2009 at an Estimated Cost of \$60,000.
10. **Resolution No. 09-45** - Authorizing a Contract to Purchase Remote Parking Lot Security Fencing from **Empire Fence** for an Amount Not to Exceed \$41,753.77.
11. **Resolution No. 09-48** – Approving Authorization of Services No. 1001 with **Kimley-Horn and Associates, Inc.** for Engineering Design and Administrative Services for the Apron Expansion Phase III at a Total Cost Not to Exceed \$168,826.
12. **Board Member Comments / Announcements**
13. **Next Meeting:** Monday, November 16, 2009 – 9:00 am
14. **Adjourn**

Pursuant to ARS 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and the general public that the Airport Authority will hold a meeting open to the public on Monday, October 19, 2009 at 9:00 am. One or more members of the Board may attend meeting by electronic means ♦ Agenda posted at [www.phxmesagateway.org](http://www.phxmesagateway.org)



**MINUTES OF THE  
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**

**BOARD MEETING**

**September 14, 2009**

**AIRPORT AUTHORITY BOARD MEMBERS**

Mayor Art Sanders, Queen Creek  
Councilwoman Thelda Williams, Phoenix (*via telephone*)  
Mayor John Lewis, Gilbert  
Lt. Governor Joseph Manuel, Gila River Indian Community  
Councilmember Dina Higgins, Mesa

**GUESTS PRESENT**

Matt Busby, City of Apache Junction	Sandra Kukla, DWL Architects
Jeffrey Carr, Air Force Research Lab	Johannes Kurz, Gateway Ambassador
Brian Davis, Allegiant Air	Scot Rigby, City of Mesa
Jenny DiGiro, Embraer	Christopher Schmaltz, Gust Rosenfeld
Tamie Fisher, Phoenix Aviation	John Schroeder, Chandler-Gilbert Community College
Ken Halverson, KMH Holdings	Councilmember John Sentz, Town of Gilbert
Gary Hodorski, Gateway Ambassador	Art Thomason, Arizona Republic
Jeff Keating, Allegiant Air	Bruce Tinsley, Access & Egress
Larry Kieser, Mesa Police Department	Pat Van Deursen, Gateway Ambassador

**AIRPORT STAFF PRESENT**

Casey Denny, Deputy Director  
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors  
Lynn Kusy, Executive Director  
Taryn O'Donnal, Executive Assistant  
Dennis Orr, Environmental & Archeological Coordinator

**CALL TO ORDER**

The meeting was called to order by Chair Sanders at 9:00 a.m.

## **AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS**

- Mayor Sanders welcomed Mesa Councilmember Dina Higgins, representing Mayor Scott Smith.
- Mesa Police Operations Manager Larry Kieser introduced Commander Doug Kline who will be taking over the responsibility of police operations at Gateway and Falcon Field.
- Airport Executive Director Lynn Kusy welcomed Councilmember John Sentz from Gilbert and new Airport employee Taryn O'Donnal, Executive Assistant in Operations & Maintenance.
- Mr. Kusy presented a 10-year service award to Dennis Orr, Environmental & Archeological Coordinator.  
Mr. Kusy also presented three Gateway Ambassadors with certificates for completing a Certified Tourism Ambassador program. There are 26 members in the Gateway Ambassador program.

## **COMMENTS FROM THE PUBLIC**

There were no comments from the public.

## **PROGRESS REPORTS**

- ASU Polytechnic – *no report*
- Chandler-Gilbert Community College (CGCC) – Mr. John Schroeder reported that CGCC enrollment is estimated to increase more than 25 percent next semester. Staff is working on some new programs which will be announced soon.

## **EXECUTIVE DIRECTOR'S REPORT - Review of Monthly Staff Reports – Updates on: Construction ♦ Commercial Service ♦ Finance ♦ Economic Stimulus Program - Lynn Kusy, Executive Director**

Mr. Kusy provided highlights from the monthly staff report as follows:

- Groundbreaking ceremony for Fire Station 215 was held. The project should be complete next summer.
- AzAA is hosting its fall conference in Mesa in October. Casey Denny serves as vice president of AzAA this year.
- Parking occupancy peaked on July 4 with 100 percent of the spaces filled. An additional 209 spaces were needed. July's parking revenue totaled \$117,000. Airport staff is planning another 1,600 spaces to accommodate fall holiday parking.
- July numbers: 1.) enplanements: 25,043. 2) total passengers: 49,287. 3) load factor: 90.3 percent.
- Allegiant Air announced four new destinations: Grand Island, NE; Grand Rapids, MI; Grand Forks ND; and Pasco, WA. Nineteen destinations are now served by Allegiant out of Mesa.
- An Antonov freighter is at Gateway all week.
- Each Board member received a draft FY 2009 year-end report. Highlights of the report include: Allegiant handled 462,000 passengers, staff finished a 10,000-square-foot passenger terminal annex, *We Need You* campaign now exceeds 10,000 entries, staff hosted a 15-year anniversary luncheon and an open house event, took delivery on a new ARFF vehicle, received our eleventh consecutive perfect FAA safety inspection and an Airport Safety

Award, delivered 9.9 million gallons (up 19 percent over FY 2008), and opened three aviation aircraft service centers. Mr. Kusy noted that the final report will be available in the next few weeks.

Councilwoman Williams stated, "I am proud of the good work staff is doing."

**CONSENT AGENDA - Consideration and Possible Approval of:**

**Tab A- Minutes** of Board Meeting held on July 27, 2009.

**Tab B- Resolution No. 09-31** – Authorizing a Five Year Intergovernmental Agreement with **City of Mesa** for Dedicated Law Enforcement Services Retroactive to July 1, 2009 for a Five-Year Period Ending June 30, 2014. Total cost for FY 2010 is \$334,540.

**Tab C- Resolution No. 09-35** – Authorizing Payment of \$65,586.88 to **Qwest** for Design and Construction Necessary to Relocate Existing Telecommunications Cable for the West Terminal Expansion Project.

**Tab D- Resolution No. 09-36** – Authorizing Payment Not to Exceed \$60,000 to **Salt River Project** for Design and Construction Necessary to Install Power Cables and Transformers for the West Terminal Expansion Project.

**Councilwoman Williams moved to approve the Consent Agenda. Mayor Lewis seconded the motion. The motion carried unanimously.**

**CONSIDERATION AND POSSIBLE APPROVAL OF**

**Resolution No. 09-37** – Approving Authorization of Services No. 1003 with **Dibble Engineering** for Design and Bid-Phase Services of Taxiway Papa Reconstruction at a Cost Not to Exceed \$164,432.14.

Mr. Kusy pointed out the location of Taxiway Papa for the Board. He noted that this taxiway is in dire need of reconstruction. Deputy Director Casey Denny added that all Airport pavement goes through a quality evaluation, and several on the airfield are scheduled for reconstruction. We have funding from FAA to do the design work for Taxiway Papa now.

**Councilwoman Williams moved to approve Resolution No. 09-37. Mayor Lewis seconded the motion. The motion carried unanimously.**

**Resolution No. 09-38** – Approving Authorization of Services No. 1002 with **DWL Architects** for Construction Administration Services for the West Terminal Construction Project at a Cost Not to Exceed \$622,891.47.

Mr. Kusy reported that this resolution is for a construction contract for a 25,000-square-foot west terminal expansion. Mr. Denny added that this project is pending receipt of a FAA funds. Staff anticipates funding, and will not execute the contract until funds are received.

**Councilwoman Williams moved to approve Resolution No. 09-38. Lt. Governor Manuel seconded the motion. The motion carried unanimously.**

## **BOARD MEMBER COMMENTS**

Mayor Lewis commented on the Airport's 12<sup>th</sup> consecutive perfect safety rating. He said, "...it doesn't get any better than that."

Mayor Sanders expressed his appreciation for the media and guests who attended today's meeting. He also thanked all Airport staff for their hard work.

Mr. Kusy introduced Brian Davis and Jeff Keating from Allegiant Air. Mr. Davis stated that he enjoyed the relationship with Gateway and that they are here today to talk about continued expansion and growth.

## **NEXT MEETING**

Monday, October 19, 2009 – 9:00 am

## **ADJOURN**

The Board adjourned the meeting at 9:18 am.



**Phoenix-Mesa Gateway Airport**

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## Action Item

**RESOLUTION NO. 09-39**

**To: Board of Directors**  
**From: Bill Mitchell, Director, Operations and Maintenance**  
**Through: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Custodial Contract – ISS Facility Services**  
**Date: October 19, 2009**

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**Proposed Motion:**

**Approve Resolution No. 09-39 authorizing a custodial contract in the amount of \$43,154 with ISS Facility Services commencing November 1, 2009.**

**Narrative**

A primary function of the Operations and Maintenance Division is to ensure Airport facilities provide a safe, clean and healthy environment for passengers, visitors, tenants and staff. This contract covers custodial services for six Airport facilities including the Charles L. Williams Passenger Terminal and the General Aviation Center.

Request for Proposal No. 2009-012 for Custodial Services, was issued on July 28, 2009 and advertised in the East Valley Tribune on July 2, August 1, 5, and 8; the Arizona Business Gazette on July 30; and on the Airport Web site from July 29 thru August 26. Eight proposals were received by the August 26 due date. Staff reviewed the proposals and selected three vendors for follow-up interviews.

**Company Name**

1. ISS Facility Services
2. Upright Commercial Janitorial
3. The Facility Group

ISS Facility Services, founded in 1901, has over 16,000 employees responsible for the daily cleaning of 400 million square feet. Additionally, ISS Facility Services has a strong track record providing custodial services for aviation facilities including US Airways Flight Center, Denver International Airport, and Orlando International Airport.

The proposal from ISS Facility Services met or exceeded the detailed requirements and ranked first in the evaluation criteria, which included a pricing component. This contract is for eight months with annual options to renew for up to an additional four years.

This contract is budgeted and funded in the FY10 operating budget under Contractual Services Janitorial.

Attachment



PhxMesa **Gateway** Airport

**RESOLUTION NO. 09-39**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to contract for custodial services;

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

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizes a custodial contract in the amount of \$43,154 with ISS Facility Services commencing November 1, 2009. This Resolution also authorizes the Chair or Executive Director to execute such contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 19<sup>th</sup> day of October 2009.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY

## Action Item

## RESOLUTION NO. 09-40

**To:** Board of Directors  
**From:** John Barry, Manager, Business Development  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
**Through:** Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Terminal Concession Lease Agreement – National Vending, LLC  
**Date:** October 19, 2009

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### Proposed Motion:

Approve Resolution No. 09-40 authorizing a terminal concession lease agreement with National Vending, LLC to operate a *Gateway Central* vending concession within the Airport passenger terminal's pre-security areas. The agreement term is three years, effective November 1, 2009, and payable monthly at the greater of the initial rental rate of \$363 or 20 percent of gross revenues.

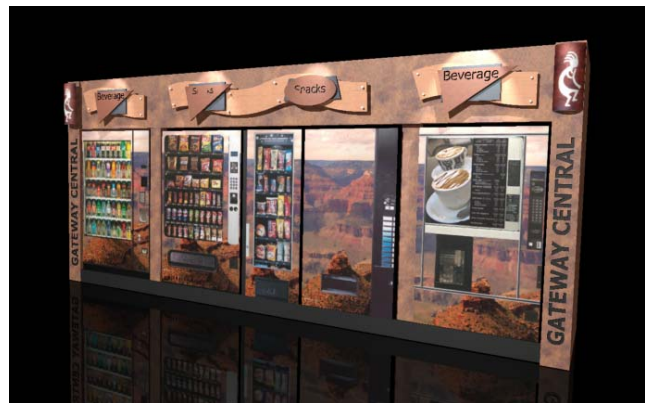
### Narrative:

Proposals for this concession and others within the passenger terminal were competitively advertised in February 2009. An evaluation team comprised of Airport staff evaluated all proposals and selected National Vending, LLC to operate the pre-security vending concession within the Airport passenger terminal.

### Agreement Term and Rate:

This agreement has a term of three years and offers two mutual renewal options for two years each.

Space rental is based upon a minimum annual guarantee formula that requires monthly payments equal to the greater of the initial rent minimum of \$363 or 20 percent of gross revenues. Annually thereafter, this rent minimum will equal the greater of the previous year's minimum or 85 percent of actual payments made.



National Vending will invest approximately \$12,000 to create the space reflected in this rendering and commence business operations no later than November 15, 2009. If the agreement is renewed, National Vending will invest an additional \$2,500 to refresh and update the space's appearance. A performance guarantee in the amount of \$726 is also due and payable on or before the agreement effective date of November 1, 2009.

Attachment: Terminal Concession Lease Agreement



PhxMesa **Gateway** Airport

**RESOLUTION NO. 09-40**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to enter into a terminal concession lease agreement;

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

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby approves a terminal concession lease agreement with National Vending, LLC for the operation of a vending concession within the Airport passenger terminal. The agreement term is three years, payable at an initial monthly rate equal to the greater of \$363.00 or 20 percent of gross revenues. This Resolution also authorizes the Chair or Executive Director to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 19<sup>th</sup> day of October 2009.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



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## Action Item

**RESOLUTION NO. 09-44**

**To:** Board of Directors  
**From:** Lotus K. Williams, P.H.R., Human Resources Manager  
**Through:** Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Employee Benefits Package for Plan Year 2010 – Willis of Arizona, Inc.  
**Date:** September 28, 2009

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**Proposed Motion:**

Approve Resolution No. 09-44 authorizing the Airport's Insurance Broker, Willis of Arizona, Inc., to purchase insurance (medical, dental, vision, employee assistance plan, basic life/accidental death and dismemberment, short term disability and flexible spending account administration) from various vendors for plan year January 1 through December 31, 2010, at an estimated annual cost of \$899,011.

**Narrative:**

The Airport's benefit broker, Willis of Arizona, received quotes from our current plan providers for Phoenix-Mesa Gateway Airport Authority (PMGAA) benefits package. Willis negotiated the best possible rate from each carrier, and in most cases, was able to negotiate increases within or substantially below national trends.

Changes from the 2009 benefits plan include the introduction of the Health Savings Account as an option to our PPO and an increase in the term life insurance policy to equal the employee's annual salary.

Cost of the package for calendar year 2010 is estimated to be \$899,011 spread over the second half of the current fiscal year and the first half of fiscal year 2011. PMGAA's portion of this cost in the second half of the current fiscal year is anticipated to be \$348,110 compared to \$401,455 which was budgeted for this period.

Providing competitive benefits has been, and continues to be, a major retention and attraction tool in our recruiting efforts. In that regard, our objective is to maintain a high level of plan services in addition to minimizing costs. We considered plan benefit levels, cost to employees, and overall cost of the plans.

Staff recommends the benefits package as outlined in the attached memorandum.

**Attachments:** Employee Benefits Package Recommendations  
2010 Executive Summary



**RESOLUTION NO. 09-44**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to obtain employee benefits for 2010;

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

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizing the Airport’s Insurance Broker, Willis of Arizona, Inc., to purchase insurance (medical, dental, vision, employee assistance plan, basic life/accidental death and dismemberment, short term disability and flexible spending account administration) from various vendors for plan year January 1 through December 31, 2010, at an estimated annual cost of \$899,011. This Resolution also authorizes the Chair or Executive Director to execute such contracts, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 19th day of October 2009.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



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Human Resources Department  
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## Memorandum

**To:** Lynn F. Kusy – Executive Director  
**From:** Lotus K. Williams – Manager, Human Resources  
**Re:** Employee Benefits Package Recommendations  
**Date:** September 28, 2009

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The Airport's benefit broker, Willis of Arizona, received quotes from our current plan providers for Phoenix-Mesa Gateway Airport Authority (PMGAA) benefits package and negotiated premium rate renewals. The medical, dental, and vision premium rates reflect the \$25,500 annual commission fees, which are paid separately. I propose the following renewals effective January 1, 2010.

### **MEDICAL PLAN**

#### **Current:**

- The medical plan market trend is currently up 12 to 14 percent. The renewal premium rates for our current United Healthcare plan were quoted at a 13 percent rate increase and negotiated to a 9 percent rate increase.

#### **Proposed on Current Plan:**

- I recommend remaining with United Healthcare as our medical plan carrier, with no change in the PPO plan design, at a rate increase of 9 percent.

#### **Proposed Dual Option:**

- In addition to offering the current plan design, I recommend offering a dual option, high deductible, Health Savings Account (HSA) plan.
- A variety of HSA options was presented with a range of deductibles and various employer contributions. The option selected includes a \$1,500/\$3,000 deductible and an employer contribution of \$750 for employee only coverage, and \$1,500 for family coverage. Assuming a 30% participation rate, the cost increase to the Airport Authority is 4%.
- The employee would have the option to enroll in the plan we currently have or to enroll in the HSA plan.

2009 Current United Healthcare Monthly Premium Rates			
Includes Commission	<i>Single Rates</i>	<i>Employee +1 Rates</i>	<i>Family Rates</i>
Medical Plan	\$ 449.16	\$ 920.78	\$ 1,190.28
<i>Employee Cost:</i>	\$ 0	\$ 235.80	\$ 370.56
<i>PMGAA Cost:</i>	\$ 449.16	\$ 684.98	\$ 819.72

2010 Recommended United Healthcare Monthly Premium Rates for PPO Plan			
Includes Commission	<i>Single Rates</i>	<i>Employee +1 Rates</i>	<i>Family Rates</i>
Medical Plan	\$ 489.46	\$ 1003.40	\$ 1297.10
<i>Employee Cost:</i>	\$ 30.92	\$ 287.88	\$ 434.74
<i>PMGAA Cost:</i>	\$ 458.54	\$ 715.52	\$ 862.36

2010 Recommended United Healthcare Monthly Premium Rates for HSA Plan			
Includes Commission	<i>Single Rates</i>	<i>Employee +1 Rates</i>	<i>Family Rates</i>
Medical Plan	\$ 404.58	\$ 829.38	\$ 1072.14
<i>Employee Cost:</i>	\$ 0	\$ 212.40	\$ 333.78
<i>PMGAA Cost:</i>	\$ 404.58	\$ 616.98	\$ 738.36

## DENTAL PLAN

### Current:

- The dental plan market trend is currently at 7 percent. United Concordia's renewal premium rates, with no changes to the current plan, were quoted at a rate pass with no increase.

### Proposed:

- I recommend remaining with United Concordia with no change in the plan design.

2009 Current and 2010 Recommended United Concordia Monthly Premium Rates			
Includes Commission	<i>Single Rates</i>	<i>Employee +1 Rates</i>	<i>Family Rates</i>
Dental Plan	\$ 31.82	\$ 60.58	\$ 104.26
<i>Employee Cost:</i>	\$ 0	\$ 28.76	\$ 72.44
<i>PMGAA Cost:</i>	\$ 31.82	\$ 31.82	\$ 31.82

## VISION PLAN

### Current:

- With plan variables in the vision plan market, trend is not established. Vision Service Plan (VSP) quoted no rate increase for a two-year rate guarantee with no changes to the plan.

### Proposed:

- I recommend remaining with VSP with no change in the plan design.

2009 Current and 2010 Recommended Vision Service Plan Monthly Premium Rates			
	<i>Single Rates</i>	<i>Employee +1 Rates</i>	<i>Family Rates</i>
Vision Plan	\$ 8.94	\$ 12.98	\$ 23.26
<i>Employee Cost:</i>	\$ 0	\$ 4.04	\$ 14.32
<i>PMGAA Cost:</i>	\$ 8.94	\$ 8.94	\$ 8.94

## **EMPLOYEE ASSISTANT PROGRAM (EAP)**

### **Current:**

- Holman Frazier, LLC quoted the renewal for the rate to remain at \$4.48 per member per month (PMPM), with no changes to the plan design and a two-year rate guarantee.

### **Proposed:**

- I recommend remaining with our current EAP provider with no changes in plan design or rates.

## **FLEXIBLE SPENDING ACCOUNT**

### **Current:**

- BASIC is our current Administrator of the Flexible Spending Account (FSA) plan. There will be a \$750 renewal fee, with the monthly administration fee of \$5.25 per participant per month. These costs have not changed and are consistent with our contract.

### **Proposed:**

- I recommend remaining with our current FSA provider with no changes in plan design or rates.

## **LIFE/ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) and SHORT TERM DISABILITY (STD) Insurance**

### **Current:**

- Our current provider is MetLife for our Life/AD&D and STD products. A 4.9 percent increase was quoted for the Basic Life/AD&D product with no plan changes. Options were quoted for one times Basic Annual Earning (BAE) at a lower rate of .22 per \$1,000 with a volume increase. The Voluntary Life/AD&D and STD products were quoted with no rate increase. The Short Term Disability (STD) provided an option to allow 100% income replacement with employee's sick leave accrual at no rate increase.

### **Proposed:**

- I recommend remaining with MetLife for our Basic Life/AD&D product, with plan change to one times BAE with a minimum of \$40,000 and a maximum of \$150,000, which is an estimated \$5,864 annual increase to the Basic Life/AD&D policy. Remain with the Voluntary Life/AD&D. Allow the STD 100% income replacement option.





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## Action Item

**RESOLUTION NO. 09-43**

**To: Board of Directors**  
**From: Casey Denny, C.M., C.A.E., Deputy Director**  
**Through: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Bond Resolution – Embraer Aircraft Holding, Inc.**  
**Date: October 19, 2009**

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**Proposed Motion:**

**Approve Resolution No. 09-43 authorizing the issuance and sale of a \$6,460,000 Special Facility Revenue Bond on behalf of Embraer Aircraft Holding, Inc.**

**Narrative:**

Bond issuance represented one of several options that were discussed with Embraer Aircraft Holding, Inc. during initial lease negotiations for financing their new factory aircraft service center within the Airport's north general aviation area in 2006. However, the timing of Embraer's project necessitated funding construction of their project (completed in January 2008) with internal funds, but with a mutual understanding (approved by PMGAA on March 19, 2007 via Resolution 07-09) that they could elect to replace those funds via a future tax-exempt bond endeavor at a later date.

Embraer has elected to pursue that bond option. As a result, this action requests Board approval to authorize a (private placement – to Compass Bank) bond valued at \$6,460,000, and to permit the Executive Director to validate and sign several related documents, including an Amended and Restated Special Facility Lease and Financing Agreement which aligns the provisions of Embraer's present Ground Lease with its requirements for repayment of the bond.

The Airport Authority will incur no liabilities, financial or otherwise, associated with these actions.

Attachment: (Bond) Resolution 09-43

## RESOLUTION 09-43

### **RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$6,460,000 AGGREGATE PRINCIPAL AMOUNT OF PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, SPECIAL FACILITY REVENUE BOND (EMBRAER PROJECT), SERIES 2009; PROVIDING CERTAIN TERMS, COVENANTS AND CONDITIONS REGARDING THE ISSUANCE OF THE BOND; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BOND; AND APPROVING RELATED DOCUMENTS.**

**WHEREAS**, Phoenix-Mesa Gateway Airport Authority (the "Authority") is authorized, pursuant to A.R.S. § 28-8424, and Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") to issue tax-exempt bonds payable from its revenues; and

**WHEREAS**, the Authority has previously leased certain real property (the "Premises") to Embraer Aircraft Holding, Inc. ("Embraer Holding") pursuant to a ground lease agreement dated as of November 1, 2006 (the "Ground Lease Agreement"), between the Authority and Embraer Holding to allow Embraer Holding to construct, equip and operate thereon an aircraft maintenance and repair facility (the "Special Facility"); and

**WHEREAS**, Embraer Holding has requested that the Authority issue its bond to reimburse Embraer Holding for a portion of the costs to finance the planning, design, acquisition, equipping and construction of the Special Facility, located on the Premises and leased to Embraer Holding; and

**WHEREAS**, the Authority adopted Resolution No. 07-09 on March 19, 2007 declaring its official intent to reimburse original expenditures relating to the Special Facility for the benefit of Embraer Holding from the proceeds of a tax-exempt borrowing; and

**WHEREAS**, the Authority desires to issue its Special Facility Revenue Bond (Embraer Project), Series 2009 in the amount of \$6,460,000 pursuant to the terms set forth in this Resolution and sell the Bond to Compass Mortgage Corporation ("Holder") pursuant to the terms of a Placement Certificate, dated as of October 1, 2009, of the Holder; and

**WHEREAS**, the Authority desires to lease the Special Facility to Embraer Holding pursuant to the terms of an Amended and Restated Special Facility Lease and Financing Agreement, dated as of October 1, 2009 (the "Lease Agreement"), between the Authority and Embraer Holding, in which Embraer will make certain payments to the Authority relating to the Premises; and

**WHEREAS**, as a condition to the Lease Agreement and pursuant to the terms of the Facility Financing Agreement, dated as of October 1, 2009 (the "Financing Agreement"), between and among the Authority, Embraer Holding and Embraer Executive Jet Services, LLC ("Embraer Jet" and, together with Embraer Holding, "Embraer"), Embraer will make certain payments to the Holder relating to the Special Facility.

**NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, AS FOLLOWS:**

**Section 1. Authorization.** For the purpose of providing funds to reimburse Embraer for the acquisition, construction and equipping of the Special Facility, there is hereby authorized to be issued and sold a single Special Facility Revenue Bond (Embraer Project), Series 2009 of the Authority in the denomination of \$6,460,000 (the "Bond").

**Section 2. Term.** The Bond will bear an original date of October 1, 2009, and will bear interest from its date to its date of maturity no later than December 1, 2024 at a variable rate as provided in the Financing Agreement. The first interest payment date will be no sooner than November 1, 2009, and interest shall be payable on the first day of each month thereafter during the term of the Bond. The Bond will be in fully registered form.

**Section 3. Prior Redemption.**

**A. Optional Redemption.** The Bond is subject to call for redemption prior to maturity, at the option of the Authority upon the written request of Embraer, in whole or in part, on any date by the payment of a redemption price equal to the principal amount of the Bond being redeemed plus interest accrued to the date fixed for redemption, but without premium.

**B. Mandatory Redemption.** The Bond is subject to mandatory redemption, in whole, upon an Event of Default under the Lease Agreement or the Financing Agreement, on any date by the payment of a redemption price equal to the principal amount of the Bond being redeemed plus interest accrued to the date fixed for redemption, but without premium.

**C. Notice.** Notice of redemption of the Bond will be mailed to the Holder at the address shown on the books of the Authority not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption.

**D. Effect of Call for Redemption.** On the date designated for redemption by notice given as herein provided, the Bond shall become and be due and payable at the redemption price provided for redemption of the Bond on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Authority, interest on the Bond shall cease to accrue, the Bond shall cease to be entitled to any benefit or security hereunder and the Holder shall have no rights in respect thereof except to receive payment of the redemption price thereof and the Bond shall be deemed paid and no longer outstanding.

**Section 4. Security; Performance Obligation.** The sole source of revenue available to pay principal of and interest on the Bond is the Special Facility rental payments payable by Embraer under Section 4.2 of the Lease Agreement. The Bond is not a general obligation of the Authority and the Authority will not levy taxes or fees to pay such debt service.

The Authority shall have no liability or obligation with respect to the payment of the principal of or interest on the Bond. None of the provisions of this Resolution shall require

the Authority to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from Special Facility rental payments, or the Authority shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Resolution, in the Bond executed, authenticated, and delivered hereunder, in the Lease Agreement and in all of its proceedings pertaining thereto; provided, however, that (a) the Authority shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by Embraer, and (b) the Authority shall have received the instrument to be executed, and, at the Authority's option, shall have received from Embraer assurance satisfactory to the Authority that the Authority shall be reimbursed for its reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument.

The Lease Agreement sets forth covenants and obligations of the Authority and Embraer, and reference is hereby made to the same for a detailed statement of said covenants and obligations. The Authority agrees to cooperate in the enforcement of all covenants and obligations of Embraer under the Lease Agreement at no expense to the Authority.

**Section 5. Use of Proceeds.** The net proceeds from the sale of the Bond, after payment of the expenses of issuance from the Bond proceeds, shall be used to reimburse Embraer for a portion of the cost of the acquisition, construction and equipping of the Special Facility.

**Section 6. Form of Bond.** The Bond shall be in substantially the form of Exhibit A, attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bond and execution thereof by such officers shall constitute conclusive evidence of such approval.

The Bond may have notations, legends or endorsements required by law, securities exchange rule or usage. The Bond shall be dated the date of its authentication and registration.

The Bond is prohibited from being converted to coupon or bearer Bond without the consent of this Board and approval of bond counsel.

**Section 7. Execution of Bonds.** The Bond shall be executed for and on behalf of the Authority by the President of the Board of Directors and attested by the Secretary by their facsimile signatures. If the signatures are affixed or imprinted by facsimile, the President and Secretary shall execute a certificate adopting as their signatures the facsimile signatures appearing on the Bond.

If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, the Bond shall nevertheless be valid.

The Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Authority. The signature shall be conclusive evidence that the Bond has been authenticated and issued under this resolution.

In the event any officer of the Board or of the Authority is unavailable or unable to discharge any obligation or duty with respect hereto, including the approval, execution or attestation of the Bond or other documents, then any member of the board may act in the capacity of such officer for the purpose of discharging such obligation or duty.

**Section 8. Mutilated, Lost or Destroyed Bonds.** In case the Bond becomes mutilated or destroyed or lost, the Authority shall cause to be executed and delivered a new Bond in exchange and substitution for and upon the cancellation of the mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the Holder paying the reasonable expenses and charges of the Authority in connection therewith and, in the case of the Bond destroyed or lost, filing with the Secretary by the registered owner evidence satisfactory to the Authority that the Bond was destroyed or lost, and furnishing the Authority with a sufficient indemnity bond pursuant to § 47-8405, Arizona Revised Statutes.

**Section 9. Private Placement of Bonds.** The form of the Placement Certificate shall be in substantially the form presented to the Board of Directors, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and as are approved by those officers executing the Placement Certificate. The Executive Director of the Authority or the President or any member of the Board of the Authority shall cause the Placement Certificate to be completed to reflect the terms of the Bond, including the maturity date, interest payment dates and price at which the Bond is sold. The execution and delivery of the Placement Certificate by the Holder as completed shall be conclusive evidence of such approval of the final terms and provisions.

**Section 10. Execution of Financing Documents.** The form of the Lease Agreement and Financing Agreement shall be in substantially the form presented to the Board of Directors with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and as are approved by those officers executing the Lease Agreement and Financing Agreement. The Executive Director of the Authority or the President of the Authority may execute the Lease Agreement and Financing Agreement on behalf of the Authority.

**Section 11. Books and Records; Payment of Debt Service; Transfer Restrictions.** The Bond may be presented for registration or transfer at the Authority's administrative office. The Authority may authenticate the Bond when appropriate.

The Authority, as registrar of the Bond, shall keep a register of the Bond, the registered owner of the Bond and transfer of the Bond. When the Bond is presented to the Authority with a request to register transfer, the Authority will register the transfer on the registration books if its requirements for transfer are met and will authenticate and deliver a Bond registered in the name of the transferee of the same principal amount, maturity and rate of

interest as the surrendered Bond. The Record Date for the Bond will be the close of business of the Authority on the fifteenth day of the month preceding an interest payment date, or if such date is a Saturday, Sunday or legal holiday, the previous business day. A Bond presented to the Authority for transfer after the close of business on the Record Date and before the close of business on the next subsequent interest payment date will be registered in the name of the transferee but the interest payment will be made to the registered owner shown on the books of the Authority as of the close of business on the Record Date. The Authority will charge the owner for every such transfer an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or governmental charge be paid before any such new Bond shall be delivered.

Notwithstanding any other provision of this Resolution, no transfer of the bond or participation in the Bond shall occur unless the Authority has received a letter from the transferee in the form attached to the Bond indicating that it is a qualified institutional buyer, as such term is defined in Rule 144A, of the Securities Act of 1933, as amended, or an accredited investor as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission.

The Authority shall authenticate a Bond for original issue in the amount of \$6,460,000 in aggregate principal amount upon the written request of the President. The aggregate principal amount of the Bond outstanding at any time may not exceed that amount except for a replacement Bond as to which the requirements of the Authority are met.

All payments of principal of and interest on the Bonds shall be directly between Embraer and the Holder. The Authority shall not accept any such payment without its written consent.

**Section 12. Limited Obligations.** The Bond and the interest thereon are special, limited obligations of the Authority payable solely out of the Special Facility lease payments received by the Holder directly from Embraer under the Lease Agreement. The Bond shall not be deemed to constitute a debt or liability of the Authority, any of its members, or the State or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Authority, any of its members, or the State or of any political subdivision thereof, but shall be payable solely from the funds as herein described. The issuance of the Bond shall not, directly, indirectly or contingently, obligate the Authority, any of its municipal members, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the Authority, its members, nor the State shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by Embraer. No breach by Embraer of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Authority, its members, the State or any political subdivision thereof or any charge upon the general credit or taxing power of any of them.

No recourse may be had for the payment of the principal of or premium, if any, or interest on the Bond against any past, present, or future officer, director, counsel, advisor, or agent of the Authority, or of any successor to the Authority, as such, either directly or through the Authority or any successor to the Authority, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, counsel, advisors, or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution and issuance of this bond.

**Section 13. No Disclosure Document.** The Holder had access to all information regarding the Bond and the Authority that the Holder deemed material in connection with its evaluation of and decision to purchase the Bond. The Holder acknowledges that the Holder has not requested and none of the Authority, its municipal members, or its officials, officers, directors, board members, advisors, employees and agents have undertaken to furnish information to the Holder from any third party in connection with investment in the Bond. The Holder acknowledges that no disclosure document or official statement has been prepared in connection with the original issuance or any transfer of the Bond.

**Section 14. Continuing Disclosure.** Based on a private placement exemption for bond issues in authorized denominations of \$100,000 or more under Rule 15(c)21-2 of the Securities Exchange Act of 1934, the Bond will not be subject to continuing disclosure. However, if such exemption shall be altered or other Securities and Exchange Commission rules may require, the Authority and Embraer shall enter into an appropriate agreement to provide such continuing disclosure.

**Section 15. Ratification of Actions.** All actions of the officers and agents of the Authority which conform to the purposes and intent of this resolution and which further the issuance and sale of the Bond as contemplated by this resolution whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The proper officers and agents of the Authority are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the Authority as may be necessary to carry out the terms and intent of this resolution.

**Section 16. Tax Covenants.** In consideration of the purchase and acceptance of the Bond by the Holder and, as authorized by Arizona Revised Statutes, Title 35, Chapter 3, Article 7, and in consideration of retaining the exclusion of interest income on the Bonds from gross income for federal income tax purposes, the Authority covenants with the owners from time to time of the Bond to neither take nor fail to take any action which action or failure to act is within its power and authority and would result in interest on the Bond becoming subject to inclusion in gross income for federal income taxes.

The Authority agrees that it will comply with such requirements as in the opinion of nationally recognized bond counsel are necessary to prevent interest on the Bond becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by bond counsel;

to pay to the United States of America, but not from moneys of the Authority, any required amounts representing rebates of arbitrage profits relating to the Bond; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys relating to the Bond; and limiting the use of the proceeds of the Bond and property financed thereby.

The Board of Directors further authorizes the employment of such experts and consultants, at the expense of Embraer, to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code. The Executive Director of the Authority is hereby authorized on behalf of the Authority to make such elections and allocations for federal income tax purposes as the Executive Director determines to be appropriate and in the best interest of the Authority.

**Section 17. Indemnity.** As a condition to issuance of the Bond, Embraer Holding will covenant in the Lease Agreement to indemnify the Authority from any liability relating to the Lease Agreement, the Financing Agreement, the Premises, the Special Facility, or the authorization, issuance, sale, delivery and issuance of the Bond.

**Section 18. No Personal Liability of Officials of the Authority.** No covenant or agreement contained in the Bond, in this Resolution, the Lease Agreement or the Placement Certificate shall be deemed to be the covenant or agreement of any elected or appointed official, officer, agent, servant or employee of the Authority or its members in his or her individual capacity and neither the members of the governing body of the Authority or its members nor any official executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof.

**Section 19. Interest Rate Hedge.** Embraer may enter into a swap agreement or other interest rate hedge agreement. If requested by Embraer and determined by the President of the Board of Directors of the Authority to be in the best interest of the Authority, the President, the Secretary, or either of them, are authorized to cause the agreement to be identified on the books and records of the Authority maintained for the Bond with detail sufficient to satisfy the requirements of the Code and the regulations thereunder for treatment of the agreement as a qualified hedge.

**Section 20. Resolution a Contract.** This resolution shall constitute a contract between the Authority and the registered owner of the Bond and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bond then outstanding.

**Section 21. Severability.** If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The Board of Directors hereby declares that it would have adopted this resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bond pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution may be held illegal, invalid or unenforceable.

**PASSED AND ADOPTED** by the Board of Directors of Phoenix-Mesa Gateway Airport Authority on October 19, 2009.

**PHOENIX-MESA GATEWAY AIRPORT  
AUTHORITY**

By \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Secretary

EXHIBIT A

Number: R-\_\_\_\_\_

Denomination: \$ \_\_\_\_\_

**BENEFICIAL OWNERSHIP INTERESTS IN THE HEREINAFTER DESCRIBED BOND ARE ONLY TRANSFERABLE (1) IN CONNECTION WITH A SALE TO OR THROUGH A BROKER/DEALER OF A PRINCIPAL AMOUNT OF \$25,000 OR MORE PURSUANT TO THE RULES AND REGULATIONS APPLICABLE TO SALES TO "SOPHISTICATED MUNICIPAL MARKET PROFESSIONALS" UPON RECEIPT BY THE AUTHORITY OF A "SMMP LETTER" IN THE FORM INCLUDED IN THIS BOND, OR (2) IN CONNECTION WITH A SALE OR TRANSFER TO A QUALIFIED INVESTOR UPON RECEIPT BY THE AUTHORITY OF THE "QUALIFIED INVESTOR LETTER" IN THE FORM INCLUDED IN THIS BOND.**

**PHOENIX-MESA GATEWAY AIRPORT AUTHORITY  
SPECIAL FACILITY REVENUE BOND (EMBRAER PROJECT), SERIES 2009**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Dated Date</u>
Variable Rate	_____, 2024	October __, 2009

Registered Owner:       COMPASS MORTGAGE CORPORATION

Principal Amount:       SIX MILLION FOUR HUNDRED SIXTY THOUSAND AND NO/100  
DOLLARS

**PHOENIX-MESA GATEWAY AIRPORT AUTHORITY** (the "*Authority*"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona.

This bond is one of an issue of revenue bonds in the aggregate principal amount of \$6,460,000 of like tenor except as to amount, maturity date, redemption provisions, interest rate and number, issued by the Authority to provide funds to acquire, construct and equip an aircraft and maintenance repair facility, pursuant to a resolution of the Governing Board of the Authority duly adopted prior to the issuance hereof (the "Resolution") and pursuant to the laws of the State of Arizona relative to the issuance and sale of revenue bonds, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the punctual payment of this bond and the interest hereon, the Authority pledges special facility rental payments received under that certain Amended and Restated Special Facility Lease and Financing Agreement, dated as of October 1, 2009 (the "Lease Agreement"), between the Authority and Embraer Aircraft Holding, Inc. ("Embraer Holding") as further set forth in the Facility Financing Agreement, dated as of October 1, 2009 (the "Financing Agreement"), between the Authority, Embraer

Holding and Embraer Jet Services, LLC ("Embraer Jet" and, together with Embraer Holding, "Embraer"). This Bond is not a general obligation of the Authority and no revenues of the Authority are pledged for the payment of the Bond, other than the Special Facility rental payments described above.

In the event an Interest Rate Protection Agreement (as hereinafter defined) is not in effect, installments of principal in the amount of \_\_\_\_\_ (\$\_\_\_\_\_), plus accrued interest, shall be due and payable monthly as they accrue commencing \_\_\_\_\_, 2009, and continuing regularly and monthly thereafter on the first (1st) day of each month, until \_\_\_\_\_, 2024 (the "Maturity Date"), when all accrued and unpaid interest and all unpaid principal shall be due and payable in full.

In the event an Interest Rate Protection Agreement is in effect, Embraer and Bondholder agree to execute a modification to this Bond attaching an exhibit hereto specifying the installments of principal in the amounts as set forth therein, plus accrued interest, that shall be due and payable monthly as they accrue commencing as set forth therein, and continuing regularly and monthly thereafter on the first (1st) day of each month, until the Maturity Date, when all accrued and unpaid interest and all unpaid principal shall be due and payable in full.

If a payment is late (after any applicable notice and cure period), Embraer will be charged, in addition to interest, a delinquency charge of five percent (5%) of the unpaid portion of the regularly scheduled payment. Additionally, upon the Maturity Date, if the outstanding principal balance (plus all accrued but unpaid interest) is not paid, Embraer will be charged a delinquency charge of five percent (5%) of the sum of the outstanding principal balance (plus all accrued but unpaid interest). Embraer agrees with the Bondholder that the charges set forth herein are reasonable compensation to the Bondholder for the handling of such late payments. This late charge may be assessed without notice, shall be immediately due and payable and shall be in addition to all other rights and remedies available to the Bondholder.

Interest on the outstanding and unpaid principal balance hereof shall be computed at a per annum rate set forth in the Financing Agreement. In the event of a Determination of Taxability (as defined in the Financing Agreement), the terms of the Financing Agreement relating to such Determination of Taxability shall apply.

Matured unpaid principal and interest shall bear interest from date of maturity until paid at the lesser of (a) the highest interest rate permitted under Arizona law (the "Maximum Rate"), or (b) the interest rate on this Bond plus five percent (5%) per annum (the "Default Rate"). Upon the occurrence of an Event of Default under the Financing Agreement, interest shall accrue under this Bond at the lesser of (a) the Maximum Rate, or (b) the Default Rate.

This Bond is subject to prepayment, in whole or in part at any time as set forth in this paragraph. Embraer shall have the right to prepay, as long as the interest rate is floating, prior to maturity, all or any part of the principal of this Bond at the end of each LIBOR Reference Period (as hereinafter defined) without penalty, but subject to the prepayment provisions of any Interest Rate Protection Agreement entered into by Embraer. Any prepayments shall be applied first to accrued interest and then to principal. Embraer shall provide the Bondholder at least three Business Days (as hereinafter defined) written or facsimile notice of its election to make such a principal prepayment, specifying the amount of the prepayment. All payments and prepayments of principal or interest on this Bond shall be made in lawful money of the United States of America in immediately available funds, at Compass Mortgage Corporation, c/o Compass Bank, 2850 E. Camelback Road, Suite 140, Phoenix, Arizona 85016, Attn: Kenneth R. Ehrhardt, or such place as the Bondholder shall designate in writing to Embraer. All partial prepayments of principal shall be applied to the last installments payable in their inverse order of maturity.

If Bondholder at any time shall determine that for any reason adequate and reasonable means do not exist for ascertaining LIBOR, then Bondholder shall promptly give notice thereof to Embraer. If such notice is given and until such notice has been withdrawn by Bondholder, then (A) no new LIBOR option may be selected by Embraer, and (B) any portion of the outstanding principal balance hereof which bears interest determined in relation to LIBOR, subsequent to the end of the Interest Period applicable thereto, shall bear interest determined in relation to the Prime Rate. The Prime Rate is defined as the interest rate per annum designated by Bondholder as its "Prime Rate," as publicly announced by Bondholder from time to time.

If any law, treaty, rule, regulation or determination of a court or governmental authority or any change therein or in the interpretation or application thereof (each, a "Change in Law") shall make it unlawful for Bondholder (A) to make LIBOR options available hereunder, or (B) to maintain interest rates based on LIBOR, then in the former event, any obligation of Bondholder to make available such unlawful LIBOR options shall immediately be cancelled, and in the latter event, any such unlawful LIBOR-based interest rates then outstanding shall be converted, at Bondholder's option, so that interest on the portion of the outstanding principal balance subject thereto is determined in relation to the Prime Rate; provided however, that if any such Change in Law shall permit any LIBOR-based interest rates to remain in effect until the expiration of the Interest Period applicable thereto, then such permitted LIBOR-based interest rates shall continue in effect until the expiration of such Interest Period. Upon the occurrence of any of the foregoing events, Embraer shall pay to Bondholder immediately upon demand such amounts as may be necessary to compensate Bondholder for any fines, fees, charges, penalties or other costs incurred or payable by Bondholder as a result thereof and which are attributable to any LIBOR options made available to Embraer hereunder, and any reasonable allocation made by Bondholder among its operations shall be conclusive and binding upon Embraer.

If any Change in Law or compliance by Bondholder with any request or directive (whether or not having the force of law) from any central bank or other governmental authority shall:

(A) subject Bondholder to any tax, duty or other charge with respect to any LIBOR options, or change the basis of taxation of payments to Bondholder of principal, interest, fees or any other amount payable hereunder (except for changes in the rate of tax on the overall net income of Bondholder); or

(B) impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances or loans by, or any other acquisition of funds by any office of Bondholder; or

(C) impose on Bondholder any other condition;

and the result of any of the foregoing is to increase the cost to Bondholder of making, renewing or maintaining any LIBOR options hereunder and/or to reduce any amount receivable by Bondholder in connection therewith, then in any such case, Embraer shall pay to Bondholder immediately upon demand such amounts as may be necessary to compensate Bondholder for any additional costs incurred by Bondholder and/or reductions in amounts received by Bondholder which are attributable to such LIBOR options. In determining which costs incurred by Bondholder and/or reductions in amounts received by Bondholder are attributable to any LIBOR options made available to Embraer hereunder, any reasonable allocation made by Bondholder among its operations shall be conclusive and binding upon Embraer.

It is expressly provided that upon default in the punctual payment of this Bond or any part hereof, principal or interest, as the same shall become due and payable, or upon the occurrence of an Event of

Default, the Bondholder may, at its option, without further notice or demand, (i) declare the outstanding principal balance of and accrued but unpaid interest on this Bond at once due and payable, (ii) refuse to advance any additional amounts under this Bond, (iii) foreclose all liens securing payment hereof, (iv) pursue any and all other rights, remedies and recourses available to Bondholder, including but not limited to any such rights, remedies or recourses under the Financing Agreement and all documents, instruments and agreements executed in connection with the Financing Agreement, at law or in equity, or (v) pursue any combination of the foregoing; and in the event default is made in the prompt payment of this Bond when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through probate, bankruptcy or other judicial proceedings, then Embraer agrees and promises to pay all costs of collection, including reasonable attorney's fees.

Embraer agrees to an effective rate of interest that is the applicable rate stated above plus any additional rate of interest resulting from any other changes in the nature of interest paid or to be paid by or on behalf of Embraer, or any benefit received or to be received by the Bondholder, in connection with this Bond.

All amounts paid to Bondholder will be applied first to the indebtedness owing hereunder in such order and manner as Bondholder may from time to time determine in its sole discretion. All sums payable hereunder shall be paid in lawful money of the United States of America.

Bondholder may lend to its customers at rates that are at, above or below the Interest Rate and LIBOR, neither of which is necessarily the best or lowest rate offered by Bondholder.

If this Bond is placed in the hands of an attorney for collection, or if Bondholder should at any time incur any costs or attorneys' fees in any proceeding to collect or enforce payment hereof, whether or not suit is brought, or any proceeding under the Federal Bankruptcy Code, Title 11 of the United States Code, in order to collect any indebtedness hereunder or to preserve, protect or realize upon any security for such indebtedness, then Embraer and any endorsers or guarantors hereof agree to pay, in addition to the principal and interest due hereon, costs and reasonable attorneys' fees incurred by Bondholder.

Embraer and all sureties, guarantors and/or endorsers hereof (or of any obligation hereunder) and accommodation parties hereon (each and all of the foregoing hereinafter severally called a "Surety") each: (a) agree that the liability under this Bond of all parties hereto is joint and several; (b) severally waive any homestead or exemption laws and right thereunder affecting the full collection of this Bond; (c) severally waive any and all formalities in connection with this Bond to the maximum extent allowed by law, including (but not limited to) demand, diligence, presentment for payment, protest and demand, and notice of extension, dishonor, protest, demand and nonpayment of this Bond; and (d) consent that Bondholder may extend the time of payment or otherwise modify the terms of payment of any part or the whole of the debt evidenced by this Bond, at the request of any other person liable hereon, and such consent shall not alter or diminish the liability of any person hereon.

In addition, each Surety waives and agrees not to assert: (a) any right to require Bondholder to proceed against Embraer or any other Surety, to proceed against or exhaust any security for the Note, to pursue any other remedy available to Bondholder, or to pursue any remedy in any particular order or manner; (b) the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof; (c) the benefits of any legal or equitable doctrine or principle of marshalling; (d) notice of the existence, creation or incurring of new or additional indebtedness of Embraer to Bondholder; (e) the benefits of any statutory provision limiting the liability of a surety, including without limitation the provisions of Arizona Revised Statutes Sections 12-1641, *et seq.*, and 44-142, and Rule 17f of the Arizona Revised Statutes Rules of Civil Procedure; (f) any defense arising by reason of any disability or other defense of Embraer or by reason of the cessation from any cause whatsoever (other than payment in full) of the liability of Embraer for payment of this Bond; and (g) the benefits of any statutory provision

limiting the right of Bondholder to recover a deficiency judgment, or to otherwise proceed against any person or entity obligated for payment of this Bond, after any foreclosure or trustee's sale of any security for this Bond. Until payment in full of this Bond, no Surety shall have any right of subrogation and each hereby waives any right to enforce any remedy which Bondholder now has, or may hereafter have, against Embraer or any other Surety, and waives any benefit of, and any right to participate in, any security now or hereafter held by Bondholder.

Embraer agrees not to send Bondholder payments marked "paid in full," without recourse," or similar language. If Embraer sends such a payment, Bondholder may accept it without losing any of Bondholder's rights under this Bond, and Embraer will remain obligated to pay any further amounts owed or that may become owed to Bondholder. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount, must be mailed or delivered to: Compass Bank, PO Box 3096, Birmingham, AL 35202.

Embraer agrees that to the extent Embraer or any Surety makes any payment to Bondholder in connection with the indebtedness evidenced by this Bond, and all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by Bondholder or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (any such payment is hereinafter referred to as a "Preferential Payment"), then the indebtedness of Embraer under this Bond shall continue or shall be reinstated, as the case may be, and, to the extent of such payment or repayment by Bondholder, the indebtedness evidenced by this Bond or part thereof intended to be satisfied by such Preferential Payment shall be revived and continued in full force and effect as if said Preferential Payment had not been made.

Without limiting the right of the Bondholder hereof to bring any action or proceeding against Embraer or any Surety or against any property of Embraer or any Surety (an "Action") arising out of or relating to this Bond or any indebtedness evidenced hereby in the courts of other jurisdictions, Embraer and each Surety hereby jointly, severally and irrevocably submit to the jurisdiction, process and venue of any Arizona State or Federal court sitting in Phoenix, Arizona, and hereby jointly, severally and irrevocably agree that any Action may be heard and determined in such Arizona State court or in such Federal court. Embraer and all Sureties each hereby jointly, severally and irrevocably waive, to the fullest extent it may effectively do so, the defenses of lack of jurisdiction over any person, inconvenient forum or improper venue, to the maintenance of any Action in any jurisdiction.

Failure of Bondholder to exercise any option hereunder shall not constitute a waiver of the right to exercise the same in the event of any subsequent Event of Default or in the event of continuance of any existing Event of Default after demand for strict performance hereof.

This Bond shall be binding upon Embraer and its successors and assigns and shall inure to the benefit of Holder, and any subsequent holders of this Bond, and their successors and assigns.

All notices required or permitted in connection with this Bond shall be given at the place and in the manner provided in the Financing Agreement for the giving of notices.

This Bond shall be governed by and construed according to the laws of the State of Arizona.

The capitalized terms used and not otherwise defined herein shall have the meanings given them in the Financing Agreement.

The Authority shall serve as registrar and paying agent for this Bond.

The Authority may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal and interest and for all other purposes and none of them shall be affected by any notice to the contrary.

THIS BOND AND THE INTEREST HEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY OUT OF THE LEASE PAYMENTS RECEIVED DIRECTLY FROM EMBRAER UNDER THE LEASE AGREEMENT. THE BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE AUTHORITY, ANY OF ITS MUNICIPAL MEMBERS, OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE AUTHORITY, ANY OF ITS MUNICIPAL MEMBERS, OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE BOND RESOLUTION. THE ISSUANCE OF THIS BOND SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. NEITHER THE AUTHORITY, ITS MUNICIPAL MEMBERS, NOR THE STATE SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY EMBRAER. NO BREACH BY EMBRAER OF ANY SUCH PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT MAY IMPOSE ANY LIABILITY, PECUNIARY OR OTHERWISE, UPON THE AUTHORITY, ITS MUNICIPAL MEMBERS, THE STATE OR ANY CHARGE UPON THE GENERAL CREDIT OR TAXING POWER OF ANY OF THEM. THE AUTHORITY HAS NO POWER TO TAX.

NO RECOURSE MAY BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, COUNSEL, ADVISOR, OR AGENT OF THE AUTHORITY, OR OF ANY SUCCESSOR TO THE AUTHORITY, AS SUCH, EITHER DIRECTLY OR THROUGH THE AUTHORITY OR ANY SUCCESSOR TO THE AUTHORITY, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, COUNSEL, ADVISORS, OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THIS BOND.

Definitions:

“Business Day” shall mean any day of the week other than a Saturday, Sunday or day which shall be in the State a legal holiday or a day on which the Bondholder is authorized or obligated by law or executive order to close.

“Interest Rate Protection Agreement” if any, means any interest rate swap agreement, interest rate exchange agreement, currency exchange agreement, interest rate and currency exchange agreement, forward rate agreement, rate floor agreement, interest rate protection agreement, any option agreement respecting the foregoing, interest rate cap agreement, rate collar agreement, International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, or any similar agreement or arrangement and any schedule, confirmation, exhibit, document or instrument evidencing any interest in a transaction covered by any such agreement now existing or hereafter entered into by Embraer and the Authority, or an affiliate of the Authority, in connection with this Bond to hedge the risk of variable interest rate volatility or fluctuations of

interest rates, as any such agreement or arrangement may be modified, supplemented, amended or revised and in effect from time to time.

“LIBOR” means the London InterBank Offered Rate stated on Reuter’s Money Rates Services.

“LIBOR Business Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the City of London, England.

“LIBOR Determination Date” shall mean, with respect to any LIBOR Reference Period, the date that is two (2) LIBOR Business Days prior to the first day of such LIBOR Reference Period.

“LIBOR Reference Period” shall mean (i) initially, the period commencing on (and including) the date of this Bond and ending on (but excluding) the calendar day that is one (1) month thereafter, and (ii) thereafter, a period commencing on the last day of the immediately preceding LIBOR Reference Period and ending on (but excluding) the calendar day that is one (1) month thereafter. Each successive calendar month period (or portion thereof with respect to the final LIBOR Reference Period) during the term of this bond (including any extensions thereof) shall constitute a separate LIBOR Reference Period.

The Authority has caused this bond to be executed by the President of the Board of Directors and attested by the Secretary, which signatures may be facsimile signatures. This bond is not valid or binding upon the Authority without the manually affixed signature of an authorized representative of the Authority. This bond is prohibited from being issued in coupon or bearer form without the consent of the Authority and the occurrence of certain other conditions.

**PHOENIX-MESA GATEWAY AIRPORT  
AUTHORITY**

\_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Secretary

-----

DATE OF AUTHENTICATION AND REGISTRATION: \_\_\_\_\_

**AUTHENTICATION CERTIFICATE**

This bond is one of the Phoenix-Mesa Gateway Airport Authority, Special Facility Revenue Bond (Embraer Project), Series 2009, described in the Resolution.

**PHOENIX-MESA GATEWAY AIRPORT  
AUTHORITY, as Registrar**

\_\_\_\_\_  
Authorized Representative

-----  
The following abbreviations, when used in the inscription on this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT/TRANS MIN ACT- _____ Custodian _____
TEN ENT - as tenants by the entireties	(Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts/Transfers to Minors Act _____ (State)

Additional abbreviations may also be used though not in list above

**ASSIGNMENT**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Name and Address of Transferee)  
the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_  
\_\_\_\_\_, attorney to transfer the within bond on the  
books kept for registration thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_  
Signature Guaranteed:

\_\_\_\_\_  
Firm or Bank  
\_\_\_\_\_  
Authorized Signature  
Signature guarantee should be made by a guarantor institution  
participating in the Securities Transfer Agents Medallion  
Program or in such other program acceptable to the Registrar

\_\_\_\_\_  
Note: The signature(s) on this assignment must correspond with the  
name(s) as written on the within registered bond in every particular  
without alteration or enlargement or any change whatsoever.

**ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR**

-----  
["CERTIFICATE OF SOPHISTICATED MUNICIPAL MARKET PROFESSIONAL"]

TO: PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

Re: Phoenix-Mesa Gateway Airport Authority  
Special Facility Revenue Bond (Embraer Project), Series 2009

1. Please be advised that the undersigned is purchasing the captioned bond or an interest therein (hereinafter referred to as the "*Bond*"), such Bond being in the original aggregate principal amount of \$\_\_\_\_\_, bearing the number \_\_\_\_\_. Such purchase is solely for the account of

the undersigned or for accounts managed by the undersigned, for the purpose of investment and not with an intent for distribution or resale.

2. The undersigned acknowledges that it is a "Qualified Institutional Buyer" as such term is defined in Rule 144A of the Securities Act of 1933, as amended, with total assets of at least \$100 million invested in municipal securities in the aggregate in its portfolio and/or under management.

3. In the event that the undersigned transfers such Bond or any part thereof, the undersigned agrees that such transfer shall be through a "broker," or to a "dealer" or "municipal securities dealer," as those terms are defined in the Securities Exchange Act of 1934.

4. The undersigned acknowledges that it has received no disclosure document related to the Bond and that it has done its own due diligence relating to its decision to purchase the Bond.

5. The undersigned understands that: (i) the Bond is not being registered under the Securities Act of 1933, as amended, (ii) the Bond is not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) any transfer of the Bond must comply with federal and state securities laws, (iv) the broker or dealer must sell the Bond, or interests therein, to sophisticated municipal market professionals, (v) the Bond will not be listed on any stock or other securities exchange, and (vi) the Bond will not carry any bond rating from any rating service.

6. The undersigned had access to all information regarding the Bond and the Authority that the undersigned deemed material in connection with its evaluation of and decision to purchase the Bond. The undersigned acknowledges that the undersigned has not requested and none of the Authority, or its respective officials, officers, directors, board members, advisors, employees and agents have undertaken to furnish information to the undersigned from any third party in connection with investment in the Bond. The undersigned acknowledges that no disclosure document or official statement has been prepared in connection with the original issuance or any transfer of the Bond.

7. This letter and all rights and responsibilities described in it shall be governed by, and interpreted in accordance with, the laws of the State of Arizona. The federal and state courts of the State of Arizona shall have sole and exclusive jurisdiction over any dispute arising from the purchase and sale of the Bond.

\_\_\_\_\_  
[PURCHASER]

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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["CERTIFICATE OF QUALIFIED INVESTOR"]

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TO: PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

Re: Phoenix-Mesa Gateway Airport Authority  
Special Facility Revenue Bond (Embraer Project), Series 2009

1. Please be advised that the undersigned is a Qualified Investor (as hereafter defined) and is purchasing the captioned bond (hereinafter referred to as the "*Bond*"), such Bond being in the original aggregate principal amount of \$\_\_\_\_\_, bearing the number \_\_\_\_\_. Such purchase is for the account of the undersigned, for the purpose of investment and not with a present intent for distribution or resale.

2. In the event that the undersigned transfers such Bond or any part thereof, the undersigned shall comply with all provisions of the Resolution of Phoenix-Mesa Gateway Airport Authority adopted on \_\_\_\_\_, 2009. The undersigned understands that a transferee shall be a Qualified Investor (as defined below), and must sign a letter in the form of this letter and provide such letter to the Authority before any transfer of any Bond to such transferee will be registered.

3. The undersigned acknowledges that it is one of the following:

(i) a "qualified institutional buyer", as such term is defined in Rule 144A of the Securities Act of 1933, as amended (the "Securities Act"); or

(ii) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission; or

(iii) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraph (i) above.

Collectively, the purchasers meeting one or more of the criteria set forth above shall be referred to as a "Qualified Investor".

4. The undersigned assumes all responsibility for complying with any applicable federal and state securities laws with respect to any transfer of the Bond or an interest therein, and agrees to hold the Authority harmless for, from and against any and all liabilities claims, damages or losses resulting directly or indirectly from such failure to comply.

5. The undersigned acknowledges that the undersigned has had an opportunity to obtain and has obtained all information necessary and has independently evaluated the factors associated with its investment decision and after such evaluation, the undersigned understood and knew that investment in the Bond involved certain risks, including but not limited to, limited security and source for payment of the Bond, the status of development and its impact on taxation for payment of the Bond, the possible transfer of land by the owners of land in the Issuer, failure or inability of owners to complete proposed development of such land, bankruptcy and foreclosure delays, and the probable lack of any secondary market for the Bond. The undersigned acknowledges that it is

experienced in transactions such as those relating to the Bond and that the undersigned is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bond. The undersigned is not relying on the Authority in making its decision to purchase the Bond.

6. The undersigned understands that the Bond (i) is not being registered under the Securities Act of 1933, as amended, in reliance upon certain exemptions set forth in that Act, (ii) is not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) will not be listed on any stock or other securities exchange, (iv) will not carry any bond rating from any rating service, and (v) is not likely to be readily marketable.

7. The undersigned had access to all information regarding the Bond and the Authority that the undersigned deemed material in connection with its evaluation of and decision to purchase the Bond. The undersigned acknowledges that the undersigned has not requested and none of the Authority, or its respective officials, officers, directors, board members, advisors, employees and agents have undertaken to furnish information to the undersigned from any third party in connection with investment in the Bond. The undersigned acknowledges that no disclosure document or official statement has been prepared in connection with the original issuance or any transfer of the Bond.

\_\_\_\_\_  
[PURCHASER]

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[END OF "CERTIFICATE OF QUALIFIED INVESTOR"]  
[END OF FORM OF BOND]



## Action Item

## RESOLUTION NO. 09-42

**To:** Board of Directors  
**From:** Casey Denny, C.M., C.A.E., Deputy Director  
**Through:** Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Airport Remote Parking Lot Management Services – Ampco System Parking  
**Date:** September 28, 2009

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**Proposed Motion:**

Approve Resolution No. 09-42 authorizing a one-year contract with Ampco System Parking for hourly parking lot management and shuttle services to be effective November 1, 2009 at an estimated cost of \$60,000.

**Narrative:**

In anticipation of increased airline passenger traffic during the November and December holiday period, Airport staff planned for a 1,600-space remote parking lot. The remote parking lot will require a shuttle operation to transport passengers to and from the Terminal, and a lot attendant for the collection of parking revenues.

Request for Proposal No. 2010-001 for remote parking lot attendant and shuttle services was issued on August 7, 2009 and advertised in the East Valley Tribune on August 8, 15, 22, and 29, in addition to being posted on the Airport Web Site. Four proposals were received and evaluated by staff. A selection committee reviewed and ranked the proposals based upon experience, hourly shuttle and lot attendant costs, and completeness of their proposal as follows:

**Company Name**

1. Ampco System Parking
2. American Valet
3. Coach America
4. Shuttle Solutions

Based upon these rankings, staff entered into negotiations with Ampco System Parking to finalize details, including the staffing requirements, hourly shuttle costs with an operator (\$34.22/hr), and hourly attendant costs (\$21.83/hr). Based upon the proposals submitted, the committee selected Ampco System Parking.

**Fiscal Impact:**

Based on historical overnight parking demand and the increased holiday flight schedule, we anticipate parking revenues during this holiday season (November and December) to be in excess of \$190,000, \$70,000 of which is associated with the overflow lot.

The estimated expense of this contract is \$60,000, which includes operating the remote parking lot and shuttle operation during the peak holiday periods. This contract was not specifically budgeted in the FY10 operating budget, however, staff intends to reduce expenses in other areas to allow for this necessary expenditure. No increase to the operating budget is anticipated.

Attachment



**RESOLUTION NO. 09-42**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to enter into a contract for remote parking;

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

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby approves a one-year contract with Ampco System Parking for hourly parking lot management and shuttle services to be effective November 1, 2009 at an estimated cost of \$60,000. This Resolution also authorizes the Chair or Executive Director to execute such contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 19th day of October 2009.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



**Phoenix-Mesa Gateway Airport**  
5835 South Sossaman Road  
Mesa, Arizona 85212-6014  
Telephone: 480-988-7600  
FAX: 480-988-2315  
[www.phxmesagateway.org](http://www.phxmesagateway.org)

## Action Item

**RESOLUTION NO. 09-45**

**To: Board of Directors**  
**From: Casey Denny, C.M., C.A.E., Deputy Director**  
**Through: Lynn F. Kusy, C.M., C.A.E., Executive Director**  
**Re: Fence Purchase – Empire Fence**  
**Date: September 25, 2009**

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**Proposed Motion:**

**Approve Resolution No. 09-45 authorizing a contract to purchase remote parking lot security fencing from Empire Fence for an amount not to exceed \$ 41,753.77.**

**Narrative:**

In anticipation of the increased airline passenger traffic during the November and December holiday period, Airport staff has been preparing a 1,600-space remote parking lot. In addition, a separate lot along Sossaman Road is being prepared as a cell phone short-term parking area. Both of these parking areas require chainlink fencing to segregate them from other areas of the Airport.

The Airport Authority is a member of the Strategic Alliance for Volume Expenditures (S.A.V.E.). Membership in S.A.V.E. allows staff to access various Arizona municipal and school district contracts. Mesa Public Schools solicited for fencing through a competitive bid process, and selected Empire Fence via S.A.V.E. contract #28-53MB. The Airport Authority desires to utilize this contract and associated unit prices for this project.

This project is budgeted in the FY10 capital budget and is funded with non-grant capital funds as Project #711.

Attachment



PhxMesa **Gateway** Airport

**RESOLUTION NO. 09-45**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to purchase security fencing;

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

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby authorizes the purchase of remote parking lot security fencing from Empire Fence for an amount not to exceed \$ 41,753.77. This Resolution also authorizes the Chair or Executive Director to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 19th day of October 2009.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY



**Phoenix-Mesa Gateway Airport  
Airport Administration**  
5835 South Sossaman Road  
Mesa, Arizona 85212-6014  
Telephone: 480-988-7600  
FAX: 480-988-2315  
[www.phxmesagateway.org](http://www.phxmesagateway.org)

## Action Item

**RESOLUTION NO. 09-48**

**To:** Board of Directors  
**From:** John E. Cox, C.M., Design and Construction Manager  
**Through:** Casey Denny, C.M., C.A.E., Deputy Director  
Lynn F. Kusy, C.M., C.A.E., Executive Director  
**Re:** Apron Expansion Phase III Design – Kimley-Horn and Associates, Inc.  
**Date:** October 19, 2009

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**Proposed Motion:**

**Approve Resolution No. 09-48 approving Authorization of Services No. 1001 with Kimley-Horn and Associates, Inc. for engineering design and administrative services for the apron expansion Phase III project for a total cost not to exceed \$168,826.**

**Narrative:**

This project will include engineering design and administrative services for the design of approximately 27,144 square yards of a new apron expansion. This project will be adjacent to Taxiway A and will connect to the existing apron. The project includes site grading and earthwork, PCC pavements with concrete shoulders, pavement marking/stripping, ramp lighting, edge lighting and edge markers.

Design services include preparation of an Engineer's Design Report, topographic surveys, geotechnical investigations, and final contract bid documents. Construction will be scheduled at a later date in conjunction with FAA funding.

Kimley-Horn and Associates was selected to perform professional engineering services through Request for Proposal (RFQ) Solicitation No. 2008006-SOQ for a five year period commencing on March 17, 2008.

This project was included in the FY 10 capital budget and is funded with \$151,943.40 (95% FAA grant funds), \$8,441.30 (2.5% ADOT funds, if available) and \$8,441.30 (2.5% Airport Authority local matching funds) as Project #457.

Attachment



PhxMesa **Gateway** Airport

**RESOLUTION NO. 09-48**

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, was formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* for the purpose of, among other things, redeveloping portions of the former Williams Air Force Base as a civilian airport known as the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to enter into a contract with Kimley-Horn and Associates;

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

**The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby approves Authorization of Services No. 1001 with Kimley-Horn and Associates, Inc. for engineering design and administrative services for the apron expansion Phase III project for a total cost not to exceed \$168,826. This Resolution also authorizes the Chair or Executive Director to execute such contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Phoenix-Mesa Gateway Airport Authority this 19th day of October 2009.

ATTEST:

\_\_\_\_\_  
CLERK

\_\_\_\_\_  
CHAIR

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY