

Phoenix-Mesa Gateway Airport Authority
5835 S. Sossaman Road ♦ Mesa, Arizona 85212

TELEPHONIC BOARD MEETING

AGENDA

Monday, August 9, 2010 ♦ 9:00 a.m.

1. **Call to Order: Phoenix-Mesa Gateway Airport Authority – Councilwoman Thelda Williams, Chair**
2. **Consideration and Possible Approval of:**
 - Tab A - Minutes** of Board Meeting held on July 26, 2010.
 - Tab B -Resolution No. 10-38** – Authorizing a Three-Year Lease Agreement with **Worldwide Flight Services, Inc.** for Buildings 1085 and 1086, Located at 6304 and 6262 S. Taxiway Circle. Lease Commences September 1, 2010, with Six One-Year Mutual Renewal Options, Payable at \$18,246.78 Per Month.
 - Tab C -Resolution No. 10-39** – Authorizing Lease Agreements with **Epic Aviation, LLC** for Eight Aircraft Refueling Vehicles Commencing July 1, 2010, Payable at a Cumulative Cost of \$15,735 Per Month, for a Cumulative Total Annual Cost of \$172,520.
3. **Next Meeting:** Monday, September 20, 2010 – 9:00 am
4. **Adjourn**



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

BOARD MEETING

July 26, 2010

AIRPORT AUTHORITY BOARD MEMBERS

Councilwoman Thelda Williams, Phoenix
Mayor John Lewis, Gilbert
Lt. Governor Joseph Manuel, Gila River Indian Community
Councilwoman Dina Higgins, Mesa
Mayor Gail Barney, Queen Creek

GUESTS PRESENT

Roc Arnett, East Valley Partnership
Nadine Becker, Barton Malow
Nikki Bernstein, Himovitz Properties
Jeffrey Carr, Air Force Research Lab
Milt Fort, Mesa Convention and Visitors Bureau
Michelle Gramley, Town of Gilbert
Ken Halverson, Jetstrip
John Kross, Town of Queen Creek
Johannes Kurz, Gateway Ambassador
Dr. Glenna McCollum, Chandler University
LaVonne Morris, City of Phoenix
Peter Olszewski, Morrison-Maierle
Scot Rigby, City of Mesa

Christopher Schmaltz, Gust Rosenfeld
Councilmember John Sentz, Gilbert
Floyd Moore, Valle del Oro
Carl Newman, City of Phoenix
John Olson, Mesa Resident
John Schroeder, Chandler-Gilbert Community
College
Peter Sterling, East Valley Partnership
Phil Statt, HPI
Jeff Stoddard, Hensel Phelps
Art Thomason, Arizona Republic
Paul Womack, Phoenix Fire Center

AIRPORT STAFF PRESENT

Casey Denny, Deputy Director
Gretchen Hawkins, Executive Assistant/Clerk to the Board of Directors
Lynn Kusy, Executive Director
Brian Sexton, Public Information Officer

CALL TO ORDER

The meeting was called to order by Chairman Gail Barney at 9:00 a.m.

AWARDS, GUEST INTRODUCTIONS, AND ANNOUNCEMENTS

- Airport Executive Director Lynn Kusy welcomed Councilwoman Dina Higgins from Mesa representing Mayor Smith and Councilmember John Sentz from Gilbert.

Mr. Kusy reported:

- Allegiant Air has added new service to Colorado Springs, Colorado beginning in mid September 2010. This will be Allegiant's 22nd destination from Gateway.
- A draft of FY 2010 annual report was distributed to Board members. Mr. Kusy noted that Gateway is a finalist in *PR News Magazine's* "event marketing" category for last year's Fergie & Feller Field event. The winner will be announced in October.
- Kevin Mentzer, Manager – Operational Planning & Control, received the Southwest Chapter of American Association of Airport Executives' (SWAAAE) Aviation Excellence Award for 13 perfect FAA Part 139 inspections.
- Mr. Kusy recognized Katherine (Kat) Bell, Customer Service Representative, who was named Employee of the Year for 2010.
- Mr. Kusy was named SWAAAE's Airport Executive of the Year.

COMMENTS FROM THE PUBLIC – none

PROGRESS REPORTS

- ASU Polytechnic – No report
- Chandler-Gilbert Community College – Provost John Schroeder reported that their Law Enforcement Training Academy graduated 16 students who are now Arizona certified peace officers. Class 6 will begin in September. Mr. Schroeder said enrollment numbers continue to increase at 16 percent last year, and are expected to be in the high single digits this year. Tahoe Road has reopened, Bridget Hall is nearly complete and will open February 23, and a new parking lot will provide 275 additional spaces.

EXECUTIVE DIRECTOR'S REPORT - Review of Monthly Staff Reports and Updates on: Construction ♦ Commercial Service ♦ Finance ♦

Mr. Kusy provided highlights from the June staff reports:

- Noise complaints totaled 18 in June; five from MD-80s, four from engine runs, three from B-747. Fourteen calls came from Mesa.
- Casey Denny, John Cox, and Marian Russey visited FAA regarding our FY2010 grants.
- Casey and Lynn visited FAA offices in Los Angeles about our grant programs and our Financial Business Plan.
- The Northeast Area Development Plan is 30 percent complete. The Board will receive a presentation in September or October.
- Passenger terminal expansion is underway. The baggage belt will be moved into the new building, but baggage claim will be temporarily located in an air conditioned tent. Construction will continue through the end of October. The passenger terminal expansion should be complete by November 8, and work will then begin on remodeling of the existing building.
- Staff issued an Invitation to Bid for a 1,700-space parking lot for the north end of the Airport. Bids are due this week. The project is expected to cost approximately \$4 million, paid for by a grant from FAA.
- A Boeing 747-800 and a military C-17 were at Gateway this month.

- Terminal parking has been at capacity every weekend since Memorial Day. The long-term lot was opened and has accommodated an additional 1,000 vehicles.
- Enplaned passengers totaled 29,707 in May and 35,815 in June.
- Preliminary June figures: Operating Revenues were approximately \$10.5 million, Operating Expenses at \$11.5 million – for a net loss of about \$1 million, which is approximately \$700,000 better than budget. We earned approximately \$12 million in capital grants.

CONSENT AGENDA - Consideration and Possible Approval of:

Tab A – Minutes of Board Meeting held on June 21, 2010.

Tab B – Resolution No. 10-28 – Authorizing the Airport Authority to Accept any **FAA** Grant Offer(s) Received Between July 1, 2010, and September 30, 2011.

Tab C – Resolution No. 10-29 – Authorizing the Airport Authority to Accept any **ADOT** Grant Offer(s) Received Between July 1, 2010, and June 30, 2011.

Tab D - Resolution No. 10-30 – Authorizing a Second Amendment to the **Native American Air Ambulance, Inc.**, Lease to Extend the Term Six Additional Months to January 31, 2011.

Tab E – Resolution No. 10-31 – Authorizing \$60,000 for the Third Year of a Three-Year Air Service Development Consulting Contract No. C-2008024 with **Mead & Hunt, Inc.**, for Period July 1, 2010, through June 30, 2011.

Tab F – Resolution No. 10-32 – Authorizing a Second Amendment to a **Himovitz Properties, Inc.**, Lease for Property Located at 5950 S. Sossaman Road to Add Suite 118, Effective August 1, 2010, at a New Monthly Payment of \$9,840.15.

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

CONSIDERATION AND POSSIBLE APPROVAL OF:

Resolution No. 10-33 – Authorizing a One-Year Property Lease Agreement with **Jetstream Group, Inc.**, for Suite 121 at 5803 S. Sossaman Road Commencing August 16, 2010, With Two One-Year Renewal Options, Payable at \$1,623.88 Monthly.

Mr. Kusy discussed the proposed lease with the Jetstream Group. Jetstream will do light jet training in conjunction with Cessna, Embraer, and Hawker Beechcraft.

Councilwoman Williams moved to approve the Resolution No. 10-33. Lt. Governor Manuel seconded the motion. The motion carried unanimously.

Resolution No. 10-34 – Authorizing a Contract with **Parsons-3D/I** for the Purchase and Installation of Heating, Ventilation, and Air Conditioning Equipment for the General Aviation Center in the Amount of \$190,110.11.

Mr. Kusy said this resolution authorizes the purchase and installation of a new HVAC system for the General Aviation Center. The current system is 22 years old and needs to be replaced.

Councilwoman Williams moved to approve the Resolution No. 10-34. Councilwoman Higgins seconded the motion. The motion carried unanimously.

Resolution No. 10-35 – Authorizing a Five-Year License Agreement with **ProDIGIQ, Inc.**, for Airport Terminal Television Network Advertising Services in Return for Monthly Payments Equal to 15 Percent of its Gross Advertising Income.

Public Information Officer Brian Sexton provided details on this proposed agreement. He explained that ProDIGIQ will provide network television entertainment in the passenger terminal via flat screen televisions. Mr. Sexton noted that staff recently issued an RFP, but received only one response.

Mayor Lewis noted the 15 percent is a new revenue stream. Mr. Sexton said ProDIGIQ's focus will be sports, weather, and news, plus selling commercials about Allegiant's markets. Mr. Sexton will take over advertising sales.

Councilwoman Williams asked if the contract included community service opportunities. She hopes that we can publicize the surrounding areas and Phoenix. Brian responded that community service is a part of the appeal of this network since we can add content at any time. She also noted there was no minimum revenue guarantee. Mr. Kusy added that the staff negotiated with the one company that responded to the original RFP, and they refused a minimum revenue guarantee also. ProDIGIQ is from California and is not paying a percentage to any of the other airports they are working with.

Councilwoman Higgins asked about objectionable content. Mr. Sexton said staff has the right to review and remove any questionable content.

Councilwoman Williams moved to approve the Resolution No. 10-35. Mayor Lewis seconded the motion. The motion carried unanimously.

Resolution No. 10-36 – Authorizing the Purchase of Two Aircraft Passenger Boarding Ramps from **Keith Consolidated Industries, Inc.**, for a total of \$93,623 Plus Tax.

Mr. Kusy explained that since two gates will be added to the terminal, two additional sets of boarding ramps are needed.

Councilwoman Williams moved to approve the Resolution No. 10-36. Mayor Lewis seconded the motion. The motion carried unanimously.

Resolution No. 10-37 – Authorizing the Purchase of 165 Passenger Terminal Seats from **Goodmans Interior Structures** in the Amount of \$102,082.48.

Mr. Kusy reported that the new seats will go into the new terminal expansion. These chairs will not have arms, which reduces the cost and are more comfortable.

Councilwoman Higgins moved to approve the Resolution No. 10-37. Councilwoman Williams seconded the motion. The motion carried unanimously.

ELECTION OF OFFICERS

Mayor Lewis nominated Councilwoman Williams for Chair, Mayor Lewis for Vice Chair, Lt. Governor Manuel for Secretary, Mayor Smith for Treasurer, and Mayor Barney as Director. Councilwoman Williams seconded the motion. The motion carried unanimously.

BOARD MEMBER COMMENTS

Mayor Lewis reported that the Town of Gilbert has some equipment that could potentially be used at the Airport. Casey Denny responded that staff is in the process of updating the Airport's procurement policy giving the Airport Authority access to surplus equipment from member governments. Staff is in the process of making other changes to the policy and the revised policy may be complete by September. Mr. Kusy said our current policy doesn't allow this type of procurement.

NEXT MEETING

Mr. Kusy said there may be a need for a telephonic meeting in August. He said the Board may be asked to consider a lease for a major tenant before the end of August.

Next scheduled meeting is Monday, September 20, 2010 – 9:00 am

ADJOURN

The meeting adjourned at 9:30 am.



Phoenix-Mesa Gateway Airport
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Telephone: 480-988-7600
FAX: 480-988-2315
www.phxmesagateway.org

Action Item

RESOLUTION NO. 10-38

To: Board of Directors
From: John Barry, Manager, Business Development
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Property Lease Agreement – Worldwide Flight Services, Inc.
Date: August 9, 2010

Proposed Motion:

Approve Resolution No. 10-38 authorizing a property lease agreement with Worldwide Flight Services, Inc., for buildings 1085 and 1086, located at 6304 and 6262 S. Taxiway Circle, respectively. The lease term is three years, commencing September 1, 2010, with six one-year mutual renewal option(s), payable at a monthly rate of \$18,246.78.

Narrative:

Worldwide Flight Services, Inc. (WFS) is a global aircraft ground handling, cargo handling and aviation technical services company. Currently, they serve as the aircraft ground handling agent for Allegiant Air.

WFS desires to lease buildings 1085 and 1086 for a major aircraft ground support and cargo handling equipment refurbishment facility. In addition to serving their North America equipment needs, this facility will cause a wide variety of cargo handling equipment to be stored on-Airport, equipment that WFS has agreed to allow us to use to satisfy the Airport's initial commercial cargo aircraft handling needs. A separate memorandum of agreement will be drafted which defines all equipment use and cost parameters, training requisites (for Airport staff), and supervisory oversight (by WFS).

Agreement Term and Rate:

This agreement has a term of three years and offers six mutual renewal option(s) for one additional year each. Worldwide may, however, terminate the lease anytime after the first year with 45 days advance written notice, but must pay a penalty for doing so equal to three to six months rent, depending upon when such election is made.

The initial lease rate is \$18,246.78 per month, or approximately \$5.21 per square foot per year for approximately 42,055 square feet. The lease is subject to annual adjustments equal to the greater of CPI or 3 percent, as well as a performance guarantee of \$36,493.56.

Attachment



PhxMesa **Gateway** Airport

RESOLUTION NO. 10-38

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 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 authorizes a property lease agreement with Worldwide Flight Services, Inc., for buildings 1085 and 1086, located at 6304 and 6262 S. Taxiway Circle, respectively. The lease term is three years, commencing September 1, 2010, with six one-year mutual renewal option(s), payable at a monthly rate of \$18,246.78. 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 9th day of August 2010.

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

Action Item

RESOLUTION NO. 10-39

To: Board of Directors
From: Matt Nebgen, Manager, Gateway Aviation Services
Through: Casey Denny, C.M., C.A.E., Deputy Director
Through: Lynn F. Kusy, C.M., C.A.E., Executive Director
Re: Fueling Equipment Lease Agreements - Epic Aviation, LLC
Date: July 29, 2010

Proposed Motion:

Approve Resolution No. 10-39 authorizing the continuation of fueling equipment lease agreements with Epic Aviation, LLC for Fiscal Year 2011 for eight aircraft refuelers. The lease terms are month-to-month, commencing July 1, 2010, payable at a cumulative monthly rate of \$15,735, for a cumulative total annual amount of \$172,520.

Narrative:

Phoenix-Mesa Gateway Airport has operated the fuel concession on the Airport since December 1996, which includes managing and operating the fuel farm and all aircraft refueling vehicles. We own the fuel farm and lease fuel delivery vehicles from our fuel supplier, Epic Aviation, LLC.

In compliance with our procurement policy, staff has negotiated with Epic Aviation to continue leasing seven aircraft refuelers for Fiscal Year 2011. The leases are on a month-to-month basis, however, we pay shipping costs if terminated before 24 months (only one truck is currently subject to that possibility). The seven trucks consist of two Avgas refuelers and five Jet A refuelers, one of which is being provided at no cost. The lease price of each vehicle remains the same as current prices with the exception of one truck to be added in November to accommodate increased air service.

Agreement Term and Rate:

Each truck has its own month-to-month lease agreement. The rates are as follows:

	<u>Equipment</u>	<u>Monthly</u>	<u>Annual</u>
RA1515	1,500 Gal AvGas	\$ 775	\$ 9,300
R20611	1,500 Gal AvGas	\$1,200	\$ 14,400
R20206	3,000 Gal Jet A	\$1,200	\$ 14,400
R20112	5,000 Gal Jet A	\$2,163	\$ 25,956
R20405	5,000 Gal Jet A	\$2,175	\$ 26,100
R20815	6,000 Gal Jet A	\$3,150	\$ 37,800
R20710	10,000 Gal Jet A	No Charge	No Charge
	Additional Truck in November	\$4,075	\$ 32,600
	City, County, and State Taxes	\$ 997	\$ 11,964
Total		\$15,735	\$172,520

Attachment



PhxMesa **Gateway** Airport

RESOLUTION NO. 10-39

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 lease fueling equipment;

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 continuation of fueling equipment lease agreements with Epic Aviation, LLC for Fiscal Year 2011 for eight aircraft refuelers. The lease terms are month-to-month, commencing July 1, 2010, payable at a cumulative monthly rate of \$15,735 for a cumulative total annual amount of \$172,520. This Resolution also authorizes the Chair or Executive Director to execute such agreements, 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 9th day of August 2010.

ATTEST:

CLERK

CHAIR

APPROVED AS TO FORM:

| ATTORNEY

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COPY



**AVIATION REFUELER LEASE AGREEMENT
(OFF ROAD USE ONLY VEHICLE)**

THIS AGREEMENT made and entered into this date of Jun. 7, 07 by and between EPIC Aviation LLC, dba, Air BP Aviation Services, having its principal office at 1790 16th St. S.E. Salem, Oregon 97302, hereinafter referred to as "Lessor", and Williams Gateway Airport, hereinafter referred to as "Lessee",

Lessor agrees to deliver and lease to Lessee for Lessee's use on the Williams AFB Airport, the aviation refueling truck or trucks (hereinafter referred to as "Refueling Equipment") described as indicated in Addendum "A" to this agreement (the "Agreement").

This confirms the Lessor's and Lessee's mutual understanding that the Refueling Equipment described on the attached Addendum "A" is, as of the above date, leased to Lessee subject to the following terms and conditions:

1. For the use of said Refueling Equipment during the term hereof, Lessee hereby agrees to pay Lessor the rental set out in the Addendum "A", plus all applicable sales, property, and use tax; said rental be paid to Lessor in advance on the first day of each month, and to commence as of June 7, 2007 or upon delivery (whichever is later). Lessor shall be permitted to increase said rental while Agreement is in effect by giving Lessee at least 60 days advance written notice of the effective date of said increased rental. In the event of an increase in the rental, Lessee shall have the right to terminate this Agreement on the effective date of said increase by giving Lessor at least 30 days advance written notice of its intention to terminate on said effective date.
2. This Agreement shall remain in effect for a minimum primary term commencing on the date of execution and continuing on a month-to-month basis thereafter unless notice of intent to terminate at the end of the then current term is delivered in writing by either party. Such notice shall be delivered at least 90 days and no more than 120 days prior to the end of the then current term if for any reason Lessee does not lease said Refueling Equipment, including any additional Refueling Equipment leased hereunder or substituted Refueling Equipment exchanged at the request of Lessee, for at least 48 months or until termination of the FPC, whichever is longer, Lessee agrees to pay Lessor a sum equal to twice the cost of delivering said Refueling Equipment to Lessee. Said sum shall not exceed \$5000 per unit.

3. The Refueling Equipment shall at all times remain the exclusive property of Lessor and nothing in this Agreement shall be construed to transfer any ownership right or interest to Lessee in the Refueling Equipment. Lessee shall, at all times, at its sole cost, keep the Refueling Equipment free and clear from all liens, encumbrances, levies, attachments or other judicial process from every cause whatsoever (other than a claimant through the act of Lessor), and shall give Lessor immediate notice thereof and shall indemnify and hold Lessor harmless from any loss or damage, including attorneys' fees, caused thereby.
4. The Refueling Equipment shall be used solely by Lessee for handling the aviation fuel supplied Lessee by Lessor. Lessee shall exercise exclusive supervision and control of the Refueling Equipment during the term of this Agreement and Lessee shall allow only qualified and duly trained operators to use, operate, maintain and/or repair the Refueling Equipment. Lessee shall, at all times, ensure that the Refueling Equipment is used, operated, maintained and repaired in a careful and prudent manner, and in complete compliance with the manufacturer's specifications. Lessee shall ensure strict compliance with, and conformance to, all applicable laws, rules, ordinances, codes and regulations (be they federal, state, local or otherwise) relating in any way to the possession, use, maintenance or repair of the Refueling Equipment.
5. The Refueling Equipment shall not be removed from the location specified above without the prior written consent of Lessor.
6. Lessee shall not make any modifications or alterations to the Refueling Equipment without the express, written permission of Lessor. In the event Lessor grants such permission, a condition of any consent to such modification or alteration shall be that all cost of modifying, altering and restoring the Refueling Equipment shall be solely borne by Lessee.
7. Prior to the delivery of each unit of Refueling Equipment covered by this agreement, Lessee shall obtain and maintain in force at all times during the term of this agreement airport premises liability insurance with the combined single limit of not less than \$1,000,000.00 per accident, or such higher limits as may be required by state or federal law or regulation with Lessor specified as additional insureds (with respect to the operation of Lessor's named equipment) under the policy. **Lessee shall furnish Lessor with certificates evidencing such insurance.** Such certificate shall specify the leased equipment by VIN number as being covered in the policy. Lessee assumes all risk of loss of, or damage to, the Refueling Equipment. Lessee shall be responsible for all loss of or damage to the Refueling Equipment from any cause whatsoever during the term of this Agreement or while the Refueling Equipment is in Lessee's care, custody or control, whether or not due to Lessee's fault, including, but not limited to, casualty, collision, upset, fire, theft, malicious mischief, vandalism, graffiti, glass breakage and mysterious disappearance. Such responsibility is limited to the full replacement value of the Refueling Equipment, as shown in Addendum A, which shall be covered by

Lessee's airport premises liability policy. In the event that Lessee fails to obtain and maintain such liability insurance or fails to provide Lessor with certificates evidencing such insurance, Lessor may at their discretion terminate said lease or purchase such insurance on Lessee's behalf and at Lessee's expense and Lessee shall be obligated to pay the entire cost of such insurance with the next monthly rental payment.

8. Lessee shall indemnify, defend, and hold harmless Lessor, any subsidiary and affiliated companies (collectively "lessor and its affiliates"), and their respective directors, officers, agents, and employees, from and against all expense (including attorneys' fees), liabilities, and claims of whatsoever kind and nature, including but not limited to, those for damage to property (including lessee's property) or injury to or death of persons (including lessee), directly or indirectly resulting, or alleged to result, from anything occurring from any cause on or about or in conjunction with the maintenance, upkeep, repair, replacement, operation, or use of any premises owned and/or operated by the lessee, or anything located thereon, or otherwise resulting from or in conjunction with the lessee's use of the Refueling Equipment or the operations or products of lessee or the negligence of lessee. Said Refueling Equipment, if not new equipment, is leased "as is" without warranty. New equipment will carry the extent of the refueler manufacturers warranty as stated in the operating manual that accompanies the equipment. It is also agreed that Lessee shall not add to or remove from said Refueling Equipment any equipment or appurtenances without the written consent of the Lessor.
9. In the event of an accident, loss of, theft or damage to the Refueling Equipment, Lessee agrees to notify Lessor immediately by telephone, and thereafter, immediately report in writing to Lessor and the public authorities (where required by law) all information deemed relevant thereto by Lessor.
10. It is further understood and agreed that each party accepts the applicable responsibilities listed in the attachment hereto, entitled Lessee/Lessor Responsibilities, which is incorporated herein by this reference. Lessor shall be permitted access to inspect the Refueling Equipment at all reasonable times.
11. Lessee agrees that it shall return said Refueling Equipment to Lessor at the termination of this agreement in as good condition as annotated in Addendum "B".
12. In the event of default of this Agreement, or any other contract between Lessor and Lessee, Lessee shall allow Lessor to peaceably enter the premises where the Refueling Equipment is located and render it inoperative or remove it without legal process and without notice or liability to Lessee. Lessee hereby waives any right to a hearing or to receive any notice of legal process, as a pre-condition for Lessor recovering the Refueling Equipment. The remedies provided herein are not exclusive, but shall be cumulative and in addition to all other remedies existing at law or in equity, any one or more of which may be exercised simultaneously or successively.

13. This agreement supersedes and takes place of all former agreements, and amendments thereto, heretofore entered into between the parties covering the lease of Refueling Equipment at the location above stated.

14. This Agreement shall be interpreted and construed in accordance with the substantive and procedural laws of the State of Oregon, notwithstanding any choice of law rules. Any legal action instituted by either party pertaining to this Agreement or the Refueling Equipment shall be instituted in the Circuit Court for Marion County, Oregon. Lessor and Lessee each specifically consent to the jurisdiction of the courts of the State of Oregon and waive any objection to jurisdiction in the State of Oregon or venue in Marion County Circuit Court, including, but not limited to, any objection based on the inconvenience of the forum or venue.

15. In the event of any action to enforce this Agreement or to seek a declaration of right or responsibilities hereunder, the prevailing party shall be entitled to its reasonable attorneys' fees, at arbitration, trial and upon appeal, in addition to all other costs and expenses allowed by law.

16. When duly executed, this agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns; provided, however, that Lessee shall not assign this agreement in whole or in part without the prior written consent of Lessor; and provided further that Lessor's consent shall not be unreasonably withheld if reasonable requirements imposed by Lessor are first met. If Lessee is a corporation, partnership, or other business entity, the sale, assignment or other disposition or transfer of any interest in such entity shall be deemed an assignment of this agreement or rights thereunder for purposes of this paragraph.

17. Lessee shall be solely responsible for and pay any and all license fees, assessments, sales, use and other taxes, including, but not limited to, sales and personal property taxes, relating in any way to the Refueling Equipment.

EXECUTED the day and year first above written.

Air BP Aviation Services

Williams Gateway Airport

By [Signature]
Lessor

By MAT NEBGEN [Signature]
Lessee

Date 6-11-07

Date 6/07/07

**ADDENDUM TO
AVIATION REFUELER LEASE AGREEMENT
(OFF ROAD USE ONLY VEHICLE)**

This is an addendum to an Aviation Refueler Lease Agreement made on March 14, 2002 between **VALLEY OIL COMPANY, LCC**, of Salem, Oregon (the "Lessor") and the "Lessee," the:

Williams Gateway Airport Authority
6001 South Sossaman Road, Suite 100
Mesa, Arizona 85212

Unit #: RA1515
Make: 2000 Rampstar
VIN #: R1076
Tank Size: 1,500 Gallon, Aluminum
Lease Amount: \$775.00 per month (plus applicable sales tax)
Effective Date: March 6, 2002 or upon delivery (whichever is later)
Brand/Decal: Air BP Decal

WILLIAMS GATEWAY AIRPORT AUTHORITY

VALLEY OIL COMPANY, LLC

By: 
By: Craig Herget
Title: Ramp Operations Manager
Date: March 1, 2002

By: _____
Title: _____
Date: _____

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ADDENDUM "A" TO
AVIATION REFUELER LEASE AGREEMENT
(OFF ROAD USE ONLY VEHICLE)

This is an addendum to an Aviation Refueler Lease Agreement made on 4/19/06, between EPIC AVIATION, LLC. DBA, AIR BP AVIATION SERVICES, of Salem, Oregon the "Lessor", and the "Lessee"

Williams Gateway Airport
5803 S. Sossaman Rd.
Mesa, AZ 85212

Unit # R20611
Make Isuzu
Serial/VIN # JALE5B16267902508
Tank Size 1500 gallon
Lease \$1200.00 per month
Options
Replacement Value \$110,000.00
Effective April 19, 2006 or upon delivery (whichever is later)

Air BP Aviation Services

Gateway Aviation Services

By _____
Lessor

By *Craig Hugg*
Lessee

Date _____

Date 4-19-2006

**ADDENDUM "A" TO
AVIATION REFUELER LEASE AGREEMENT
(OFF ROAD USE ONLY VEHICLE)**


This is an addendum to an Aviation Refueler Lease Agreement made on 10/23/07, between EPIC AVIATION, LLC, DBA, AIR BP AVIATION SERVICES, of Salem, Oregon the "Lessor", and the "Lessee"

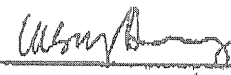
**Williams Gateway Airport Authority
5803 S. Sossaman Rd. Suite 102
Mesa, AZ 85212**

Unit # R20206
Make 2002 International
Serial/VIN # 1HTSCABN72H520153
Tank Size 3,000
Lease \$1200 per month ✓ *MO to MO*
Options
Replacement Value \$120,000.00
Effective 10/1/2007 or upon delivery (whichever is later)

Air BP Aviation Services

Williams Gateway Airport Authority

By 
Lessor
Date 10/29/07

By 
Lessee
Date 10/23/07

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**ADDENDUM "A" TO
AVIATION REFUELER LEASE AGREEMENT
(OFF ROAD USE ONLY VEHICLE)**

This is an addendum to an Aviation Refueler Lease Agreement made on 9/12/07, between EPIC AVIATION, LLC. DBA, AIR BP AVIATION SERVICES, of Salem, Oregon the "Lessor", and the "Lessee"

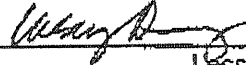
**Williams Gateway Airport
5803 S. Sossaman Rd. Suite 102
Mesa, AZ 85212**

Unit # R20112
Year-Make 2001-International
Serial/VIN # 1HTSDAAR51H402117
Tank Size 5,000
Lease \$2163 per month
Options
Replacement Value \$160,000.00
Effective September 1, 2007 or upon delivery (whichever is later)

Air BP Aviation Services

Williams Gateway Airport Authority

By 
Lessor

By 
Lessee

Date 9/18/07

Date 9/12/07

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ADDENDUM "A" TO
AVIATION REFUELER LEASE AGREEMENT
(OFF ROAD USE ONLY VEHICLE)

This is an addendum to an Aviation Refueler Lease Agreement made on 6/25/04, between EPIC AVIATION, LLC. DBA, AIR BP AVIATION SERVICES, of Salem, Oregon the "Lessor", and the "Lessee"

Williams Gateway Airport Authority
Dba Gateway Aviation Services
6001 Sossaman Rd. Suite 100
Mesa, AZ 85212

Unit #	R20405
Make	2004
Serial/VIN #	1HTWAAAR25J036156
Tank Size	5000 Gallon
Lease	\$2175.00
Options	Carter Digital II
Replacement Value	\$165,000.00
Effective	June 25, 2004 or upon delivery (whichever is later)
Brand/Decal	Air BP

AIR BP AVIATION SERVICES

Williams Gateway Airport Authority

By _____

By Craig Hergel

Title _____

Title Ramp Ops Manager

Date _____

Date 6-25-2004

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ADDENDUM "A" TO
AVIATION REFUELER LEASE AGREEMENT
(OFF ROAD USE ONLY VEHICLE)

COPY

This is an addendum to an Aviation Refueler Lease Agreement made on 10/1/09, between EPIC AVIATION, LLC. DBA, AIR BP AVIATION SERVICES, of Salem, Oregon the "Lessor", and the "Lessee"

Phoenix-Mesa Gateway Airport Authority
5803 S. Sossaman Rd. Suite 102
Mesa, AZ 85212

Unit #	R20815
Make	International
Serial/VIN #	1HTWAAAR68J038898
Tank Size	6,000
Lease	\$3150.00
Options	
Replacement Value	\$225,000.00
Effective	October 1, 2009 or upon delivery (whichever is later)

Air BP Aviation Services

Phoenix-Mesa Gateway Airport
Authority

By _____
Lessor

By *[Signature]*
Lessee

Date _____

Date 10.1.09

**ADDENDUM "A" TO
AVIATION REFUELER LEASE AGREEMENT
(OFF ROAD USE ONLY VEHICLE)**

This is an addendum to an Aviation Refueler Lease Agreement made on 6/7/07, between EPIC AVIATION, LLC, DBA, AIR BP AVIATION SERVICES, of Salem, Oregon the "Lessor", and the "Lessee"

Williams Gateway Airport
5803 S. Sossaman Rd. Suite 102
Mesa, AZ 85212

Unit #	R20710
Make	Rampstar
Serial/VIN #	1244
Tank Size	10,000
Lease	\$3950 per month (No charge to Williams Gateway)
Options	
Replacement Value	\$377,000.00
Effective	June 7, 2007 or upon delivery (whichever is later)

Air BP Aviation Services

Williams Gateway Airport

By [Signature]
Lessor

By MATT NEUGEN, M. Neugen
Lessee

Date 6-11-07

Date 6/07/07