



## **Request for Proposals**

**For**

**Lease of Airport Hangar E1 at 6599 Crystal Ln.  
for Aircraft Maintenance/Repair, Flight Education and Training, and/or  
other Specialized Aviation Services at Prescott Regional Airport**

**6599 Crystal Lane**

**MAYOR AND COUNCIL:**

Philip R. Goode, Mayor  
Connie Cantelme, Council Member  
Brandon Montoya, Council Member  
Eric Moore, Council Member  
Cathey Rusing, Council Member  
Lois Fruhwirth, Council Member  
Ted Gambogi, Council Member

**CITY CLERK:**

Sarah M. Siep

**AIRPORT DIRECTOR:**

Richard Crider, A.A.E.

## **REQUEST FOR PROPOSALS (RFP)**

### **LEASE OF AIRPORT HANGAR E1 AT 6599 CRYSTAL LN. FOR AIRCRAFT MAINTENANCE/REPAIR, FLIGHT EDUCATION AND TRAINING, AND/OR OTHER SPECIALIZED AVIATION SERVICES AT PRESCOTT REGIONAL AIRPORT**

DESCRIPTION: The City of Prescott, Arizona, gives notice of its intent to lease airport property for commercial activities to the proposer who demonstrates the ability to perform in the best interest of the City as outlined in their proposal. Simple storage of an aircraft (even by a commercial entity) is not preferred. Proposals may be submitted for the storage of aircraft and/or for a Corporate Flight department, but deference will be given to aircraft maintenance/repair, flight education and training, and/or other specialized aviation services. Written proposals will be accepted from qualified individuals or firms for lease of property on Prescott Regional Airport, Ernest A. Love Field. The subject property is approximately 6,600 square feet in size, located northwest of the passenger terminal and has frontage on taxiway E.

**BID OPENING: Thursday, January 30, 2025 at 2:00pm** City Council Chambers 201 N. Montezuma Street, 3<sup>rd</sup> Floor, Prescott, Arizona 86301.

In accordance with local and State law, sealed proposals will be received by the Office of the City Clerk at **201 N. Montezuma Street, Suite 302, Prescott, Arizona 86301**, until 2:00pm on the date specified above, for the services specified herein. Proposals will be opened, and the name of the proposers read aloud at the above noted date, time and location. Any proposals received at or after 2:00pm on the referenced date will be returned unopened.

The City of Prescott reserves the right to accept or reject any or all proposals, and waive any informality deemed in the best interest of the City, and to reject the proposals of any persons who have been delinquent or unfaithful in any contract with the City.

Copies of the Plans, Project Specifications and Contract Documents are available free of charge on the City's website at <http://www.prescott-az.gov/business-development/purchasing/bid-listings/>.

PUBLISH: January 5, 2025, and January 12, 2025

# **REQUEST FOR PROPOSALS (RFP)**

## **LEASE OF AIRPORT HANGAR E1**

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## **I. GENERAL INFORMATION**

The Prescott Regional Airport-Ernest A. Love Field is operated under the jurisdiction of the City of Prescott. Prescott Regional Airport is the only primary, commercial service airport servicing Yavapai County. The Airport Department is empowered to provide for the development, operation, and maintenance of the airport and, with respect to aeronautical facilities and concessionaires, to negotiate agreements with the tenant operators thereof.

### **A. DESCRIPTION**

The City of Prescott, as the owner and operator of the Prescott Regional Airport, is hereby requesting proposals from qualified aircraft maintenance/repair, flight education and training, and/or other specialized aviation services entities interested in being a tenant of Hangar E1 located at 6599 Crystal Ln.

The long-term use of the subject property in this quadrant of the airport is uncertain, therefore a mid-term lease is being pursued in this specific solicitation.

The purpose of this RFP is to: 1) encourage the establishment of a specialized aviation services business within designated space at Prescott Regional Airport; 2) encourage more efficient, balanced use of the busy airfield movement areas; 3) to enhance revenue generation and financial self-sufficiency, as required in Airport Sponsor Grant Assurances.

The proposed lease includes a 6,600 square foot structure including 4,800 square feet of hangar space and 1,800 square feet of storage and restroom area. The lease is adjacent to approximately 16,100 square feet of aircraft parking apron, which Lessee shall have preferential use of. Adjacent hangars and apron support rotary winged aircraft, so compatibility of operations and similarity of aircraft type is important to safety and efficiency of operations.

The proposed lease shares automobile parking with other tenants and is proximate to the proposed leasehold. The City maintains these parking lots and charges a community parking fee approved by the City Council and amended from time to time.

The contents of this RFP are provided as background and general information for Proposers and as a guide for the City to evaluate submitted Proposals. The City reserves the right to accept or reject any proposal or negotiate with any or all the proposers.

### **B. BACKGROUND INFORMATION**

In 2023, Prescott Regional Airport (PRC) was ranked as the 23<sup>rd</sup> busiest airport in the nation, having exceeded 335,000 operations per year. PRC is home to multiple flight schools, a United States Forest Service aviation facility supporting aerial firefighting (Prescott Fire Center), and a growing list of airport businesses. In addition, the Airport is served by United Airlines with twice daily non-stop commercial flights (to Denver and Los Angeles, and dozens of connecting destinations beyond). The Airport is a Primary Commercial Service Airport and is certificated by the Federal Aviation Administration (FAA) under Federal Aviation Regulation Part 139.

Hangar E1 is intended to be used for commercial aeronautical services, which align with the City's vision of modernization and expansion of the airport facilities.

### C. PROPOSED PROJECT SCHEDULE

Project milestones are estimated as follows:

- |  |   |
|--|---|
| • Request for Proposal Advertised      | January 5 & 12, 2025                    |
| • Property Open House/Viewing          | January 16, 2025, 1-2:00pm              |
| • Questions Due                        | January 21, 2025, 5:00pm                |
| • Addendum (if needed) posted by       | January 24, 2025, 12:00pm               |
| • Proposal Due Date/Opening            | January 30, 2025, 2:00pm                |
| • Proposal Review                      | Week of February 3 <sup>rd</sup> , 2025 |
| • Airport Advisory Committee Review    | February 18, 2025, 2:00pm               |
| • Award of Contract (Council Approval) | February 25, 2025, 3:00pm               |

All milestones are the earliest dates, for planning purposes only, and shall not represent any contractual commitment whatsoever on the part of the City.

### D. REQUESTS FOR INFORMATION

Firms who desire clarification of the procurement terms, selection criteria or submittal requirements shall restrict their inquiries to written communications only. All communications (other than delivery of the proposal as defined below) shall be addressed to the City project representative listed below:

Irene Varelas  
Airport Property & Leasing Specialist  
City of Prescott – Prescott Regional Airport  
6630 Airport Avenue, Prescott AZ 86301  
[irene.varelas@prescott-az.gov](mailto:irene.varelas@prescott-az.gov) or  
[airport.administration@prescott-az.gov](mailto:airport.administration@prescott-az.gov)

Requests for information must be received by the project representative **prior to 5:00 PM on Tuesday, January 21, 2025**. Responses, or addenda as required, will be issued no later than 12:00 PM on Friday, January 24, 2025. Receipt of addenda must be acknowledged on the required form in the proposer's submission. It is the submitter's sole responsibility to check the City's website for periodic updates or addenda.

## II. SUBMITTAL REQUIREMENTS

Proposers shall possess the qualifications and Arizona licenses as required by this RFP and law. The City assumes no liability for the cost of preparing a response to this Request.

Any deviations from the provisions of this Request, which are desired by the Offeror, shall be specifically noted in the proposal submitted.

1. **Financial capability.** (May be independently validated by Airport Staff)
2. **Minimum bid requirement.** Minimum acceptable rent bids will equal or exceed \$3,850.00/Month, with an annual Consumer Price Index adjustment based on CPI-Urban (all items in Phoenix-Mesa-Scottsdale, AZ, all urban consumers, not seasonally adjusted), but shall have no less than a 3% and no more than a 9% annual increase/year. (Fair market value for similar

Arizona airport leases is \$2,546-\$6,726.50, so proposals above minimum are encouraged.)

3. **Preferred lease duration.** Anticipated lease term is three (3) years with five (5) one-year extensions that must be individually agreed to by City and Lessee. Any lease extension entered into by Parties pursuant to this Section may be made administratively by the Airport Director, on behalf of the City. Any such lease extensions must be agreed to by both Parties and memorialized in writing.
4. **Reversion.** All improvements will revert to the City/Airport at lease end.
5. **Leasehold Improvements.** The Offeror may choose to include improvements to the Leasehold as a consideration in this RFP. If so, a description of planned improvements and an estimated cost shall be included in the bid packet. All improvements must be approved by Prescott Regional Airport.

#### **A. PROPOSAL REQUIREMENTS**

Proposals shall be submitted as one (1) original not stapled or bound with one (1) flash drive and must conform to this Request. Proposers who provide evidence that they are fully competent, have the necessary experience, organization, and financial capacity to fulfill the requirement, and who can provide evidence for all necessary certificates and licenses, will be considered. The proposal shall include the following:

##### **1. General Organization Information**

Identity, including legal name, address, type (i.e., partnership, corporation, joint venture, sole proprietorship) and date of establishment. If a corporation, identify the state of incorporation. If a joint venture, identify the members of the joint venture and provide all the information required under this section for each member. If your firm is a wholly owned subsidiary of a “parent company”, identify the “parent company”.

- a. Organizational credentials and experience relating to the proposed commercial activities.
- b. Licenses & certifications required for the proposed commercial activities.
- c. Primary liaison for each proposed commercial activity.
- d. Acknowledgement that Proposer will adhere to Airport Minimum Standards and Rules and Regulations for Prescott Regional Airport.

##### **2. Acknowledgement of Addenda Received (If applicable)**

## **B. TERM OF LEASE**

Anticipated lease term of three (3) years with five (5) one-year extensions that must be individually agreed to by both City and Lessee. Any lease extension entered into by Parties pursuant to this Section may be made administratively by the Airport Director, on behalf of the City. Any such lease extensions must be agreed to by both Parties and memorialized in writing.

## **C. FEE PROPOSAL**

The proposed lease includes a 6,600 square foot structure including 4,800 square feet of hangar space and 1,800 square feet of storage and restroom area. The lease is adjacent to approximately 16,100 square feet of aircraft parking apron which Lessee shall have preferential use of. Adjacent hangars and apron support rotary winged aircraft, so compatibility of operations and similarity of aircraft type is important to safety and efficiency of operations.

The minimum acceptable proposals will equal or exceed \$3,850.00/Month rent with an annual Consumer Price Index adjustment based on “CPI-Urban U.S. City Average”, but shall have no less than a 3% and no more than a 9% annual increase/year. (Fair market value for similar Arizona airport leases is \$2,546-\$6,726.50, so proposals above minimum are encouraged.)

The Preferential Use of Adjacent Aircraft Parking Apron may be modified from time to time, and a Ramp Access Fee will apply to leasehold per the Prescott Regional Airport–Ernest A. Love Field Schedule of Rates & Charges that may be amended by City Council from time to time.

Automobile Parking: This Airport Hangar shares community parking lots with other hangar tenants and airport users in the same quadrat of the airport, and a community (SASO) parking lot fee will apply to leasehold per the Prescott Regional Airport, Ernest A. Love Schedule of Rates & Charges that may be amended by City Council from time to time.

**The fee proposal submitted shall remain valid for a period of 120 calendar days from the opening date of the RFP.**

## **D. DISCLOSURE**

Offerors shall disclose any professional or personal financial interest, which could be considered a conflict of interest in regard to pursuing this opportunity.

Identify any public or private disciplinary actions against your business organization or individuals within your business organization that occurred within the past five (5) years and would be relevant to the performance of obligations required by this proposed contract/lease. This includes actions by professional organizations or oversight committees.

Report any significant material litigation information that would be relevant to this contract. Material litigation means any claims or lawsuits brought against your business organization or individuals in your business organization affecting your business operations within the last ten (10) years.

Disclose any investigation (involving your business organization or individuals in your business organization) conducted in the past five (5) years with any Federal or state regulatory agency that might impact the ability to fulfill the proposed obligations required in this proposed contract/lease.

**E. PROPRIETARY REQUIREMENTS**

All materials submitted in response to the solicitation, including samples, shall become the property of the City and are therefore subject to public release, upon request, after the Contract award. Firms shall clearly mark any proprietary information contained in its submittal with the words "Proprietary Information." Firms shall not mark any Solicitation Form as proprietary. Marking all or nearly all of a submittal as proprietary may result in rejection of the submittal.

Firms should be aware that the City is required by law to make its records available for public inspection. All firms, by submission of materials marked "proprietary", acknowledge, and agree that the City will have no obligation to advocate for non-disclosure in any form nor will the City assume any liability to the firms in the event that the City must legally disclose these materials.

**F. DELIVERY OF SUBMITTALS**

Sealed proposals will be received **before 2:00 PM on Thursday, January 30th, 2025**, at the **City Clerk's Office, 201 N. Montezuma Street, 3<sup>rd</sup> Floor, Prescott, Arizona 86303**, at which time all submittals will be publicly opened.

Any submittals received at or after 2:00 PM on the above-stated date will be returned unopened. Firms are solely responsible for the delivery of their submittals to the above location by the time and date specified. The City is not responsible for lateness of mail, carrier, etc. The time and date stamp in the City Clerk's Office shall be the official time of receipt. Electronic or facsimile submittals will not be considered. Modifications to submittals will not be considered after the 2:00 PM deadline.

The outside of the submittal envelope shall indicate the name and address of the Respondent; shall be addressed to the City Clerk, City of Prescott, at the above address; and shall be clearly marked:

**Request for Proposals:**

Lease of Airport Hangar E1 at 6599 Crystal Ln. for Aircraft maintenance/repair, flight education and training, and/or other specialized aviation services.

**Due before 2:00 PM on January 30th, 2025**



### **III. EVALUATION CRITERIA**

The proposal shall clearly and accurately display the capability, knowledge, and experience of the firm to meet the technical requirements of the Request. Qualifications shall be prepared simply and economically, providing a straightforward, concise description of the firm's ability to meet the requirements of this Request. Emphasis shall be on the quality, completeness, clarity of content, responsiveness to the requirements, and understanding of the City's needs.

The Request for Proposals will be evaluated by a Review Committee appointed by the City for this project according to the following criteria, with weighting as indicated:

#### **A. ORGANIZATION EXPERIENCE, QUALIFICATIONS AND ORGANIZATION'S FINANCIAL VIABILITY- 10%**

1. Organization credentials and experience related to this RFP.
2. Current financial statements.
3. Business capability to meet the proposed lease terms and development obligations.

#### **B. PROPOSED PROPERTY USE- 10%**

1. Project Description/Vision.
2. Proposed Property Use(s).
3. Figure/Map with Proposed Use.

#### **C. AIRFIELD/AIRPORT IMPACTS/BENEFITS (INCLUDING METRICS) - 10%**

1. Impacts or Benefits in Optimizing the Efficient Use of Prescott Regional Airport.
2. Impacts or Benefits (Avoiding/Reducing Runway Crossings, Reducing Activities in the Runway Visibility Zone, etc.) at Prescott Regional Airport.
3. Number of Jobs and Annual Spending.

#### **D. FINANCIALS OFFER- 60%**

1. Proposed Annual Revenue to City (Hangar Lease Terms: Per Year, CPI).

#### **E. PROPOSED TENANT IMPROVEMENTS- 10%**

### **IV. FINAL EVALUATION AND RANKING; CONTRACT NEGOTIATION AND AWARD**

To qualify for evaluation, the proposal must be submitted on time and materially satisfy all requirements identified in this Request. If, in the judgment of the City, a proposal does

not conform to the format specified herein, or if any section is absent or significantly incomplete, the City reserves the right to reject the submittal.

**A. OVERVIEW**

The selection process will involve an evaluation and scoring of each firm's Request for Proposals and relevant experience, as indicated in its proposal. A Review Committee appointed by the City for this project will evaluate each proposal according to the criteria and weighting as indicated for each category above.

The Review Committee will then formulate a consensus ranking to create a final list and determine the highest ranked proposal. The City will then notify each of the firms of the final rankings.

**B. FINAL RANKING AND CONTRACT NEGOTIATION**

The Review Committee members will have the option of making the selection based on the RFP materials or seeking an in-person candidate presentation. The Review Committee will rank each proposal according to the published criteria, formulate a consensus ranking, and either invite some or all candidates to an in-person presentation or notify each of the candidates of the final rankings and meet with the top-ranked proposer for the purpose of initiating contract negotiations. If negotiations are unsuccessful, the City will terminate negotiation efforts and open negotiations with the 2<sup>nd</sup> ranked proposer. This process will continue until negotiation efforts are successful.

The list of proposers will remain in effect for a period of twelve (12) months from the date of issuance by the City. Should the City not reach agreement on the terms of the contract with any of the selected proposals, the City reserves the right to reject all submittals and cancel the solicitation.

Airport Advisory Committee review and City Council approval will be required for award of a contract for performance of the contract/lease described herein.

The City reserves the right to cancel this Request, reject in whole or in part any and all submittals, waive or decline to waive irregularities in any submittals, or determine not to enter into contract as specified if determined by the City to be in the City's best interests.

**C. AWARD OF CONTRACT**

The selected firm will be required to execute and meet the terms of the Airport Lease Agreement, including insurance requirements, consistent with Airport Minimum Standards, in a form acceptable to the City Attorney. Approval of the City Council will be required for award of a contract for performance of the services described herein and as may additionally be developed during negotiations. Any contract award submitted to the City Council for consideration is not binding on the City until after approval by the City Council and full execution of the contract documents by both parties.

**D. BASIC INSURANCE REQUIREMENTS**

- 1) The successful proposer shall obtain and maintain in effect during the term of, this Agreement, a policy, or policies of liability insurance with the following coverage:

- i. Commercial General Liability – The Schedule of Insurance may be updated from time to time: The policy shall include bodily injury, property damage (including loss of use), personal injury, broad form contractual liability.

Premises Liability (Per Occurrence)	\$ 5,000,000
Premises Liability (General Aggregate)	\$ 10,000,000
Personal and Advertising Injury	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Fire Legal Liability (Damage to Rented Premises)	\$ 100,000

The City shall be named an additional insured on the commercial general liability policy.

- ii. Business Automobile Liability: Bodily Injury and Property Damage for any owned, hired and/or non-owned vehicles used in the performance of this contract.

Combined Single Limit (CSL)	\$ 1,000,000
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To the extent business automobile liability is required, the City shall be named and additional insured on the business automobile liability policy.

- iii. Worker’s Compensation and Employer’s Liability

Worker’s Compensation	Statutory
Employer’ Liability	
Each Accident	\$ 100,0000
Each employee	\$100,000
Disease- policy limits	\$ 100,000

- iv. Pollution/Environmental Liability

\$2,000,000 each occurrence/\$2,000,000 aggregate

The City of Prescott shall be named an additional insured on the pollution liability policy.

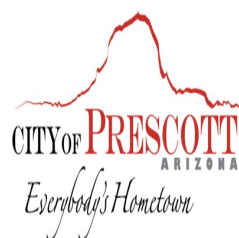
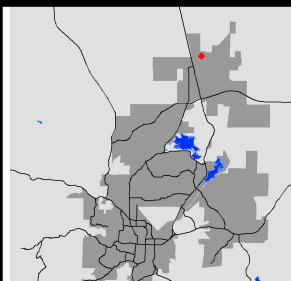
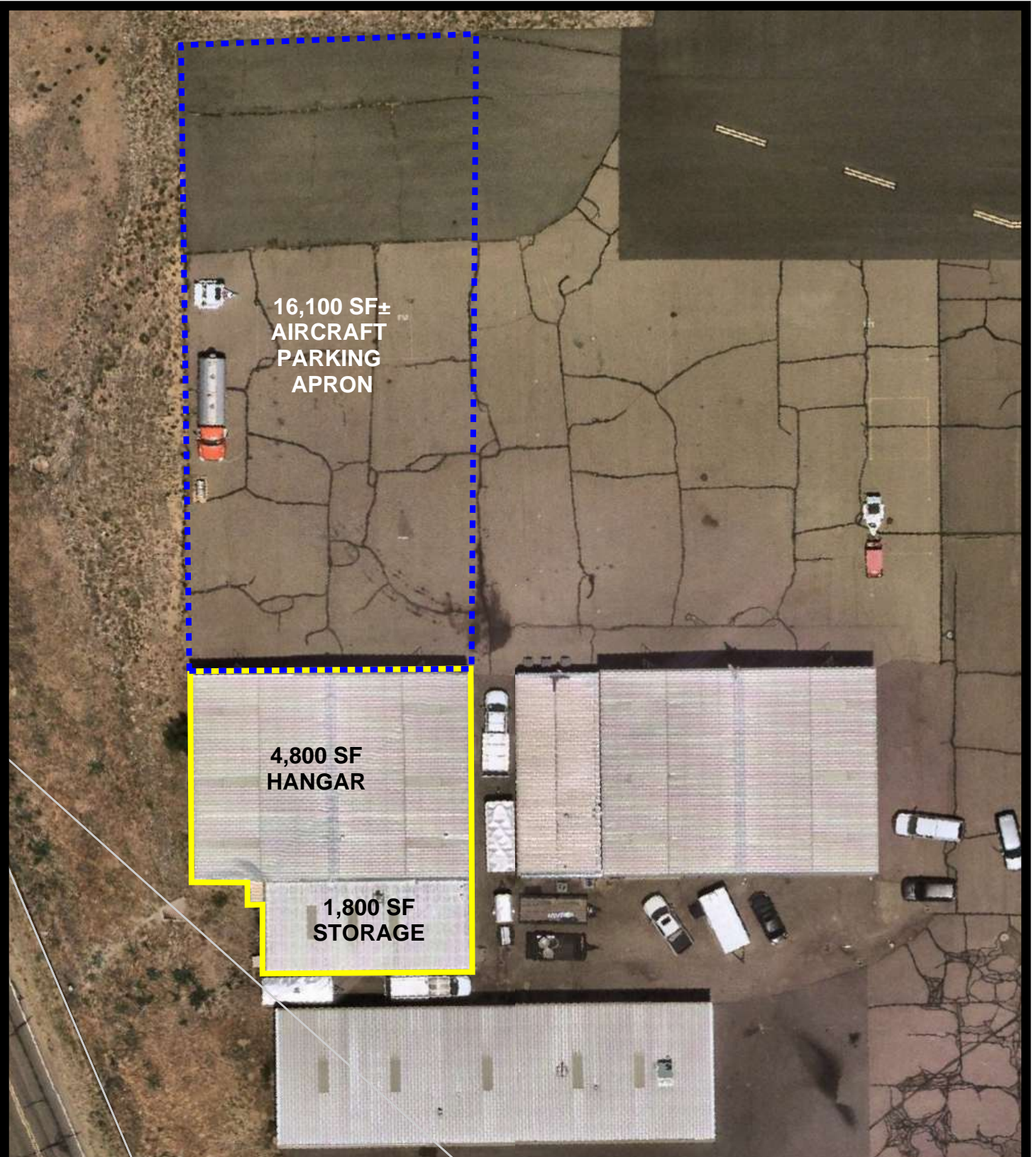
## E. PROTEST POLICY

Any protest to the solicitation or award must be filed with the City Clerk’s Office by 4:00 PM up to ten (10) days after award. All such protests shall be in writing and contain the following: 1) Name, address, email address and telephone number of the interested party; 2) Signature of the interested party or its representative; 3) Identification of the purchasing department and Project name; 4) Detailed statement of the legal and factual grounds for protest including copies of relevant documents; and 5) Form of relief requested. Protesting parties must demonstrate as part of their protest that they made every reasonable effort within the schedule and procedures of this solicitation to resolve the basis or bases of their protest during the solicitation process, including asking questions, seeking clarifications, requesting addenda, and otherwise alerting the City to perceived problems so that corrective action could be taken prior to the selection of the successful firms. The City will not consider any protest based on items which could have been or should have been raised prior to the deadline for submitting questions or requesting addenda. The filing of a protest shall not prevent the City from executing an agreement with any other proposer.

## **ATTACHMENTS**

- A. SAMPLE PRESCOTT REGIONAL AIRPORT LEASE AGREEMENT**
- B. HANGAR E1 LEASE DIAGRAM**
- C. FEDERAL PROVISIONS**
- D. AIRPORT MINIMUM STANDARDS**
- E. RULES & REGULATIONS**

# EXHIBIT B



## Exhibit A E1 Lease Hold Area

This map is a product of  
The City of Prescott



0' 1" = 40'





**WEST RAMP TENANT AREAS**

This map is a product of  
The City of Prescott



## **EXHIBIT C – Federal Provisions**

### **ARTICLE 1**

#### **FEDERAL AVIATION ADMINISTRATION (FAA) REQUIRED PROVISIONS**

1.1 LESSEE agrees that in the event improvements are constructed, maintained, or otherwise operated on the property for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, LESSEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

1.2 LESSEE agrees that: (a) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex (including sexual orientation and gender identity) or national origin (including limited English proficiency) in the use of the Property; (b) that in the construction of any improvements on, over, or under the Property and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, creed, disability, age, sex (including sexual orientation and gender identity) or national origin (including limited English proficiency); and (c) that Lessee shall use the Property in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

1.3 Lessee assures City of Prescott/Prescott Regional Airport that it will comply with pertinent statutes, Executive Orders, and rule promulgated to assure that no person shall, on the grounds of race, color, creed, disability, age, sex (including sexual orientation and gender identity) or national origin (including limited English proficiency), be excluded from participating in any activity.

1.4 City of Prescott/Prescott Regional Airport reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hinderance therefrom.

1.5 City of Prescott/Prescott Regional Airport reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. City of Prescott/Prescott Regional Airport and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

1.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between City of Prescott/Prescott Regional Airport and the United States relative to the development, operation or maintenance of the Airport.

1.7 There is reserved unto City of Prescott/Prescott Regional Airport, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Property, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

1.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Property or in the event of any planned modification or alteration of any present or future building or structure situated on the Property.

1.9 Lessee shall not erect or permit the erection of any structure or building, no permit the growth of any tree on the Property, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, City of Prescott/Prescott Regional Airport reserves the right to enter upon the Property and to remove the offending structure or object at the expense of Lessee.

1.10 Lessee shall not make use of the Property in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, the City of Prescott/Prescott Regional Airport reserves the right to enter upon the Property and cause the abatement of such interference at the expense of Lessee.

1.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C §40103(e) and 47107(a)(4).

1.12 This Lease and all of the provisions hereof shall be subject to whatever right the United States government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

1.13 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

1.14 Lessee shall conform to City of Prescott/Prescott Regional Airport and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxi lanes and aircraft incursions and vehicle/pedestrian deviations. Additionally, in the event the City of Prescott/Prescott Regional Airport requires airport users to lessees to complete and pass an airfield safe driving instruction program, Lessee agrees to participate in that program and shall be subject to penalties and prescribed by City of Prescott/Prescott Regional Airport for violations of Airport safety and security requirements.

## ARTICLE 2

### TITLE VI

2.1 **General Civil Rights Provision.** In all its activities within the scope of its airport program, the Lessee agrees to comply with pertinent statutes, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat, 252, 42 U.S.C. §2000d to 2000d-4) ("Title VI") in all airport/aviation lease agreements where City of Prescott/Prescott Regional Airport receives federal funding, including the Lease in this instance.



**2.2 Compliance With Nondiscrimination Requirements.** During the term of this Lease, Lessee, or itself, its assignees, and successors in interest (hereinafter referred to as "Lessee"), agrees as follows:

**2.2.1 Compliance with Regulations.** Lessee (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

**2.2.2 Nondiscrimination in Performance of Work.** Lessee, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

**2.2.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment.** In all solicitation, either by competitive bidding or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability.

**2.2.4 Information and Reports.** Lessee will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Lessee will so certify to the sponsor or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

**2.2.5 Sanctions for Noncompliance.** In the event of a Lessee's noncompliance with the non-discrimination provisions of this Lease, the sponsor will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

2.2.5.1 Withholding payments to Lessee under the Lease until Lessee complies; and/or

2.2.5.2 Canceling, terminating, or suspending the Lease, in whole or in part.

**2.2.6 Incorporation of Provisions.** Lessee will include the provisions of Paragraph 2.2 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation to protect the interests of the sponsor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

**2.3 Nondiscrimination.** Lessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability, will be

excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Property, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee will use the Property in compliance with all other requirements imposed by or pursuant to the List of Discrimination Acts and Authorities.

In the event of breach of any of the above nondiscrimination covenants, City of Prescott/Prescott Regional Airport will have the right to terminate this Lease and to enter or re-enter and repossess said land and the facilities thereon and hold the same as if said Lease had never been made or issued.

**Title VI List of Pertinent Nondiscrimination Acts and Authorities.** During the term of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 *et seq.*), as amended (prohibits discrimination on the bases of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities of Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, *et seq.*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Nondiscrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable

steps to ensure that LEP persons have meaningful access to your programs [(70 Fed. Reg. 74087 (2005))];

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681, *et seq.*).

**2.4 Nondiscrimination in Department of Transportation Programs.** Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Property for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as it may be amended.

**2.5 Federal Fair Labor Standards Act.** This Lease incorporates by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

Lessee has full responsibility to monitor compliance to the referenced statute or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

**2.6 Occupational Safety and Health Act.** This Lease incorporates by reference the requirements of 29 CFR part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

**2.7 Termination Provisions.** Pursuant to the terms and conditions of the Lease Agreement which this Exhibit is attached, the Lease may be terminated for cause and may be terminated for convenience only as specifically provided in the Lease Agreement.

## **ARTICLE 3**

### **ENVIRONMENTAL STANDARDS**

#### **3.1 Definitions.**

**3.1.1 Environmental Laws.** The term “Environmental Laws” shall mean all applicable Federal, state, and local environmental laws and regulations, including, as amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.*; the Solid Waste Disposal Act, 42 U.S.C. § 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300f *et seq.*; the Clean Water Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; A.R.S. Title 49; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or Federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including ambient (including indoor and outdoor) air, ground water, surface water, and land use, including substrata land, or that

govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

3.1.2 Hazardous Material. The term “Hazardous Material” shall mean any toxic or hazardous material, substance, waste, pollutant, or contaminant as defined or regulated under any Environmental Law.

### 3.2 **Compliance with Environmental Laws.**

3.2.1 Compliance. Lessee and its employees, agents, contractors, and invitees shall, at its own expense, comply with all Environmental Laws presently in force or hereafter enacted.

3.2.2 Hazardous Materials. Lessee shall not, nor cause or permit its employees, agents, contractors, and invitees to, bring, store, use, or dispose of upon the Property or the Airport any Hazardous Material in actual or suspected violation of Environmental Laws. Prior to Lessee bringing or causing to be brought any Hazardous Material upon the Property, Lessee shall notify and obtain consent from City of Prescott/Prescott Regional Airport, which shall not unreasonably be withheld.

3.2.3 Remediation. Without limiting the foregoing, if, during the term of this Lease, Lessee causes or permits any violation of Environmental Laws or allows the presence of any Hazardous Material on the Property or the Airport in violation of the Environmental Laws or this Lease, Lessee shall promptly take action to remediate the violation at Lessee’s sole cost and expense in order to return the affected area to its condition existing prior to the violation. Lessee shall obtain the Lessor’s approval prior to taking such remedial actions, which approval shall not be unreasonably withheld. Notwithstanding the approval required under this Section, City of Prescott/Prescott Regional Airport is not responsible for overseeing or directing any remedial measures. This Section shall also apply to Lessee’s remediation of any contamination or Hazardous Materials present on the Property or Airport prior to the Effective Date of this Agreement, including such contamination that may be first discovered after the Effective Date of this Agreement but not caused by Lessee. City of Prescott/Prescott Regional Airport assumes no liability to Lessee should remediation or other environmental cleanups cause delay or interferences with Lessee’s activities on the Property.

3.2.4 Governmental Submittals. Lessee shall be responsible for making all submissions to the appropriate governmental authorities as required under all applicable Environmental Laws, at Lessee’s sole expense. Should such governmental authorities determine that a site characterization or site assessment and/or cleanup should be prepared and/or undertaken because of the presence of any Hazardous Materials on the Property or Airport by reason of Lessee’s activities or actions, then Lessee shall, at Lessee’s own expense, prepare and submit the required plans and financial assurances and carry out the approved plans.

3.3 **Indemnification.** Lessee shall, to the fullest extent permitted by law, indemnify, defend, protect, and hold harmless City of Prescott/Prescott Regional Airport, its employees, and its agents for, from, and against any and all liability, loss, damage, expense, penalties, and legal and investigation fees or costs arising from any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity, or governmental body, alleging or arising in connection with contamination of the environment, the presence of Hazardous Materials on the Property, Airport, or neighboring properties, or violation of any Environmental Laws, ordinances, judgments, governmental order, or judicial order (“Environmental Damages”) which are incurred or assessed as a result of Lessee’s

activities on the Property or Airport. The obligations under this Section shall survive termination of this Lease. This section excludes Lessee's duty, liability, or indemnity to City of Prescott/Prescott Regional Airport for any claims or Environmental Damages of any kind arising from or in connection with any contamination existing on the Property prior to the Effective Date of this Agreement, except and only to the extent known contamination is caused or exacerbated by Lessee or unknown contamination is caused by or exacerbated by Lessee's negligence.

**3.4 Information Sharing and Notification.** Lessee shall immediately notify City of Prescott/Prescott Regional Airport in writing of any of the following: (i) Lessee's receipt of notification from any governmental entity that Lessee has been or will be charged with the violation of any Environmental Law; and (ii) any significant change in Lessee's activities on the Property or Airport that may adversely change Lessee's obligations or liabilities under the Environmental Laws. Lessee shall provide non-privileged copies of all reports and documents reflecting the physical condition of the Property. These reports and documents shall include but not be limited to any environmental testing of soil and groundwater and any existing, non-privileged information reasonably requested by City of Prescott/Prescott Regional Airport to determine the applicability of the Environmental Laws to the Property or Airport or to assist in the response to any governmental investigation or claim of liability by a third party that is related to environmental contamination of the Property or Airport.

**3.5 Protective Devices and Plans.** Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* ("Questionnaire") to City of Prescott/Prescott Regional Airport and promptly provide City of Prescott/Prescott Regional Airport with updated to the Questionnaire as they arise. Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Material into domestic or industrial drains on or near the Property and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Property. Lessee shall post a notice in a prominent place on the Property advising employees what actions to take and whom to call in the event of said discharge and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide City of Prescott/Prescott Regional Airport with immediate notice of any spill.

**3.6 Spill Protection Plan.** If Lessee undertakes any activities on the Property involving Hazardous Materials regulated by any Environmental Laws, Lessee shall maintain a plan for responding to spills of any such Hazardous Material on the Property or on the Airport. Such plan shall comply with all applicable Environmental Laws and shall be updated from time to time in compliance with applicable laws. Lessee shall not rely on City of Prescott/Prescott Regional Airport or any of the Lessor's personnel or equipment in order to execute its plan. Lessee shall file a copy of such plan with City of Prescott/Prescott Regional Airport within thirty (30) days of finalization or update of the plan. Notwithstanding the foregoing, should City of Prescott/Prescott Regional Airport provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the opinion of City of Prescott/Prescott Regional Airport, conducting firefighting, containment or timely cleanup actions, Lessee agrees to reimburse City of Prescott/Prescott Regional Airport for its actual costs in accordance with all applicable laws and regulations, except to the extent that City of Prescott/Prescott Regional Airport was responding to conditions caused by events occurring at the Airport (not including the Property) or by the negligence or omission of City of Prescott/Prescott Regional Airport or its employees, agents or contractors.

**3.7 Right to Enter Property.** City of Prescott/Prescott Regional Airport, the United States Government, the Environmental Protection Agency (EPA), Arizona Department of Environmental

Quality (ADEQ), and the Arizona Department of Occupational Safety and Health (ADOSH) have the right to enter the Property upon reasonable notice to Lessee in order to inspect Lessee's compliance with Environmental Laws, as well as occupational safety and health laws; to conduct environmental investigation and remediation (including but not limited to testing, surveys, drillings, test-pitting, borings, compiling data, and other environmental investigations); and to carry out remedial or removal actions as required or necessary under applicable laws.

**3.8 Clean Water Act.** Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit (MSGP). If applicable, Lessee shall also prepare and comply with a site specific MSGP with an individual Storm Water Pollution Prevention Plan (SWPPP) or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Property or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent (NOI) that has been received by the ADEQ and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

**3.9 Surface Disturbances.** Lessee shall not conduct or cause any subsurface excavation, digging, drilling, or other disturbance of the surface other than what is customary and usual for the permitted activities under this Lease without the prior written consent of City of Prescott/Prescott Regional Airport, which shall not be unreasonably withheld.

**3.10 Subleases and Contracts.** In the event City of Prescott/Prescott Regional Airport gives permission for a sublease, Lessee shall insert provisions substantially identical to those in this Environmental Standards Article in any sublease agreement or contract by which it grants a right or privilege to any entity under this Lease.