

**THIRD AMENDMENT TO THE MASTER TENANT LEASE BETWEEN
HELIPONENTS, INC. AND THE CITY OF MESA**

This Third Amendment to the Master Tenant Lease (this "Third Amendment") is made and is effective as of June 7, 2018 (the "Effective Date"), by and between the City of Mesa, a municipal corporation ("Landlord") and Heliponents, Inc. ("Tenant"). Landlord and Tenant are sometimes referred to in this Third Amendment collectively as the "Parties," or individually as a "Party."

RECITALS

- A. Landlord and Tenant entered into the Master Tenant Lease dated May 31, 2000 (the "Master Tenant Lease"), to lease Parcel 35A at Falcon Field Airport, Mesa, Arizona, as more specifically described and depicted in the Master Tenant Lease and defined as the "Premises".
- B. Landlord and Tenant executed the First Amendment to the Master Tenant Lease on October 25, 2007, to allow Tenant to provide fueling services as a Fixed Base Operator (FBO) and install underground fuel storage tanks.
- C. Landlord and Tenant executed the Second Amendment to the Master Tenant Lease on June 8, 2010, to amend the square footage of the premises.
- D. Landlord and Tenant desire to amend the Master Tenant Lease by this Third Amendment for the purpose of revising the security deposit amount originally established in the Master Tenant Lease.

AGREEMENT

IN CONSIDERATION of the foregoing recitals and the mutual covenants, which are incorporated herein as part of this agreement, and the agreements and conditions in this Third Amendment, the Parties agree as follows:

- 1) Recitals. Landlord and Tenant represent that the above Recitals are true and correct. The Parties agree that the Recitals are hereby incorporated herein as terms of this Third Amendment.
- 2) Definitions. All capitalized words and phrases used in this Third Amendment shall have the same meanings as set forth in the Master Tenant Lease unless a different definition is set forth in this Third Amendment.
- 3) Section 5. Security Deposit. The first sentence of Section 5.01 is deleted in its entirety and replaced with the following: "Upon execution of Master Tenant Lease, May 31, 2000, the Tenant, agreed to provide a security deposit to Landlord in the amount of \$70,000 as a security for the annual rent due (security deposit). Since then, Landlord has reduced its security deposit requirements to two months rent. Landlord and Tenant have agreed to reduce Tenant's security deposit amount due to

\$7,935.16 to reflect current City practices. This amount is calculated as follows; 183,119 sf (the current premises square footage) x \$.26 sf/year (the cost of the premises per square foot at the time the Lease was signed) x two (2) months = \$7,935.16."

- 4) Limited Severability. In the event, any term or provision (or portion of any term or provision) of this Third Amendment is held to be invalid or unenforceable, the validity of the other provisions or the remainder of such provision shall not be affected, and this Third Amendment shall be construed and enforced as if it did not contain the particular term or provision (or portion of such term or provision) that is deemed to be invalid or unenforceable.
- 5) Ratification and Reaffirmation. Landlord and Tenant do hereby ratify, reaffirm, adopt, contract for, and agree to be or continue to be, as the case may be, bound by all of the terms and conditions of the Master Tenant Lease, as amended. Except as previously modified and modified herein, all of the terms and conditions of the Master Tenant Lease, as amended, are incorporated by reference herein as if set forth at length. It is acknowledged and agreed that the execution of this Third Amendment by the Landlord and Tenant is not intended to and shall not constitute a release of Landlord and/or Tenant from any and all obligations or liabilities which they have to each other under and pursuant to the terms of the Master Tenant Lease, as amended, and Landlord and Tenant are not released from any such liabilities or obligations.
- 6) Construction. The terms and provisions of this Third Amendment shall be interpreted and construed in accordance with their usual and customary meanings. The Parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Third Amendment, that ambiguous or conflicting terms or provisions contained in this Third Amendment shall not be interpreted or construed against the Party who prepared or whose attorney prepared the executed Third Amendment or Master Tenant Lease or any earlier draft of the same.
- 7) Governing Law, Venue, and Jurisdiction. This Third Amendment shall be governed by the laws of the State of Arizona. A Party may only bring an action related to a dispute arising out of this Third Amendment or the Master Tenant Lease, as amended, in a court of appropriate venue and jurisdiction in Maricopa County, State of Arizona.
- 8) Statutory Notice Requirement. The Parties acknowledge that this Third Amendment is subject to cancellation by Landlord pursuant to the provisions of A.R.S. § 38-511.
- 9) Surviving Provisions. All obligations under this Third Amendment or the Master Tenant Lease, as amended, shall survive the termination or expiration of the Master Tenant Lease as amended by this Third Amendment; additionally, any other section or obligation that reasonably should survive shall survive.
- 10) Merger. All provisions of the Master Tenant Lease and the Third Amendment, which have not been amended by this Third Amendment, shall remain the same in full force and effect.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Third Amendment to the Master Tenant Lease to be effective as of the date written above.

Approved as to form by the City of Mesa City Attorney's Office:

By: Margaret A. Robertson Date: 6/6/2018
Margaret A. Robertson

LANDLORD:

CITY OF MESA, a municipal corporation


By: Natalie N. Lewis
Natalie N. Lewis
Its: Deputy City Manager

State of Arizona)
) ss.

County of Maricopa)

The foregoing instrument was acknowledged before me this 7 day of June, 2018, by Natalie N. Lewis, the Deputy City Manager of the City of Mesa, Arizona, an Arizona municipal corporation, who acknowledged that she signed on behalf of the City of Mesa.

(Seal and Expiration Date)

Agnes Goodwine
Notary Public


TENANT:

HELIPONENTS, INC.

By: Martin R. Doss

Printed: Martin R. Doss

Its: President

State of Arizona)

) ss.

County of Maricopa)

The foregoing instrument was acknowledged before me this 19 day of MAY, 2018, by Crystal Brinkley who acknowledged that he/she signed on behalf of

HELIPONENTS, INC.

(Seal and Expiration Date)



Crystal Brinkley
Notary Public

Amendment No. 2

to

MASTER TENANT LEASE AGREEMENT

Between

The City of Mesa, Falcon Field Airport

and

Heliponents, Inc.

LEASE AMENDMENT

THIS LEASE AMENDMENT, is made and entered into this 8TH day of JUNE, 2010, by and between the CITY OF MESA, a municipal corporation ("Landlord") and HELIPONENTS, INC., ("Tenant"), hereinafter respectively referred to as Landlord and Tenant, without regard to number or gender, amends the Master Tenant Lease between Landlord and Tenant, dated May 31st, 2000, ("Lease") as follows, all other provisions of the Lease remaining in full force and effect:

Section 1 – Premises

1.01 For and in consideration of the rents, covenants and agreements hereinafter set out, Landlord hereby leases to Tenant and Tenant leases and accepts, subject to the terms and conditions of this Lease, those premises referred to as the "Premises", subject to any prior, valid, existing claims or rights or way, including the present existing roads. The Premises are described legally on Revised Exhibit "A" and shown on Revised Exhibit "B", attached hereto. The approximate location of the Premises is identified on the airport lease map, attached hereto as Revised Exhibit "C". Revised Exhibits "A, B, and C" are with this reference, incorporated herein.

1.02 The Premises consist of 183,119 square feet, or approximately 4.204 acres, and includes the building located thereon. Previous Premises area was 268,387 sq. ft., however Tenant will be returning 85,268 sq.ft. of undeveloped Premises to yield the new Premises area of 183,119. Tenant acknowledges, represents and agrees that this Lease confers no rights either with regard to the subsurface of the land below the ground level of the Premises or with regard to the air space above the top of the roof of the building that is part of the Premises, except to the extent necessary for construction or installation of any improvements, as approved by the Landlord.

Section 4 – Rental

4.01 Tenant shall pay to Landlord, minimum annual rental ("Minimum Annual Rent") in the amount of Sixty Thousand Sixty-Three Dollars (\$60,063.00), plus applicable taxes, subject to the adjustments set forth in Section 6 hereof. Minimum Annual Rent is calculated as follows: 183,119 square feet times \$.328 per square foot per year = \$60,063.00. This "Minimum Annual Rent" shall become applicable on the first day of the month immediately following the City's acceptance and execution of this Amendment. Tenant shall pay the Minimum Annual Rent on or before the 1st day of June of each year during the full term of this Lease. Such Minimum Annual Rent shall be paid without prior notice or demand and without any set off or deduction whatsoever.

Section 51 – Miscellaneous Provisions

51.04 On the first day of the month immediately following the full execution of this Amendment, Tenant shall return to Landlord 85,268 square feet of the former Premises area. The property to be returned to the Landlord shall be clean and clear of all aircraft, aircraft parts and materials, and all other debris prior to acceptance by the Landlord.

This Amendment shall be governed by the laws of the State of Arizona. This Amendment may be cancelled pursuant to the provisions of A.R.S. § 38-511. All other provisions of the Master Tenant Lease not referred to or modified hereby remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first hereinabove written.

LANDLORD:
CITY OF MESA, a municipal corporation

By: *Natalie Lewis*
Natalie Lewis

Its: Assistant to the City Manager

TENANT:
HELIPONENTS, INC.

By: *Martin R. Doss*
Martin Doss

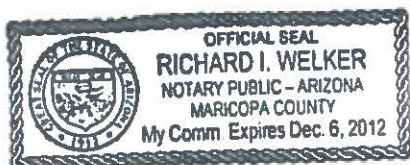
Its: President

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 8th day of June, 20010, by Natalie Lewis, the Assistant to the City Manager of the City of Mesa, on behalf of the City of Mesa.

(Seal and Expiration Date)



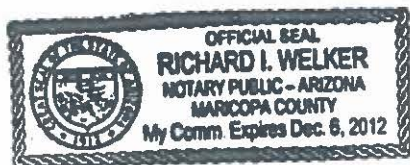
Richard I. Welker
Notary Public

State of ~~California~~ Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 7th day of June, 20010, by Mr. Martin R. Doss, President.

(Seal and Expiration Date)



Richard I. Welker
Notary Public

REVISED EXHIBIT "A"

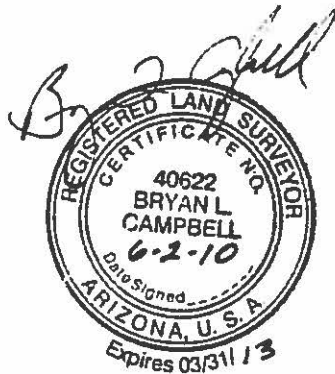
LEASE DESCRIPTION PARCEL 35A FALCON FIELD

A portion of Section 3, Township 1 North, Range 6 East of the Gila and Salt River Meridian described as follows:

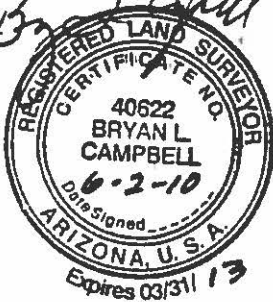
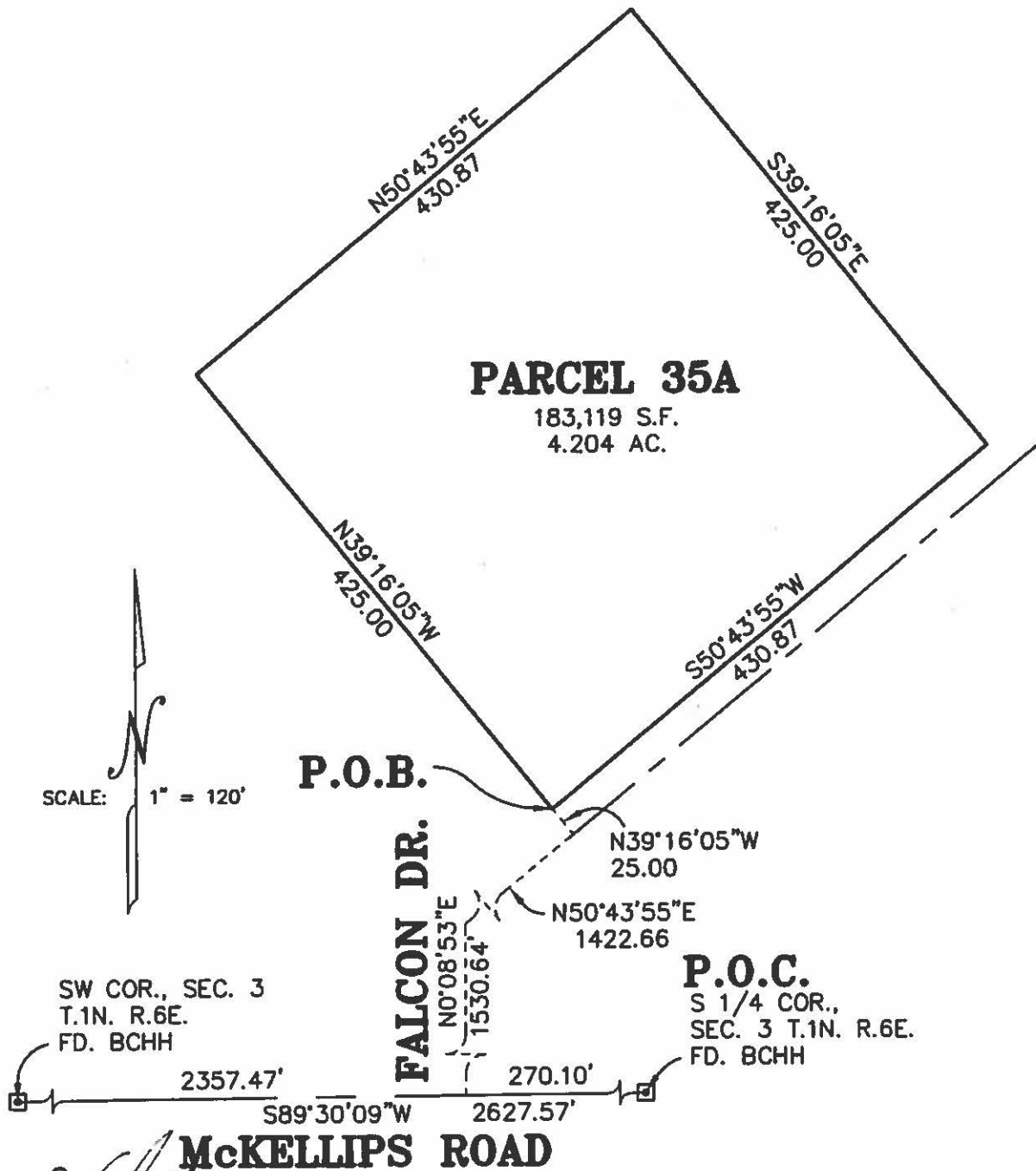
COMMENCING at brass cap in hand hole found at the South quarter corner of said Section 3, from which a brass cap in hand hole found at the Southwest corner of said Section 3 bears South 89 degrees 30 minutes 09 seconds West, 2627.57 feet; thence South 89 degrees 30 minutes 09 seconds West, along the south line of the Southwest quarter of said Section 3, 270.10 feet to the intersection with Falcon Drive; thence North 00 degrees 08 minutes 53 seconds East, along the centerline of Falcon Drive, 1,530.64 feet; thence North 50 degrees 43 minutes 55 seconds East, along the centerline of Falcon Drive, 1422.66 feet; thence North 39 degrees 16 minutes 05 seconds West, 25.00 feet to the **POINT OF BEGINNING**;

thence continuing North 39 degrees 16 minutes 05 seconds West, 425.00 feet;
thence North 50 degrees 43 minutes 55 seconds East, 430.87 feet;
thence South 39 degrees 16 minutes 05 seconds East, 425.00 feet;
thence South 50 degrees 43 minutes 55 seconds West, 430.87 feet to the **POINT OF BEGINNING**.

Containing 183,119 square feet or 4.204 acres, more or less.



REVISED EXHIBIT "B"



amec E & E, Inc.

Parcel 35A
Falcon Field
Exhibit
JOB # 2420107002
PARCEL 35A.DWG

REVISED EXHIBIT "C"



**First Amendment
To
MASTER TENANT LEASE**

Between

The City of Mesa, Falcon Field Airport

And Heliponents, Inc.

FIRST AMENDMENT TO MASTER TENANT LEASE

THIS FIRST AMENDMENT TO MASTER TENANT LEASE (the "Amendment") made and entered into this 25th day of October, 2007, by and between the CITY OF MESA, a municipal corporation ("Landlord") and Heliponents, Inc. ("Tenant") and amends that Master Tenant Lease between Landlord and Tenant entered into on May 31, 2000 (the "Lease").

WHEREAS, the Landlord and Tenant, entered into an aviation ground lease on May 31, 2000; and

WHEREAS, said Lease did not grant any use in the land to Tenant for the establishment of underground storage tanks for the storage and use of fuel and the appurtenant fueling system; and

WHEREAS, Tenant desires to provide fueling services to its customers; and

WHEREAS, the Landlord is willing to permit such establishment by amendment under an amendment to the lease and, further, subject to certain terms and conditions, but specifically rejects any argument that the sale of fuel was a "support service" authorized under the original lease,

NOW, THEREFORE, the parties agree to the following amendments to the original Lease which, to the extent not modified herein, shall remain in full force and effect unless modified herein, or in conflict with this amendment, in which case this amendment shall govern and control said use.

1. Commencing on the effective date of this agreement, Tenant is authorized to provide fueling services as a Fixed Base Operator ("FBO"), defined as "an individual or firm operating at an airport and providing general aircraft services such as maintenance, storage, ground and flight instructions, etc." (FAA Order 5190.6A, Appendix 5) as a part of its general aircraft services to customers and others users of airport facilities.
2. In addition to the other aviation services already provided, Tenant is authorized to install underground storage tanks for fuel storage (hereafter "USTs") in such number and at such site and location as shall be consistent with the Airport Master Plan and all regulations which govern its separation and placement, at a depth required by such regulations, which location must also be approved by the Landlord during the course of its administrative

review by management, its departments, boards and commissions.

3. To the extent necessary to construct, install, maintain, and repair any UST, the leasehold is extended and Tenant shall be the lessee and sole possessor of any such underground tank(s) and the underground site in which it/they is/are situated. The Tenant, and Tenant alone, shall also be the owner, operator, and responsible party for all aspects of its fuel storage and service facilities.
4. Said approval to provide fueling services and to construct USTs shall be subject to both Landlord and Tenant entering into the Fuel Concession Agreement, a copy of which is attached hereto as Exhibit 'A' and made a part of this Amendment hereof.
5. Where applicable, the installation and operation of the fueling system shall be governed by:
 - Air Transportation Association (ATA) Specification 103 for fuel quality control;
 - American Society for Testing and Materials (ASTM) Standards D910, D1655, D2276, D3830, and D4178, as applicable to Jet A fuels;
 - American National Standards Institute (ANSI) Standards B16.9, B16.11, B16.25, B16.5 and B31.3 for piping, welding, fittings and flanges;
 - American Petroleum Standards (API) Standards 1615, 1529, 1542, 1581, and 1583 for installation of UST's, specifications for hose, marking of airport equipment, procedures for aviation jet fuel filters, separators, and monitors;
 - Federal Aviation Administration (FAA) (AC) 150/5230-4 as to aircraft fuel storage, handling and dispensing;
 - Military Specification MIL-C- 4556 regarding coating, kit and epoxy for interior of steel storage tanks;
 - National Fire Protection Association (NFPA) Standard 30, 30A, 70, 407 with regard to flammable and combustible liquids, automobile and marine service station Code;
 - (NEC) the national electric code, and standards for aircraft fuel servicing;
 - Underwriter's Laboratory (UL) 1316 regarding underground fiber-reinforced plastic UST for petroleum products, alcohols, and alcohol-gasoline mixtures; and

- The International Fire Code (IFC) 2003 Editions, with amendments, additions and deletions; finally,
- compliance with Arizona Department of Environmental Quality (ADEQ) Underground Storage Tank Regulations, Chapter 6, AAC §§ 49-1001 through 49-49-1093 which govern its activities and responsibilities as an owner, operator, or guarantor including, but not limited to utilization of a certified underground tank service provider and meeting and or exceeding all tank performance standards, reporting, release reporting, corrective actions, and closure requirements.

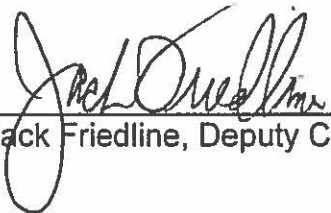
6. Tenant and Landlord agree that the size of any single fuel tank shall not exceed 20,000 gallons.
7. Pursuant to Section 18.01 of the Master Tenant Lease, Landlord shall have the right, upon reasonable notice and during business hours, to inspect the Premises to determine if the provisions of this Lease are being complied with. This includes, but is not necessarily limited to, a mandatory annual inspection by Landlord of the fuel tanks located on the Premises.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first hereinabove written.

LANDLORD

CITY OF MESA, a Municipal Corporation

By


Jack Friedline, Deputy City Manager

TENANT

HELIPONENTS, INC.

By


Martin Doss, President

STATE OF Arizona)

County of Maricopa) ss

The foregoing instrument was acknowledged before me this 25th
day of October, by Jack Friedline,
the Deputy City Manager of the City of Mesa.

(Seal and Expiration Date)



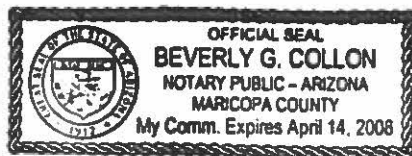
Carla Wagner
Notary Public

STATE OF Arizona)

County of Maricopa) ss

The foregoing instrument was acknowledged before me this 23rd
day of October, 2007, by Martin R. Doss, the
President of Heliponents, Inc.

(Seal and Expiration Date)



Beverly G. Collon
Notary Public

FUEL CONCESSION AGREEMENT

PARCEL 35A AT FALCON FIELD AIRPORT

The City of Mesa, an Arizona municipal corporation, hereby known as the Grantor ("Grantor"), hereby grants to Heliponents, Inc. ("Grantee") the right to store, handle, and sell aviation fuels and oils to the general public at Falcon Field Airport ("Airport") under the following conditions:

1. **TERM** The term of this agreement shall be for the duration of the executed lease agreement ("Lease") between the City of Mesa and Heliponents, Inc. for Parcel 35A dated the 31st day of May, 2000, commencing on June 1, 2000 and terminating on May 31, 2025.
2. **PREMISES** The specific Premises under exclusive use of the Grantee is as outlined on Exhibit "A". In addition, Grantee has the right to dispense fuel on all public areas of the Airport commonly used for aircraft parking with the exception of the flight operations area consisting of the taxiways and runways. This use of the public areas is in common with others.
3. **FACILITIES** Grantee must supply a minimum of 20,000 gallons of fuel storage located on the Airport, together with the appropriate pumps, drains and connections. Jet A fuel and Avgas shall be separately stored as required by federal and/or state law and may not be stored in the same fuel storage tank. The fuel storage facility must comply with the U.S. Environmental Protection Agency rules and regulations and those of the Arizona Department of Environmental Quality for Underground Storage Tanks ("USTs").

If Grantee desires to sell fuel on the public areas of the Airport, Grantee must supply and maintain at least one (1) 2,000-gallon fuel truck for avgas and one (1) 2,000-gallon fuel truck for jet fuel for that purpose. Grantor specifically prohibits Grantee from having avgas and jet fuel in the same fuel truck. Said fuel truck(s) must meet all federal, state and local laws concerning the fuel truck and its operation. Grantee must dispatch the fuel truck by two-way radio communications. Said fuel truck must be equipped with radios capable of two-way communication with the FAA Air Traffic Control Tower on both tower and ground control frequencies.

Grantee must provide a pilot waiting room of at least 150 sq. ft., male and female rest rooms, and a public telephone.

Grantee must also provide air for aircraft tires up to at least 150 lbs. of pressure and have jump starts available for aircraft with dead batteries.

Grantee shall establish and maintain an after-hours call system so operators of aircraft can get fuel within thirty (30) minutes. The cost of this service shall not contain a penalty for providing this after-hour service.

4. NON-EXCLUSIVE This agreement is not an exclusive right agreement, and the Grantor retains the right to grant additional fuel agreements in the Grantor's sole and unfettered discretion, except as hereafter provided in paragraph 5 hereof.

5. NON-DISCRIMINATION The Grantee assures it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Grantee assures no person shall be excluded on those grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Grantee assures it will require its covered suborganizations provide assurances to the Grantor that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

6. FEES The fees payable to the City for providing this service to the public shall be established by the Mesa City Council. Currently the rate is eight cents (\$.08) a gallon for all fuel delivered and five cents (\$.05) per quart for all aviation oil delivered to the Grantee's Premises. The Grantee agrees to charge fair, reasonable and not unjustly discriminatory prices for each product and service dispensed.

7. CHARGE FOR LATE PAYMENT All sums due hereunder shall be due and payable by the 15th day of the month following the month the product was delivered. All amounts due and not paid by the 15th shall accrue a five percent (5%) late charge which shall be added to the payment, and the total sum shall become immediately due and payable to the Grantor. An additional charge of five percent (5%) of said payment, excluding late charges, shall be added for each additional month said payment remains unpaid.

8. INSURANCE The Grantee must acquire, maintain, and submit evidence to the Grantor of comprehensive commercial public liability insurance coverage in the amount of two million dollars (\$2,000,000.00) per occurrence and product liability insurance in the amount of ten million dollars (\$10,000,000.00) per occurrence issued by a company authorized to do business in Arizona, showing the City of Mesa as named insured. A copy of said policy of insurance shall be provided to the Grantor, c/o the City Attorney's Office, and the policy shall be subject to the City Attorney's review and approval of all coverages, endorsements, exclusions, and provisions. Failure to keep both insurances in full force shall automatically cancel this agreement until such time as the insurance is re-instated.
9. HOLD HARMLESS Grantee shall indemnify and save harmless Grantor, its Mayor, City Manager, members of Council, Boards and Commissions, its elected and appointed officers, employees, agents and duly authorized representatives, individually and collectively, from and against any and all claims, demands, loss or liability of any kind or nature which Grantor, its Mayor, City Manager, members of Council, Boards and Commissions, its elected and appointed officers, employees, agents and duly authorized representatives, individually and collectively may sustain or incur, or which may be imposed upon them or any of them for injury to or death of persons; or damage to property arising out of, or in any manner connected with, the negligence or lack of care of Grantee, its officers, agents or employees in use of the Premises, including the use of Falcon Field and its facilities.
10. ASSIGNMENT This agreement may be assigned or transferred subject to approval by the Grantor.
11. TERMINATION BY GRANTEE This agreement may be cancelled by the Grantee by giving the Grantor ninety (90) days written notice of such termination.
12. TERMINATION BY GRANTOR Grantor may terminate this agreement if any federal or state agency or the Mesa City Council determines the agreement is in violation of any federal, state or municipal law or the Mesa City Council determines the best interests of the public will be served by said termination by giving the Grantee ninety (90) days written notice, together with the reason for said termination. It may also be terminated under § ARS 38-511.
13. LITIGATION, ATTORNEY'S FEES In the event the Grantor shall, without fault on its part, be made a party to any litigation commenced against the Grantee, the Grantee shall pay the Grantor's costs

of defense including, but not limited to, court costs, expert witness consultation and testimonial expense, and reasonable attorney's fees. If any dispute arising under the terms of this Lease shall result in litigation, the prevailing party shall, in addition to any other relief granted or awarded by the court, be entitled to an award of a reasonable attorney's fee to be determined by the court.

14. SIGNS Grantee agrees not to construct nor maintain any billboards or advertising signs except those approved in writing by the Grantor.

15. RECORDS AND ACCOUNTS Grantee shall at all times during the term of this agreement keep or cause to be kept true and complete books, records and accounts of financial transactions in the operation of all business activities of whatever nature conducted and pursuant to the right granted herein. The records must be supported by source documents such as sales slips, cash register tapes, purchase invoices, or other pertinent documents.

16. THE ACCOUNTING YEAR The accounting year shall be 12 full calendar months. The accounting year may be established by the Grantee, provided the Grantee notifies the Grantor in writing of the accounting year to be used. The accounting year shall be deemed to be approved by the Grantor unless Grantor has objected to the Grantee's selection in writing within sixty (60) days of Grantee's written notification.

In the event the Grantee fails to establish an accounting year of its choice, regardless of the cause, the accounting year shall be synonymous with the twelve month period contained in the first one year term of the agreement.

Once an accounting year is established, it shall be conducted through the term of the agreement unless Grantor specifically approves in writing a different accounting year. The Grantor shall only approve a change in the accounting year in the event of undue hardship being placed on either the Grantee or the Grantor and not because of mere convenience or inconvenience.

All of Grantee's books of accounts and records related to this agreement or its business operations conducted within or from the Premises shall be kept and made available at one location within the limits of the City of Mesa. The Grantor shall through its duly authorized agents or representatives have the right to examine and audit said books of accounts and records at any and all reasonable times for the purpose of determining the accuracy thereof and of the monthly statement of sales made and

monies received. The cost of said audit shall be borne by the Grantor unless the audit reveals a discrepancy of more than five percent (5%) between the amount due as reported by the Grantee in accordance with this agreement and the amount due as determined by said audit. In the event of greater discrepancy, the full cost of the audit as determined by the Grantor shall be paid by the Grantee.

17. NOTICES All notices to be given by either party to the other shall be given in writing and shall be addressed to the parties at the addresses hereinafter set forth or at such other address as the parties may, by written notice, hereafter designate. Notices and payments to the Grantor and notices to Grantee shall be addressed as follows:

TO: GRANTOR

Airport Director
Falcon Field Airport
4800 East Falcon Drive
Mesa, AZ 85215

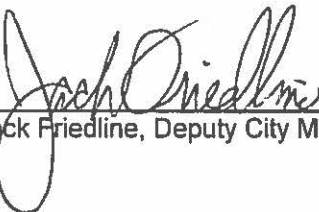
GRANTEE

Martin Doss
Heliponents, Inc.
4930 East Falcon Drive
Mesa, AZ 85215

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first hereinabove written.

GRANTOR

CITY OF MESA, a Municipal Corporation

By 
Jack Friedline, Deputy City Manager

GRANTEE

Heliponents, Inc.

By 

Attest:

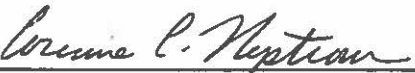
By 

Exhibit "A"



JOB #01 1999 177

AGRA Infrastructure Inc.
4435 East Holmes Avenue
Mesa, Arizona 85206-3372
Tel: (602) 830-3700
Fax: (602) 830-3903

LEGAL DESCRIPTION PARCEL 35A AT FALCON FIELD

May 2, 2000

A PORTION OF THE EAST HALF OF SECTION 3, TOWNSHIP 1
NORTH, RANGE 6 EAST OF THE GILA AND SALT RIVER MERIDIAN,
MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID
SECTION 3; THENCE AN ASSUMED BEARING OF SOUTH 89 DEGREES 30
MINUTES 09 SECONDS WEST ALONG THE SOUTH LINE OF THE
SOUTHWEST QUARTER OF SAID SECTION 3, FOR A DISTANCE OF 270.10
FEET TO A POINT OF INTERSECTION WITH THE MONUMENT LINE OF
FALCON DRIVE AS SHOWN ON FALCON FIELD AIRPORT LEASE MAP F-156
ON FILE AT THE CITY OF MESA ENGINEERING DEPARTMENT; THENCE
ALONG SAID MONUMENT LINE, NORTH 00 DEGREES 08 MINUTES 53
SECONDS EAST FOR A DISTANCE OF 1530.64 FEET TO AN ANGLE POINT
IN SAID MONUMENT LINE; THENCE CONTINUING ALONG SAID
MONUMENT LINE, NORTH 50 DEGREES 43 MINUTES 55 SECONDS EAST
FOR A DISTANCE OF 1422.66 FEET; THENCE DEPARTING SAID
MONUMENT LINE, NORTH 39 DEGREES 16 MINUTES 05 SECONDS WEST
FOR A DISTANCE OF 25.00 FEET TO A POINT ON THE NORTHERLY RIGHT
OF WAY LINE OF FALCON DRIVE AS SHOWN ON SAID FALCON FIELD
AIRPORT LEASE MAP, SAID POINT ALSO BEING THE POINT OF
BEGINNING.

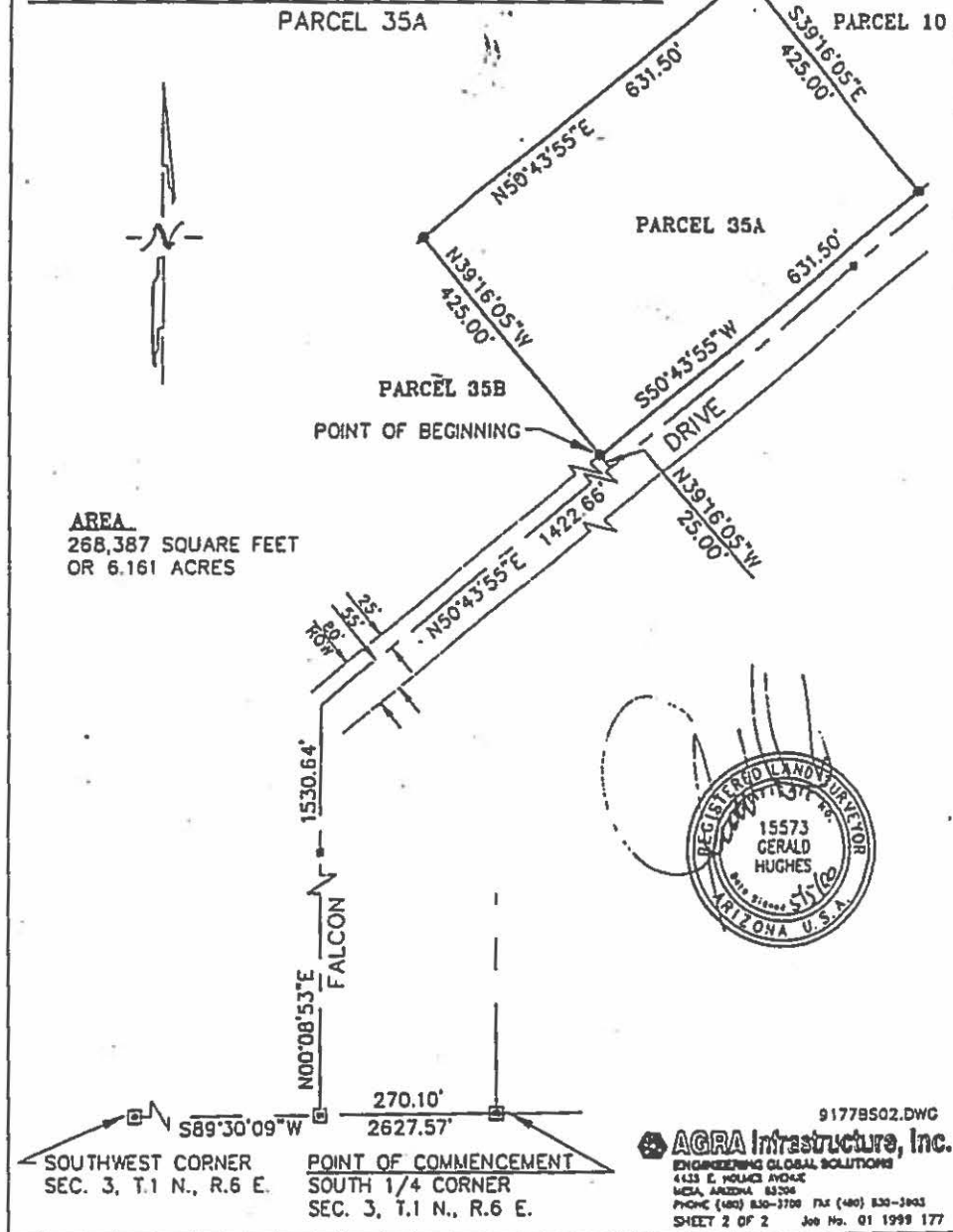
THENCE CONTINUING NORTH 39 DEGREES 16 MINUTES 05
SECONDS WEST FOR A DISTANCE OF 425.00 FEET; THENCE NORTH 50
DEGREES 43 MINUTES 55 SECONDS EAST FOR A DISTANCE OF 631.50
FEET; THENCE SOUTH 39 DEGREES 16 MINUTES 05 SECONDS EAST FOR
A DISTANCE OF 425.00 FEET TO A POINT ON THE SAID NORTHERLY
RIGHT OF WAY LINE OF FALCON DRIVE; THENCE ALONG SAID RIGHT OF
WAY LINE, SOUTH 50 DEGREES 43 MINUTES 55 SECONDS WEST FOR A
DISTANCE OF 631.50 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 268,387 SQUARE FEET
OR 6.161 ACRES.

SHEET 1 OF

J:\Mesa\1999\150\0199177\SURVEY\LGLS & AREAS\PRCL35A.doc

SKETCH TO ACCOMPANY LEGAL



MASTER TENANT LEASE

Between

The City of Mesa, Falcon Field Airport

and

Heliponents, Inc.

COMMERCIAL - AVIATION LEASE

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COMMERCIAL - AVIATION LEASE

THIS LEASE AGREEMENT, made and entered into this 31st day of May, 2000, by and between the CITY OF MESA, a municipal corporation ("LANDLORD") and HELIPONENTS, INC. ("TENANT"), hereinafter respectively referred to as Landlord and Tenant, without regard to number or gender.

RECITALS

WHEREAS, Landlord desires to lease to Tenant and Tenant desires to take and lease from Landlord the real property and/or buildings, described on Exhibit "A" hereto, for the purposes hereinafter set forth, subject to all terms and conditions of that certain Instrument of Transfer between the United States of America and the Reconstruction Finance Corporation and Landlord, which instrument is recorded in Docket 270, at page 90, Official Records of Maricopa County, Arizona, and amended by Instrument of Release recorded in Docket 5984, page 126, Official Records of Maricopa County, Arizona, which amendment releases paragraph 4 of said original Instrument of Transfer.

NOW THEREFORE, in consideration of the mutual promises and conditions hereinafter contained, the parties hereto agree as follows.

AGREEMENT:

SECTION 1 – PREMISES

1.01 For and in consideration of the rents, covenants and agreements hereinafter set out, Landlord hereby leases to Tenant and Tenant leases and accepts, subject to the terms and conditions of this Lease, those premises referred to as the "Premises," subject to any prior, valid, existing claims or rights of way, including the present existing roads. The Premises are described legally on Exhibit "A" and shown on Exhibit "B", attached hereto. The approximate location of the Premises is identified on the airport lease map, attached hereto as Exhibit "C." Exhibits A, B, and C are, with this reference, incorporated herein.

1.02 The Premises consist of 268,387 square feet, or approximately 6.161 acres, and includes the building located thereon. Tenant acknowledges, represents and agrees that this Lease confers no rights either with regard to the subsurface of the land below the ground level of the Premises or with regard to the air space above the top of the roof of the building that is part of the Premises, except to the extent necessary for construction or installation of any improvements, as approved by Landlord.

1.03 Tenant has examined and knows the Premises and no warranties or representations as to the condition thereof have been made by Landlord or any agent of Landlord prior to or at the time of execution of this Lease. Tenant acknowledges, represents and agrees that (i) Tenant is leasing the Premises "AS IS" based on its own inspection and investigation and not in reliance on any statement, representation, inducement or agreement of Landlord, (ii) Tenant shall take possession of the Premises in an "AS IS" condition. Tenant's taking possession of the Premises on commencement of the term shall constitute Tenant's acknowledgment that the Premises are in good condition.

SECTION 2 - TERM

2.01 The initial term of the Lease shall be for a period of twenty-five years, commencing on the 1st day of June, 2000 (the "Commencement Date") and ending on the 31st day of May, 2025 ("Initial Term"). The Initial Term and all renewal terms shall be referred to herein as the full term of this Lease.

2.02 Tenant shall have the option to renew this Lease for one additional term of ten (10) years

("First Extended Term"), provided, however, that the Tenant is in full compliance with all the provisions, covenants, conditions, and requirements of this Lease. Any renewal of this Lease shall be on the same terms, covenants, and conditions, except for the rental rate, and subject to the same restriction and exceptions contained in this Lease Agreement. The rental rate for such First Extended Term shall be determined as provided in Section 6 of this Lease. Tenant shall exercise this option in accordance with the provisions set forth in Subsection 2.04 of this Lease.

2.03 Provided that Tenant has exercised its option to extend the Lease for the First Extended Term, Tenant shall have the option to renew this Lease for a second additional term of ten (10) years ("Second Extended Term"), provided, however, that the Tenant is in full compliance with all the provisions, covenants, conditions, and requirements of this Lease. Any renewal of this Lease shall be on the same terms, covenants, and conditions, except for the rental rate, and subject to the same restrictions and exceptions contained in this Lease Agreement. The rental rate for such Second Extended Term shall be determined as provided in Section 6 of this Lease. Tenant shall exercise this option in accordance with the provisions set forth in Subsection 2.04 of this Lease.

2.04 The options set forth in Subsections 2.02 and 2.03 of this Lease are expressly conditioned on Tenant agreeing to construct improvements to the premises specified by the Landlord at the time the options are exercised. Tenant shall exercise options by submitting to Landlord an agreement to construct such specified improvements one hundred and eighty (180) days prior to the end of the then current term of this Lease.

SECTION 3 - USES OF THE PREMISES

3.01 Tenant shall develop, use and operate the leased premises for the following purposes only, and for no other purposes. Tenant may: engage in the business of aeronautics to include flight training; corporate and/or commercial aircraft support services; aircraft, engine, avionics and accessory repair; the sale of new and used aircraft and accessories; the sale of general merchandise, avionics, instruments and aircraft accessories; maintain or sublet offices for professional practice or aeronautical purposes, including commercial offices or suites for the distribution and sale of products or the provision of services thereto; and

personal aircraft storage.

3.02 Tenant shall observe and comply with all present or future laws, ordinances, requirements, rules and regulations of all governmental authorities having jurisdiction over the Premises or any part thereof and of all insurance companies writing policies covering the Premises or any part thereof. Tenant shall also promptly obtain each and every permit, license, certificate or other authorization required in connection with the lawful and proper use of the Premises or required in connection with any building or improvement now or hereafter erected thereon. Without limiting the generality of the foregoing Tenant shall comply with all provisions of the Mesa City Code, Federal Grant Programs, Environmental Regulations, Surplus Property Instruments and Regulations of the Federal Aviation Administration and such Rules and Regulations governing Airport operations that exist as of the date of this Lease, as well as such modifications and additions thereto as Landlord, in its reasonable discretion, may hereafter make for the Airport. Tenant shall further provide copies of documentation and certifications(s) of compliance with all necessary Arizona Department of environmental Quality rules and regulations concerning operation of any underground storage tank ("UST) system on the Premises. Any violation of the provisions of this Subsection 3.02 shall constitute a default under this Lease following an applicable notice and cure period of thirty (30) days.

SECTION 4 – RENTAL

4.01 Tenant shall pay to Landlord, minimum annual rental ("Minimum Annual Rent") in the amount of Seventy thousand dollars (\$70,000.0), subject to the adjustments set forth in Section 6 hereof. Tenant shall pay the Minimum Annual Rent in equal annual installments in advance, on or before the 1st day of June of each year during the full term of this Lease, beginning on the 1st day of June, 2000. Such Minimum Annual Rent shall be paid without prior notice or demand and without any set off or deduction whatsoever.

4.02 Tenant agrees to pay to Landlord, or to the appropriate governmental body, with and in addition to the Minimum Annual Rent, any and all excise, privilege, license or sales taxes, or other governmental impositions imposed by any governmental body on the rentals received by Landlord from Tenant during the term hereof payable as additional rent at the same times as fixed Minimum Annual Rent is payable hereunder, without demand and without any deduction or setoff whatsoever.

4.03 Tenant shall, without prior notice or demand and without any set off or deductions whatsoever, pay the Minimum Annual Rent and any other rent or other charges due hereunder. Tenant covenants and agrees that all sums to be paid under this Lease, if not paid when due, shall bear interest on the unpaid portion thereof at the rate of one and one half percent (1 ½ %) per month for each month or any fraction thereof that such sums are unpaid. Tenant further covenants and agrees that for each calendar year in which the Minimum Annual Rent is not paid to Landlord within ten (10) days after the due date, Tenant shall promptly pay to Landlord a sum equal to five percent (5%) of the unpaid rentals as special damages.

4.04 Tenant shall receive, as a credit against the Minimum Annual Rent for the first year of this Lease, due on June 1, 2000, an amount which equals five thousand dollars (\$5,000.00). Such credit shall reimburse Tenant for the work performed by Tenant on the hangar doors to repair storm damage completed prior to the execution of this Lease.

4.05 In the event Tenant meets the requirements set forth in this Subsection 4.05, Tenant shall be entitled to a credit against the Minimum Annual Rent in the amount of \$10,000 for each of the first five years of this Lease. Such credit shall be in addition to the \$5,000 credit set forth in Subsection 4.04 hereof. To receive the credit set forth in this Subsection, Tenant shall be required to complete permanent improvements to the Premises which are valued at \$185,000 during the first two years of the lease, of which \$145,000 worth of the improvements shall be completed during the first year. To receive such credit, Tenant shall submit documentation evidencing the value of permanent improvements completed on the Premises. Tenant acknowledges and agrees that the amounts set forth in this Subsection, are credits to be applied against the Minimum Annual Rent, and not a modification of such Minimum Annual Rent. For the purposes of Section 6 hereof, the Minimum Annual Rent during the first five years of this Lease shall be the actual rental rate set forth in Subsection 4.01 hereof.

SECTION 5 – SECURITY DEPOSIT

5.01 Tenant shall, at execution of the Lease by Landlord, deposit with Landlord the sum of Seventy thousand dollars \$70,000.00 for the Premises as security for the full and faithful performance by Tenant for the annual rent due ("Security Deposit"), and meeting all of the terms and conditions of the Lease.

Landlord shall return the Security Deposit to Tenant upon Tenant's delivery to Landlord of an annually renewable Surety bond from a state approved licensed insurance company in the amount of one (1) year's rent plus all applicable taxes, or a Certificate of Deposit in the amount of one (1) year's rent plus all applicable taxes, belonging to Tenant but to be held by the City of Mesa. The Security Deposit shall be returned to Tenant, or the Surety bond or Certificate of Deposit released upon the termination of this Lease, provided Tenant has fully and faithfully carried out all terms, covenants, and conditions on Tenant's part to be performed. Failure of Tenant to maintain a current Surety bond or Security Deposit shall be deemed default under the terms of this Lease.

SECTION 6 - RENTAL RATE ADJUSTMENT

6.01 The Minimum Annual Rent for the Initial Term of this Lease shall be as provided in Subsection 4.01 hereof. Such Minimum Annual Rent shall be subject to adjustment at five (5) year intervals, the first adjustment to be effective on a day which is five (5) years after the Commencement Date, with subsequent adjustments to occur every five years thereafter. The amount of said adjustments shall be determined as set forth in Subsection 6.04 hereof.

6.02 The Minimum Annual Rent for the First Extended Term shall be determined as set forth in Subsection 6.10 hereof. Such Minimum Annual Rent shall be subject to adjustment at five (5) year intervals, the first adjustment to be effective on the day which is thirty (30) years after the Commencement Date, with subsequent adjustments to occur every five years thereafter. The amount of said adjustments shall be determined as set forth in Subsection 6.05 hereof.

6.03 The Minimum Annual Rent for the Second Extended Term shall be determined as set forth in Subsection 6.10 hereof. Such Minimum Annual Rent shall be subject to adjustment at five-year intervals, the first adjustment to be effective on the day which is forty-five (45) years after the Commencement Date, with subsequent adjustments to occur every five years thereafter. The amount of said adjustments shall be determined as set forth in Subsection 6.06 hereof.

6.04 The Minimum Annual Rent shall be adjusted during the Initial Term as follows: The base for computing the adjustment shall be the Consumer Price Index (hereinafter referred to in this Section 6 as

"Index") for all urban consumers (base year 1967 =100) for the United States, published by the United States Department of Labor, Bureau of Labor Statistics, which is in effect on the Commencement Date (hereinafter referred to in this Section 6 as "Initial Term Index"). The Index published most immediately preceding the adjustment date in question (hereinafter referred to in this Section 6 as "Extension Index") shall be used in determining the amount of the adjustment. If the applicable Extension Index has increased over the Initial Term Index, the Minimum Annual Rent for the Initial Term shall be multiplied by a fraction, the numerator of which is the Extension Index and the denominator of which is the Initial Term Index to determine the adjusted Minimum Annual Rent. If the Extension Index has not increased over the Initial Term Index, the adjusted Minimum Annual Rent shall be as set forth in Subsection 6.08 hereof.

6.05 The Minimum Annual Rent shall be adjusted during the First Extended Term as follows: The base for computing the adjustment shall be the Index which is in effect on the date of the commencement of the First Extended Term (hereinafter referred to in this Section 6 as "First Extended Term Index"). If the applicable Extension Index has increased over the First Extended Term Index, the Minimum Annual Rent for the First Extended Term shall be multiplied by a fraction, the numerator of which is the Extension Index and the denominator of which is the First Extended Term Index to determine the adjusted Minimum Annual rent. If the Extension Index has not increased over the First Extended Term Index, the adjusted Minimum Annual Rent shall be as set forth in Subsection 6.08 hereof.

6.06 The Minimum Annual Rent shall be adjusted during the Second Extended Term as follows: The base for computing the adjustment shall be the Index which is in effect on the date of the commencement of the Second Extended Term (hereinafter referred to in this Section 6 as "Second Extended Term Index"). If the applicable Extension Index has increased over the Second Extended Term Index, the Minimum Annual Rent for the Second Extended Term shall be multiplied by a fraction, the numerator of which is the Extension Index and the denominator of which is the Second Extended Term Index to determine the adjusted Minimum Annual rent. If the Extension Index has not increased over the Second Extended Term Index, the adjusted Minimum Annual Rent shall be as set forth in Subsection 6.08 hereof.

6.07 Application of the formula set forth in Subsections 6.04, 6.05, and 6.06 above is illustrated

by the following example: assume that the Minimum Annual Rent for the Initial Term is \$10,000, that the Initial Term Index is 400.7 and that the applicable Extension Index is 460.1. Based on the following computation the Minimum Annual Rent for the extended period will be \$11,483.

$$\frac{460.1}{400.7} \times \$10,000 = \$11,483$$

6.08 Notwithstanding any provisions of this Section 6 to the contrary, all five-year CPI adjustments to the Minimum Annual Rent shall be subject to the following maximum and minimum limits: All such five-year adjustments shall result in a minimum rental increase of 10% over the prior Minimum Annual Rent, provided, however, no rental increase shall exceed 30% over the prior Minimum Annual Rent.

6.09 If the Index is changed so that the base year differs from that in effect when the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discounted or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discounted or revised

6.10 Six (6) months prior to the termination of the then current term of the Lease Agreement, if Tenant exercises the option to renew the Lease, as provided in Subsections 2.02 and 2.03 hereof, Landlord shall propose the Minimum Annual Rent for the applicable renewal term of the Lease (either the First Extended Term or the Second Extended Term) and the parties hereto may, by mutual agreement, fix said Minimum Annual Rent. If an agreement on said Minimum Annual Rent is not reached ninety (90) days prior to the end of the then current term of the Lease, the Minimum Annual Rent for the applicable Extended Term shall be the fair market rental of the Premises as determined by a qualified appraiser selected by Landlord. If either Landlord or Tenant (or both) disapproves the fair market rental of the Premises as thus determined, the dissatisfied party (or parties) may then designate another qualified appraiser who shall conduct a second independent appraisal of the Premises. If the second appraisal differs from the first appraisal by an amount which is less than two percent (2%) of the first appraisal, then the average of the first and second appraisals shall be deemed to be the fair market rental of the Premises. If the second appraisal differs from the first

appraisal by an amount which is more than two percent (2%) of the first appraisal, then either Landlord or Tenant shall have the right to designate a third qualified appraiser who shall conduct a third independent appraisal of the fair market rental of the Premises and the fair market rental of the Premises shall be deemed to be the average of the two appraised values closest to one another. If both Landlord and Tenant designate a qualified appraiser to conduct the third independent appraisal, then the fair market rental of the Premises shall be deemed to be the average of the two appraisals (out of the four completed) closest to each other. If neither Landlord nor Tenant requests a third appraisal, the average of the first and second appraisals shall be deemed to be the fair market rental of the Premises. The cost of such appraisals shall be divided and borne equally between Landlord and Tenant.

6.11 On each and every adjustment of the Minimum Annual Rent as provided in this Section 6 the parties shall immediately execute a Letter of Agreement stating the new Minimum Annual Rent.

SECTION 7 – IMPROVEMENTS, CONSTRUCTION AND MAINTENANCE

7.01 Tenant shall construct on the Premises those improvements shown on the development plan and drawings attached hereto and made a part hereof as Exhibit "D." Tenant agrees to complete construction of said improvements in accordance with the project schedule attached hereto and made a part hereof as Exhibit "E."

7.02 Except as otherwise agreed upon by both Landlord and Tenant, failure to substantially complete the permanent improvements, outlined in Exhibit "D" according to the terms of the construction schedule, Exhibit "E", and obtain a permanent Certificate of Occupancy from the City of Mesa, shall cause the Tenant's current annual rent to increase to 150% of the rental rate in effect at the time of the default. Such increase shall remain in effect until Tenant can demonstrate that the improvements have been completed and a permanent Certificate of Occupancy has been obtained from the City of Mesa. In any event, failure to substantially complete the permanent improvements and obtain a Certificate of Occupancy from the City of Mesa within one (1) year of the construction completion date set forth in Exhibit "E" shall be deemed a material default and constitute grounds for the termination of this Lease.

7.03 Except as expressly authorized herein, Tenant shall make no additions, alterations, changes,

fixtures, or other improvements to the Premises ("Improvements") without the express written consent of the Landlord, which shall not be unreasonably withheld or delayed. Tenant, at its own expense, shall keep and maintain the Premises, or Improvements neat and orderly at all times and shall perform all repairs to the same to keep them in proper condition. All Improvements on the Premises shall be the property of Tenant during the full term of this Lease.

7.04 Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations prior to construction of the initial Improvements and prior to construction of any other Improvements on the Premises, or in the event of any material modification or alteration of any such Improvements.

7.05 Tenant shall conduct all work on the Premises, including construction, repair or maintenance work, so that such work will in no way materially interfere with the normal operation and use of the Airport by Landlord and other persons and organizations entitled to use of the same.

7.06 All proposed construction and Improvement plans must be submitted and approved by the Airport Director or appointed agent in writing. All construction and Improvements must comply with the most current Airport Master Plan. Tenant acknowledges and agrees that the Master Plan consists of recommendations for future development, and that the recommended alternatives outlined in said Master Plan in no way constitute a commitment on the part of the City. It is further understood that proposed development items in the Master Plan are subject to the current needs of the Airport, as well as subject to funding availability.

7.07 Tenant agrees that all work on the Premises, including construction, repair, and maintenance work, shall comply with the Zoning, Building, Plumbing, Landscaping, Electrical and Mechanical Codes of the City of Mesa. Tenant shall pay all required fees. All Initial or other Improvements constructed under Zoning, Building, Plumbing, Landscaping, Electrical, or Mechanical Codes shall have a City of Mesa building permit.

7.08 Tenant agrees to submit its architectural plans and designs, as prepared by an architect registered in the State of Arizona, for approval of Landlord prior to construction of the Improvements. Such approval, other than for conformity with Codes as previously described, is intended to be limited however to

reasonable compatibility of general or overall design and materials and shall not be unreasonably withheld or delayed.

SECTION 8 – MECHANICS' LIENS

8.01 Tenant agrees to keep the Premises free of any mechanics' or materialmen's liens of any kind or nature for any work done, labor performed, or material furnished thereon at the instance or occasion of Tenant. Tenant further agrees to defend, indemnify and save harmless Landlord from and against any and all claims, liens, demands, costs, and expenses of whatsoever nature for any such work done, labor performed, or materials furnished at Tenant's request. Tenant is not authorized to act for or on behalf of Landlord as its agent, or otherwise, for the purpose of constructing any improvements to the Premises, or for any other purpose, and neither Landlord nor Landlord's interest in the Premises shall be subject to any obligations incurred by Tenant. Tenant agrees to record a Payment Bond with the Maricopa County Records Office as required under A.R.S. §33-1033.

SECTION 9 - PERFORMANCE BOND

9.01 Prior to construction of Improvements, Tenant shall furnish Landlord with a performance bond, in the full amount of the general construction contract for the construction of the Improvements. Said bonds must be issued by a company qualified to do business in the State of Arizona and rated "A" or better by the current edition of the Best Rating Service. Said bonds shall be in the form set forth in Exhibit "F" and shall ensure faithful and full observance and performance by Tenant of all the terms, conditions, covenants and agreements set forth in this Lease, except Tenant's agreement to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations for the construction of any future structures or buildings not described in this Lease relating to construction of the Improvements or in the event of any planned modification or alteration which is not described in this Lease.

SECTION 10 – IMPROVEMENTS, OWNERSHIP

10.01 Except as provided in Subsection 10.02 hereof, all Initial or other Improvements on the Premises, with the exception of Tenant's trade fixtures and personal property, shall become the property of

the Landlord upon expiration of this Lease or upon termination of this Lease for any reason. At no time shall Tenant have the right to remove any Improvements from said Premises unless otherwise agreed to in writing by the Airport Director. Notwithstanding the foregoing, Landlord shall have the right to require Tenant, after expiration or other termination of this Lease, to remove any Initial or other Improvements on the Premises, or require Tenant to otherwise restore the Premises by giving written notice to Tenant within thirty days after such expiration or other termination. If so notified, Tenant, at Tenant's sole cost and expense shall remove the designated Improvements within ninety (90) days after the date of written notification and shall restore the Premises to a condition acceptable to Landlord.

10.02 During the full term of the Lease and upon the expiration, cancellation or termination of the Lease for any reason, Tenant agrees that any and all USTs and related equipment on the Leased Premises shall remain the property and sole responsibility of the Tenant and not of the City. At all times, Tenant shall remain the owner and operator of the USTs and the City shall not become the owner or operator of the USTs.

In no event shall the City be responsible for or owner or operator of the USTs. Prior to and upon expiration of the Lease, Tenant, at its sole expense, shall comply with all applicable federal, state and local laws governing the temporary and permanent closure, removal, remediation, site restoration and clean up of the UST and all affected property, water, soil, and related equipment. All such actions shall be performed pursuant to prescribed standards under the law. Tenant shall complete all actions required by this Section within 60 days after expiration or other termination of this Lease. If said actions are not performed or said performance is not completed within this 60-day time period, Landlord shall have the right to perform such actions on behalf of Tenant, and Tenant shall be responsible for and pay to Landlord all costs incurred by Landlord as a result of such performance.

SECTION 11 - INSURANCE

11.01 Insurance Requirements

A. **Comprehensive General Liability Insurance.** Tenant, at its cost, shall maintain comprehensive liability insurance with limits of not less than \$1,000,000 per occurrence, insuring against all liability of Tenant and its authorized representatives arising out of and in connection with

Tenant's use or occupancy of the Premises. Said insurance shall insure performance by Tenant of the indemnity provisions of Section 12. The policy shall also either contain a provision for broad form contractual liability including Leases, or there shall be attached thereto an endorsement providing for such coverage. If the policy is to be written with an annual aggregate limit, that limit shall be not less than \$2,000,000.

B. Standard fire and extended coverage. Tenant, at its cost, shall maintain on the building and Improvements that are part of the Premises, a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, to the extent of 100% of full replacement value of the buildings and other insurable Improvements. In the case of an insurable loss, an independent third-party trustee shall be appointed to receive and distribute insurance proceeds to assure that repair, replacement, or reconstruction is completed according to the plans approved by both Tenant and Landlord.

C. Hangar Keeper's Liability. Tenant shall procure and maintain, at its sole expense, Hangar Keeper's Liability Insurance with a minimum coverage of \$1,000,000 for any one aircraft and \$2,000,000 for loss in any one occurrence for the Hangar Keeper's policy.

D. Worker's Compensation Insurance. Tenant shall procure and maintain, at its sole expense, Worker's Compensation Insurance in such amounts as will fully comply with the laws of the State of Arizona, which shall indemnify, insure and provide legal defense to both Tenant and Landlord against any loss, claim or damage arising from any injuries or occupational diseases happening to or any worker employed by Tenant in the course of carrying out conditions or activities described within this Lease.

E. Employer's Liability Insurance. Tenant shall procure and maintain, at its sole expense, Employer's liability, with minimum coverage of \$1,000,000.

11.02 General Requirements.

A. Additional Insureds. Comprehensive general liability policy, Standard fire and extended coverage insurance, and Hangar Keeper's Liability Insurance shall name Landlord, its departments,

officers, and employees as additional insureds.

B. Special Items. Each insurance policy shall provide the following: (i) the policies cannot be cancelled, or substantially modified until and unless thirty (30) days written notice is received by the City of Mesa; (ii) the insurance company shall have no recourse against the City of Mesa for payment of any premium or for assessments under any form of policy; and (iii) the policies are intended as primary coverage for the City of Mesa and that any insurance or self-insurance maintained by the City shall apply in excess of and not contributory with the insurance provided by these policies. Tenant shall continually maintain evidence of insurance for Landlord.

C. Certificates of Insurance. Tenant shall deliver Certificates of Insurance, for the policies of insurance required hereunder, to the Airport Director of Landlord. Tenant shall continually maintain evidence of such insurance for Landlord, and provide such evidence upon Landlord's request.

D. Tenant shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers of the waiver of subrogation set forth in this Lease and shall obtain, at Tenant's expense, an appropriate waiver of subrogation endorsement from the insurer.

11.03 The procuring of any policy of insurance shall not be construed to be a limitation upon Tenant's liability or as a full performance on its part of the indemnification provisions of this Lease; Tenant's obligation being, notwithstanding any said policy of insurance, for the full and total amount of any damage, injury, or loss caused by the negligence or neglect connected with the operation under this Lease.

11.04 Failure to maintain the minimum insurance as stated in this Section 11 shall constitute default of this Lease. Without waiving any remedies available to Landlord for such default, Landlord may at its option purchase the required insurance and charge the actual insurance expense thereof to Tenant, which expense Tenant shall assume and pay.

11.05 Tenant's insurance shall be primary for all purposes under this Lease.

11.06 The minimum insurance requirements as to type and amounts shall be subject to reasonable adjustment at five (5) year intervals at the sole discretion of Landlord.

SECTION 12 - HOLD HARMLESS

12.01 Neither Landlord, nor its departments, officers, or employees shall be liable for any loss, damage, death or injury of any kind whatsoever to the person or property of Tenant or sublessees or of any other person whomsoever, caused by Tenant's use of the Premises, or by any defect in any building or Improvement erected thereon, or arising from any accident, fire, or from any other casualty on the Premises or from other cause whatsoever; and Tenant, hereby waives on Tenant's behalf all claims against Landlord.

12.02 Tenant shall defend, indemnify and hold City, its departments, boards, commissions, council members, officials, officers, agents, and employees, individually and collectively, from and against all losses, expenses (including attorney fees), damages, claims, charges, fines, suits, actions, demands, or other liabilities of any kind ("Liability"), including without limitation Liability for bodily injury, illness, death, or for property damage, resulting from or arising out of this Agreement and/or the use or occupancy of the Premises, except for Liability resulting from the negligent acts or omissions or willful misconduct of the City, its employees, agents, or any person under City's direction and control.

SECTION 13 - STORAGE OF EQUIPMENT AND MATERIAL

13.01 Tenant shall not store on the Premises equipment or material outside of buildings unless screened by a method approved in writing in advance by the Airport Director, which shall not be unreasonably withheld or delayed. This provision does not apply to or preclude Tenant from parking flyable aircraft on the Premises, but does preclude the outside parking of aircraft being held for salvage purposes or aircraft awaiting major repair.

SECTION 14 - ENVIRONMENTAL INDEMNIFICATION-Tenant

14.01 Use of Hazardous Material. Tenant shall not cause or permit any hazardous material, as defined in Subsection 14.05, to be generated, brought onto, used, stored, or disposed of in or about the premises or the building by Tenant or its agents, employees, contractors, subtenants, or invitees, except for limited quantities of such substances that are required in the ordinary course of Tenant's business conducted on the premises or are otherwise approved by Landlord. Tenant shall:

A. Use, store and dispose of all such hazardous material in strict compliance with all applicable statutes, ordinances, and regulations in effect during the Lease term that relate to public health and safety and protection of the environment (environmental laws), including those environmental laws identified in Subsection 14.03; and

B. Comply at all times during the Lease term with all environmental laws.

14.02 Notice of Release or Investigation. If, during the Lease Term (including any extensions), either Landlord or Tenant becomes aware of, (a) any actual or threatened release of any hazardous material on, under, or about the premises or the building, or (b) any inquiry, investigation, proceeding, or claim by any government, agency, or other person regarding the presence of hazardous material on, under, or about the Premises of the building, that party shall immediately, not to exceed twenty four (24) hours after learning of it, notify the other party, and shall provide written notice of the release or investigation within five (5) days after learning of it and shall simultaneously furnish to the other party copies of any claims, notices of violation, reports, or other writings received by the party providing notice that concern the release or investigation.

14.03 Asbestos Notification. Tenant acknowledges that Landlord has advised Tenant that the building contains or, because of its age, is likely to contain asbestos-containing materials (ACM). If Tenant undertakes any alterations, additions, or Improvements to the premises, as permitted by Section 7 , Tenant shall, in addition to complying with the requirements of Section 7 , undertake the alterations, additions, or improvements in a manner that avoids disturbing any ACMs present in the building. If ACMs are likely to be disturbed in the course of such work, Tenant shall encapsulate or remove the ACMs in accordance with an approved asbestos-removal plan and otherwise in accordance with all applicable environmental laws, including giving all notices required by law.

14.04 Indemnification. Tenant shall, at Tenant's sole expense and with counsel reasonably acceptable to Landlord, indemnify, defend, and hold harmless Landlord, or Landlord's authorized agents or representatives, with respect to all losses arising out of or resulting from the release of any hazardous material in or about the premises or the building, or the violation of any environmental law, by Tenant or Tenant's agents, contractors, or invitees. This indemnification includes:

A. Losses attributable to diminution in the value of the Premises or the Airport;

B. Loss or restriction of use of rentable space in the Airport;

C. Adverse effect on the marketing of any space on the Airport; and

D. All other liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders, or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant and expert fees and expenses) resulting from the release or violation.

E. If Heliponents, Inc. excavates or removes any soil on the subject property, whether or not such soil is contaminated, and notwithstanding Landlord's remediation responsibilities as set forth in this Lease, Heliponents, Inc. shall be responsible for all costs and expenses related to such excavation or removal (including, without limitation any cost of disposal of such soil.) If, as a result of Heliponents, Inc. excavation or removal, Landlord incurs increased remediation costs or expenses, Heliponents, Inc. will reimburse Landlord for the amount of such increase within thirty (30) days after written demand. This indemnification is not intended to include or extend to acts committed prior to Tenant's occupancy of the property in question, and is only intended to extend to those acts committed by Tenant, and not those committed by other previous parties or previous tenants. Tenant has been supplied with the environmental history of the prior tenancy.

F. The indemnification set forth in this Subsection 14.04 shall survive the expiration or termination of this Lease.

14.05 Remediation Obligations. If the presence of any hazardous material brought onto the Premises or the building by Tenant or Tenant's employees, agents, contractors, or invitees results in contamination of the building, Tenant shall promptly take all necessary actions, at Tenant's sole expense, to return the premises or the building to the condition that existed before the introduction of such hazardous material. Tenant shall first obtain Landlord's written approval of the proposed remedial action. This provision does not limit the indemnification obligation set forth in Section 12 or this Section 14 .

14.06 Definition of Hazardous Material. As used in this Section 14 , the term "Hazardous Material"

shall mean any hazardous or toxic substance, material, or waste that is or becomes regulated by the United States, the State of Arizona, or any local government authority having jurisdiction over the building or Premises. Hazardous material includes:

A. Any "hazardous substance" as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United States Code §§ 9601-9675);

B. "Hazardous waste" as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code §§ 6901-6992K);

C. Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable Federal, State, or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders imposing Liability or standards of conduct concerning any hazardous, dangerous, or toxic waste, substance, or material, now or hereafter in effect);

D. Petroleum products;

E. Radioactive material, including any source, special nuclear, or byproduct material as defined in 42 United States Code §§ 2011-2297G-4;

F. Asbestos in any form or condition; and

G. Polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs.

14.07 Except for customary materials necessary for operation, cleaning and maintenance of the Airport, Landlord shall not cause any Hazardous Material to be brought upon, generated at, stored or kept or used in or about the Premises without the prior written consent of Tenant (which Tenant shall not unreasonably withhold as long as Landlord demonstrates to Tenant's reasonable satisfaction that such Hazardous Material is necessary or useful to Landlord's business) and all Hazardous Materials, including customary materials necessary for operating, cleaning and maintenance of the Airport, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises. If contamination of the Premises by Hazardous Material occurs for

which Landlord is legally liable to Tenant for damage resulting therefrom, then Landlord shall defend (to the extent that moneys have been specifically appropriated and encumbered for such purpose) Tenant from claims for damages, penalties, fines, costs, liabilities or losses. This duty to defend is not an indemnification and it is expressly understood that Landlord is not indemnifying Tenant. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused by Landlord results in any contamination of the Premises, Landlord shall promptly take all actions at its sole expense as are necessary to effect remediation of the contamination in accordance with legal requirements; provided that Tenant's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld.

SECTION 15 - DESTRUCTION OF IMPROVEMENTS

15.01 If the Improvements or any part thereof are damaged or destroyed by reason of any cause whatsoever, Tenant will complete one of the following options upon mutual agreement with Landlord:

A. Within thirty (30) days following such damage or destruction commence and diligently pursue to completion, the repair, or reconstruction of the Improvements, and this Lease shall remain in full force and effect; or

B. Terminate this Lease upon thirty (30) days written notice and return the Premises to the condition existing at the time of the Commencement Date of this Lease.

C. Should Tenant choose to terminate the Lease Agreement in the event of destruction, the insurance proceeds on the required insurance shall be prorated between Tenant and Landlord in proportion to the actual losses that can be proved by each party.

D. Landlord shall not retain any liability for deficiency of any insurance coverage or any other loss suffered by Tenant's insurer in the event of partial or complete destruction of the Improvements.

SECTION 16 - MAINTENANCE

16.01 Tenant shall repair and maintain the Improvements in good order and repair and keep the Premises in a neat, safe, clean and orderly condition, and appearance. Such obligation shall include without limitation the prevention of the accumulation of any refuse or waste materials that might be or constitute a fire

hazard or a public or private nuisance.

16.02 In the event that Tenant does not properly repair and/or maintain the Improvements, Landlord's Airport Director shall notify Tenant in writing of those areas that are not being properly repaired and/or maintained. If, however, after thirty (30) days, Tenant fails to make such repair and/or maintenance, Landlord may cause to have such repair and maintenance made and shall invoice Tenant for the repair and maintenance completed. Such amounts shall be payable to Landlord as additional rent, without any deduction or set off whatsoever. If Tenant does not pay said costs within thirty (30) days, this Lease shall be deemed to be in default, and Landlord shall be entitled to all legal remedies provided hereunder., subject to any applicable notice and grace period.

SECTION 17 - MONTHLY REPORTS

17.01 Tenant shall, within fifteen (15) days after commencement of the term of this Lease, submit a written report to Landlord's Airport Director listing all aircraft that are located on the Premises. Said report shall be prepared on a form supplied by Landlord, and include aircraft, make, model, registration number, owner's name, address and telephone number.

17.02 Tenant further agrees that by the tenth (10th) day of each month, tenant shall submit a list showing any additions or deletions from the above-mentioned written report.

SECTION 18 - INSPECTION

18.01 Landlord's Airport Director, or authorized representative, shall have the right upon reasonable notice and during business hours to inspect the subject premises to determine if the provisions of this Lease are being complied with.

SECTION 19 - NON-EXCLUSIVE RIGHT

19.01 Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 1349, Title 49, of the United States Code.

SECTION 20 - DEVELOPMENT OF LANDING AREA

20.01 Landlord reserves the rights to further develop or improve the landing area of the Airport as

it sees fit regardless of the desires or views of Tenant and without interference or hindrance.

SECTION 21 - USE OF PUBLIC AIRPORT FACILITIES

21.01 Tenant is granted the non-exclusive use of all public airport facilities including, but not limited to, taxiways, runways, aprons, navigational aids and facilities relating thereto for purposes of landing, take-off and taxiing of Tenant's and Tenants' tenant's, or invitee's aircraft. All such uses shall be in accordance with the laws of the United States of America, the State of Arizona, and the rules and regulations promulgated by their authority with reference to aviation and air navigation, and in accordance with all reasonable and applicable rules, regulations and ordinances of Landlord now in force or hereafter prescribed or promulgated by ordinance or by law.

21.02 Landlord agrees, during the term of this Lease, to operate and maintain the Airport and its public airport facilities as a public airport consistent with, and pursuant to, the Sponsor's Assurances given by Landlord to the United States Government under the Federal Act.

21.03 Nothing contained herein shall be construed to prevent Landlord from closing the runways, taxiways or aprons of the Airport on special occasions from time to time at the reasonable discretion of Landlord.

SECTION 22 - LEASE SUBORDINATE TO AGREEMENTS WITH U.S.A.

22.01 This Lease is subordinate and subject to the provisions and requirements of all existing and future grant agreements between Landlord and the United States of America, all deeds of conveyance from the United States of America, all United States laws, including the Federal Aviation Act of 1958, relative to the development, operation, or maintenance of the Airport, and all FAA regulations.

SECTION 23 - WAR OR NATIONAL EMERGENCY

23.01 This Lease and all the provisions hereof shall be subject to whatever rights of the United States Government 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.

SECTION 24 - NONDISCRIMINATION

24.01 Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subpart. Tenant assures that it will require that its covered suborganizations provide assurances to Landlord that they similarly will undertake affirmative action programs and that they will require assurances from the suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

24.02 That in the event of default of any of the above nondiscrimination covenants, Landlord shall have the right to terminate the Lease, following any applicable notice and cure period, and to re-enter and repossess said Premises and the improvements thereon, and hold the same as if said Lease had never been made or issued.

24.03 Tenant shall take all action to ensure that its accommodations and/or services are furnished on a fair and equal basis, without bias, to all users. Tenant shall charge fair and reasonable prices, without bias, for each unit or service; provided that Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchases. Tenant shall upon written demand of Landlord furnish Landlord with a schedule of all prices for each unit or service to be charged to the general public.

24.04 Tenant agrees to comply with all provisions of applicable federal, state, and local laws related to nondiscrimination, equal employment opportunity, and the Americans with Disabilities Act.

24.05 Noncompliance with provisions stated above shall constitute a material default thereof and, in the event of such noncompliance, Landlord shall have the right to terminate this Lease and the estate hereby created, following any applicable notice and cure period, without liability therefrom; or at the election of Landlord or the United States, either or both said Governments shall have the right to judicially enforce these provisions.

24.06 Tenant agrees that it shall insert these provisions in any contract by which Tenant grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Premises herein Leased.

SECTION 25 - UTILITIES

25.01 Tenant agrees that it will at all times during the term of this Lease pay for all utilities of every nature used by it on the Premises before the charges therefore become delinquent.

SECTION 26 - TAXES

26.01 Tenant agrees to pay, prior to their becoming delinquent, all taxes of every nature levied or assessed against either the interest of Landlord or Tenant on the premises during the term hereof, and on all property of Tenant placed upon the Premises.

SECTION 27 - LITIGATION, ATTORNEY'S FEES

27.01 In the event Landlord shall, without fault on its part, be made a party to any litigation commenced against Tenant, Tenant shall pay Landlord's costs of defense, including but not limited to court costs and reasonable attorney's fees. In the event Tenant shall, without fault on its part, be made a party to any litigation commenced against Landlord, Landlord shall pay Tenant costs of defense, including but not limited to court costs and reasonable attorney's fees.

27.02 If any dispute arising under the terms of this Lease shall result in litigation, the prevailing party shall, in addition to any other relief granted or awarded by the court, be entitled to an award of a reasonable attorney's fee to be determined by the court.

SECTION 28 - ASSIGNMENT-SUBLETTING

28.01 Tenant shall not assign, transfer, hypothecate, encumber or otherwise convey or dispose of this Lease or any right, title or interest therein, whether voluntarily or by operation of the law without the written consent of Landlord. Any attempted transfer of any interest in this Lease without Landlord's prior written consent, which shall not be unreasonably withheld, shall be void and shall constitute a default by Tenant hereunder.

28.02 In the event that Landlord shall consent to a sublease or assignment pursuant to the request from Tenant, Tenant shall cause to be executed by its assignee or subtenant an agreement satisfactory to Mesa, whereby such assignee or subtenant agrees to perform faithfully and to assume and to be bound by all of the terms, covenants, provisions and agreements of this Lease for the period covered by the assignment or sublease and to the extent the Premises are sublet or assigned.

SECTION 29 - DEFAULT IN TERMS OF THIS LEASE BY TENANT

29.01 The occurrence of any of the following shall constitute an event of default hereunder:

A. The filing of a petition by or against Tenant for adjudication as a bankrupt or insolvent, or for its reorganization or for the appointment of a receiver or trustee of Tenant's property; an assignment by Tenant for the benefit of creditors or the taking of possession of the property of Tenant by any governmental officer or agency pursuant to statutory authority for the liquidation of Tenant.

B. Failure of Tenant to pay when due any installment of rent hereunder or any other sum herein required to be paid by Tenant, and the continuance of such nonpayment for five (5) days after written notice from Landlord.

C. Abandonment of the Premises, as provided in Section 33 hereof.

D. Operation or maintenance of the Premises in violation of law, failure to maintain the required insurance, or any other misuse of the Premises.

E. Tenant's failure to perform any other covenant, condition or agreement of this Lease within ten (10) days after written notice by Landlord's Airport Director. In addition to correcting the default, an administrative fee shall be paid, as special damages, to Landlord by Tenant for the cost of monitoring correction of such default. At no time shall this fee exceed one percent (1%) of the total current annual rent paid to Landlord.

SECTION 30 - REMEDIES

30.01 In addition to any and all remedies available to Landlord as a matter of law and those set forth in other provisions of this Lease, Landlord shall, subject to any cure periods set forth herein, have the immediate right, upon Tenant's default in any term or condition of this Lease, to re-enter the Premises and

occupy it and any improvements made by Tenant and to hold and/or re-lease the Premises and any improvements made by Tenant. No such re-entry or taking possession by Landlord shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant. Tenant shall peaceably quit the premises upon written notification by the Airport Director to Tenant of Landlord's intent to re-enter the Premises and improvements placed thereon by Tenant. The various rights, elections, and remedies of Landlord and Tenant contained in this Lease shall be cumulative, and no one of them shall be construed as exclusive of any other or of any right, priority or remedy allowed or provided by law. Landlord shall use its best efforts to mitigate cost to Tenant.

SECTION 31 - SIGNAGE

31.01 Tenant agrees not to construct nor maintain on the Premises outside of the improvements, or that are visible from outside, advertising signs or messages, of any kind or description, except those pre-approved in writing by the Airport Director of Landlord and are in compliance with the Mesa City Code, which determination shall be made at his sole discretion, and will not be unreasonably withheld or delayed.

SECTION 32 - UNLAWFUL USE

32.01 No Improvements shall be erected, placed upon, operated or maintained on the Premises, nor shall business be conducted or carried on thereon in violation of the terms of this Lease or of any regulation, order, law, statute, by-law, or ordinance of any governmental authorities having jurisdiction thereof.

SECTION 33 - ABANDONMENT

33.01 If Tenant, prior to the expiration or termination of this Lease by lapse of time or otherwise, relinquishes possession of the Premises without Landlord's written consent, or fails to open for business under usual business hours for a period of sixty (60) days, such occurrence shall be deemed to be an abandonment of the Premises and an event of default under this Lease. If Tenant abandons the Premises or is dispossessed by process of law or otherwise, any personal property belonging to Tenant and left on the Premises thirty (30) days following such abandonment or dispossession shall be deemed to have been transferred to Landlord, and Landlord shall have the right to remove and to dispose of the same without

liability to account therefor to Tenant or to any person claiming under Tenant.

SECTION 34 - TERMINATION BY TENANT

34.01 In the event that during the term of this Lease any law or ordinance should be enacted, the effect of which is to so restrict the use to which the premises can be put that Tenant is absolutely unable to use the Premises in the manner contemplated herein, then and in such event Tenant may (after obtaining written consent from the holder of any encumbrance on the Premises, on thirty (30) days written notice to Landlord) terminate this Lease.

SECTION 35 - TERMINATION BY LANDLORD

35.01 In the event that Landlord should require the Premises in connection with the future expansion and/or operation of the Airport, Landlord may, upon one hundred eighty (180) days written notice, cancel this Lease. In the event the Federal Government or any other governmental agency shall assume control of the Airport or any portion thereof in a manner that would preclude Tenant from operating under the terms of this Lease, or in the event that Landlord shall alter its development of the Airport in a manner that precludes Tenant from operating under the terms of this Lease, then and in either of such events, Landlord shall, upon written request from Tenant, at Tenant's option, either cancel this Lease or extend the term of this Lease for the period of time that Tenant's operation is so precluded and no rent shall accrue during said period.

35.02 In the event that this Lease is canceled under the provisions of Subsection 35.01, Landlord shall pay to Tenant, then in place, an amount which equals the greater of: (i) the fair market value of the leasehold interest, taking into consideration the remaining Lease term and the fair market value of all Tenant owned Improvements; or (ii) the original construction cost of all Tenant owned Improvements, less depreciation at the rate of three percent (3%) per year from the date of each improvement's completion. The term "Tenant owned Improvements" as used in this Subsection, shall not include any personal property or trade fixtures located on the Premises.

35.03 In the event Landlord should cancel this Lease under the provisions of Subsection 35.01, Tenant shall have the right, as hereinafter set forth, to lease, for the remaining term of this Lease, a site

similar in size to the premises if available on the same terms and conditions as set forth in this Lease. This right shall be effective only in the event that Tenant has faithfully performed all of the terms of this Lease, and in the further event that land is available at the Airport for such development.

SECTION 36 - RESERVATIONS TO LANDLORD

36.01 Landlord shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone and telegraph power lines as may be necessary in connection with the development of the Airport, over, in, upon, through, across and along the Premises or any part thereof. Landlord also reserves the right to grant easements and rights-of-way in, over, and upon, along, or across all or a portion of the Premises without the consent of Tenant.

36.02 Landlord agrees that it will cause the surface of the Premises to be restored similar to its original condition upon the completion of any construction. Landlord further agrees that, should the exercise of the right set forth in this Subsection 36.01 temporarily interfere with the use of any or all of the Premises by Tenant, the rental shall be reduced in a proportion equal to the amount that said interference bears to the total use of the Premises.

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

36.04 Tenant, by accepting this Lease, expressly agrees for itself, its successors and assigns, that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the Premises above the height limitations stated in FAR Part 77. In the event the aforesaid covenant is breached, Landlord shall have the right, at the expense of Tenant, to enter upon the Premises and remove the offending structure or object or cut the offending tree and charge the reasonable expense thereof to the Tenant, which Tenant shall assume and pay.

36.05 Tenant, by accepting the Lease, agrees for itself, its successors and assigns, that it will not make use of the Premises in any manner which will interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard to aircraft or ground operations normally conducted on an airport. In the event that the aforesaid covenant is breached, Landlord shall have the right to enter upon the Premises and cause the abatement of such interference at the reasonable expense of Tenant.

SECTION 37 - PARTIAL INVALIDITY

37.01 If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. If any term, covenant, condition, or provision of this lease is found to be invalid, void, or in violation of any agreement or granting instrument from the United States of America, it shall be deemed to have been deleted from the lease and the remainder of the provisions shall remain in full force and not be affected, impaired, or invalidated thereby.

SECTION 38 - MARGINAL CAPTIONS

38.01 The various headings and numbers herein and the grouping of the provisions of this Lease into separate sections and subsections are for the purpose of convenience only, and shall not be considered a part hereof.

SECTION 39 – NON WAIVER OF REMEDIES

39.01 It is expressly agreed that neither the taking of possession of the leased premises nor the institution of any proceedings by way of unlawful detainer, ejectment, quiet title, or otherwise, to secure possession of said leased premises, nor the re-entry by Landlord with or without the institution of such proceedings, nor the re-renting or subletting of said premises, shall operate to terminate this Lease in whole or in part, nor of itself constitute an exercise of Landlord's option to do so, but only by the giving of the written notice specifically specifying termination shall such termination be effected.

39.02 In the event Tenant breaches this Lease, or any covenant, term or condition hereunder, and abandons the leased premises, this Lease shall continue in force and effect for so long as the Landlord does

not terminate Tenant's right to possession, and Landlord may enforce all rights and remedies of Landlord including, without limitation, the right to recover rental as it becomes due hereunder. Acts of maintenance or preservation or efforts to re-let the leased premises, or the appointment of a receiver upon the initiation of the Landlord to protect the Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession.

39.03 No waiver of any default, breach or failure of Tenant under this Lease shall be construed as a waiver of any subsequent or different default, breach or failure. In case of a breach by Tenant of any of the covenants or undertakings of Tenant, Landlord nevertheless may accept from Tenant any payments hereunder without in any way waiving Landlord's right to exercise the remedies hereinbefore provided for by reason of any breach or lapse which was in existence at the time such payment or payments were accepted by Landlord.

39.04 It is expressly understood that the enumeration herein of express rights, options and privileges shall not limit Landlord, nor deprive Landlord of any other remedy or action or cause of action by reason of any default of Tenant, including the right to recover from Tenant any deficiency upon re-renting.

39.05 The specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which they may be lawfully entitled in case of any breach or threatened breach by either of them or of any provisions of this Lease.

SECTION 40 - APPROACH PROTECTION

40.01 Landlord reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Tenant from erecting or permitting to be erected, any building or other structure on the Airport, which in the opinion of Landlord would limit the usefulness of the Airport or constitute a hazard to aircraft.

SECTION 41 - FAA APPROVAL

41.01 The provisions of this lease are subject to review and objection by the Federal Aviation Administration.

SECTION 42 – HOLDING OVER

42.01 Holding over by the Tenant after the expiration of this Lease shall not constitute a renewal of this Lease or give Tenant any rights under this Lease or in the leased premises. Notwithstanding this provision, however, any holding over after the expiration of the term of this Lease, with the consent of Landlord, shall be construed to be a tenancy from month to month, callable upon thirty (30) days written notice, and at a rental of one hundred fifty percent (150%) of the total monthly rental as existed during the last year of the term hereof, and further upon the terms and conditions as existed other than rental during the last year of the term hereof.

SECTION 43 – CONDEMNATION

43.01 If at any time during the term of this Lease the leased premises or any part thereof is taken or condemned under the laws of Eminent Domain by any governmental authority other than Landlord, then and in every such case the leasehold estate and interest of the Tenant in said premises taken shall cease and terminate. Tenant shall be entitled to participate and receive any part of the damages or award, where said award shall provide for moving or other reimbursable expenses for the Tenant under applicable statute in which event the latter sum shall be received by Tenant, and that portion of any award allocated to the taking of Tenant's building, improvements, trade fixtures, equipment and personal property, or to a loss of business by Tenant. None of the awards or payments to Landlord shall be subject to any diminution or apportionment on behalf of Tenant or otherwise.

SECTION 44 - NOTICES

44.01 All notices given, or to be given, by either party to the other, shall be given in writing, by certified mail return receipt requested, and shall be addressed to the parties at the addresses hereinafter set forth or at such other address as the parties may by written notice hereafter designate. Notices and payments to Landlord, and notices to Tenant, shall be addressed as follows:

LANDLORD
Airport Director
Falcon Field Airport
4800 Falcon Drive
Mesa, AZ 85215

TENANT
Martin Doss
Heliponents, Inc.
4930 Falcon Drive
Mesa, AZ 85215

44.02 It shall be Tenant's responsibility to notify Landlord in writing of any changes in the address for notices.

SECTION 45 - REPRESENTATIONS AND AMENDMENTS TO BE IN WRITING

45.01 No oral promises, representations or agreements have been made by Tenant or Landlord. This Lease is the entire agreement between the parties (including employees, leasing personnel and other personnel.) Tenant and Landlord have no authority to waive, amend or terminate this Lease or any part of it and no authority is to make promises, representations or agreements which impose duties or other obligations of each party unless done so in writing.

SECTION 46 - SUCCESSORS IN INTEREST

46.01 The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

SECTION 47 - FORCE MAJEURE

47.01 If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, or other cause, without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, that nothing in this Subsection 47.01 shall excuse Tenant from the payment when due of any rental or other charges required to be paid by Tenant hereunder, except as may be expressly provided elsewhere in this Lease.

SECTION 48 - TIME

48.01 Time is of the essence of this Lease.

SECTION 49 – NO PARTNERSHIP; NO THIRD PARTY RIGHTS

49.01 Nothing contained in this Lease shall create any partnership, joint venture or other arrangement between Landlord and Tenant. Except as expressly provided herein, no term or provision of this Lease is intended to or shall be for the benefit of any person not a party hereto, and no such other person shall have any right or cause of action hereunder.

SECTION 50 – NO BINDING CONTRACT UNTIL EXECUTION; AUTHORITY TO EXECUTE

50.01 The person executing this Lease on behalf of or as representative for Tenant warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant and that this Lease is binding upon Tenant in accordance with its terms.

50.02 NEITHER THE PREPARATION NOR THE DELIVERY OF THIS LEASE TO TENANT FOR EXAMINATION SHALL BE DEEMED TO BE AN OFFER BY LANDLORD TO LEASE THE PREMISES TO TENANT BUT SHALL BE MERELY A PART OF THE NEGOTIATIONS BETWEEN LANDLORD AND TENANT. THE EXECUTION OF THIS LEASE BY TENANT SHALL BE DEEMED TO CONSTITUTE AN OFFER BY TENANT TO LEASE THE PREMISES FROM LANDLORD UPON THE TERMS AND CONDITIONS CONTAINED IN THIS LEASE, WHICH OFFER MAY BE ACCEPTED BY LANDLORD ONLY BY THE EXECUTION OF THIS LEASE BY TENANT.

SECTION 51 – MISCELLANEOUS PROVISIONS

51.01 This Lease shall be governed by the laws of Arizona. The forum selected for any proceeding or suit in law or equity arising from or incident to this Agreement shall be Maricopa County, Arizona.

51.02 This Lease is subject to termination under ARS 38-511.

51.03 The obligations under Section 10 (Improvements), Section 12 (Hold Harmless), Section 14 (Environmental Indemnification), Section 15 (Destruction of Improvements), Section 22 (Lease Subordinate to Agreements with USA), Section 23 (War or National Emergency), Section 27 (Litigation, Attorney's Fees), Section 28.01 (Assignment), Section 30 (Remedies), Section 33 (Abandonment), Sections 35.02, 35.03

(Termination by Landlord), Section 37 (Partial Invalidity), Section 38 (Marginal Captions), Section 39 (Non Waiver of Remedies), Section 42 (Holding Over), Section 44 (Notices), Section 46 (Successors in Interest), Section 48 (Time), Section 49 (No Partnership; No Third Party Rights), and Sections 51.01, 51.03 (Miscellaneous Provisions) shall survive expiration or other termination of this Agreement.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first hereinabove written.

Falcon Field Lease and Marketing Committee

for Victoria L Kerr
Mark Meyers
Committee Chair

Landlord:
CITY OF MESA, a Municipal Corporation

Tenant:
HELIPONENTS, INC.

By Wayne Balmer
Wayne Balmer
Neighborhood Services Manager

By Martin Doss
Martin Doss
President

Attest:

By Barbara Jones
Barbara Jones
City Clerk



State of Arizona)
)ss
County of Maricopa)

The foregoing Lease Agreement was acknowledged before me this 31 day of MAY, 2000, by Wayne Balmer and Barbara Jones, the Neighborhood Services Manager and City Clerk, respectively, of the City of Mesa, a municipal corporation, they being thereunto duly authorized.

Helen D. Brown
Notary Public

My Commission Expires:

3-31-2003



State of Arizona)
)ss
County of Maricopa)

The foregoing Lease Agreement was acknowledged before me this 26th day of May, 2000, by Martin Doss, President of Heliponents, Inc., an Arizona corporation, he being thereunto duly authorized.

Beverly G. Collon
Notary Public

My Commission Expires:

4-14-2004

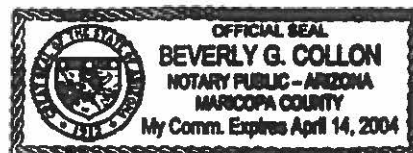


Exhibit "A"



JOB #01 1999 177

LEGAL DESCRIPTION PARCEL 35A AT FALCON FIELD

AGRA Infrastructure Inc.
4435 East Holmes Avenue
Mesa, Arizona 85206-3372
Tel: (602) 830-3700
Fax: (602) 830-3903

May 2, 2000

A PORTION OF THE EAST HALF OF SECTION 3, TOWNSHIP 1 NORTH, RANGE 6 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 3; THENCE AN ASSUMED BEARING OF SOUTH 89 DEGREES 30 MINUTES 09 SECONDS WEST ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3, FOR A DISTANCE OF 270.10 FEET TO A POINT OF INTERSECTION WITH THE MONUMENT LINE OF FALCON DRIVE AS SHOWN ON FALCON FIELD AIRPORT LEASE MAP F-156 ON FILE AT THE CITY OF MESA ENGINEERING DEPARTMENT; THENCE ALONG SAID MONUMENT LINE, NORTH 00 DEGREES 08 MINUTES 53 SECONDS EAST FOR A DISTANCE OF 1530.64 FEET TO AN ANGLE POINT IN SAID MONUMENT LINE; THENCE CONTINUING ALONG SAID MONUMENT LINE, NORTH 50 DEGREES 43 MINUTES 55 SECONDS EAST FOR A DISTANCE OF 1422.66 FEET; THENCE DEPARTING SAID MONUMENT LINE, NORTH 39 DEGREES 16 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 25.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF FALCON DRIVE AS SHOWN ON SAID FALCON FIELD AIRPORT LEASE MAP, SAID POINT ALSO BEING THE POINT OF BEGINNING.

THENCE CONTINUING NORTH 39 DEGREES 16 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 425.00 FEET; THENCE NORTH 50 DEGREES 43 MINUTES 55 SECONDS EAST FOR A DISTANCE OF 631.50 FEET; THENCE SOUTH 39 DEGREES 16 MINUTES 05 SECONDS EAST FOR A DISTANCE OF 425.00 FEET TO A POINT ON THE SAID NORTHERLY RIGHT OF WAY LINE OF FALCON DRIVE; THENCE ALONG SAID RIGHT OF WAY LINE, SOUTH 50 DEGREES 43 MINUTES 55 SECONDS WEST FOR A DISTANCE OF 631.50 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 268,387 SQUARE FEET OR 6.161 ACRES.

SHEET 1 OF

J:\Mesa\1999\150\0199177\SURVEY\LGLS & AREAS\PRCL35A.doc

Exhibit "B"

Premises

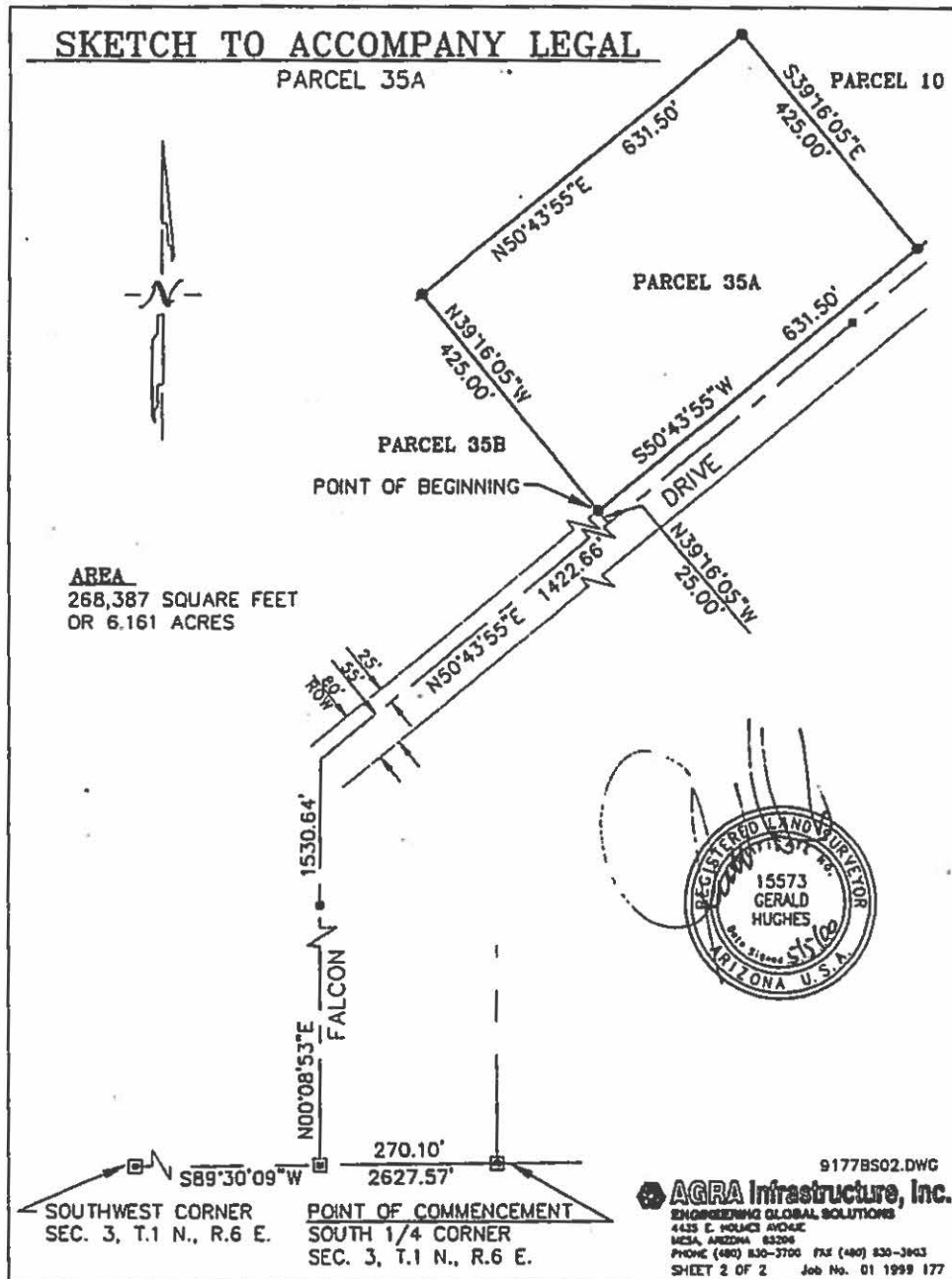


Exhibit "C"

Lease Map

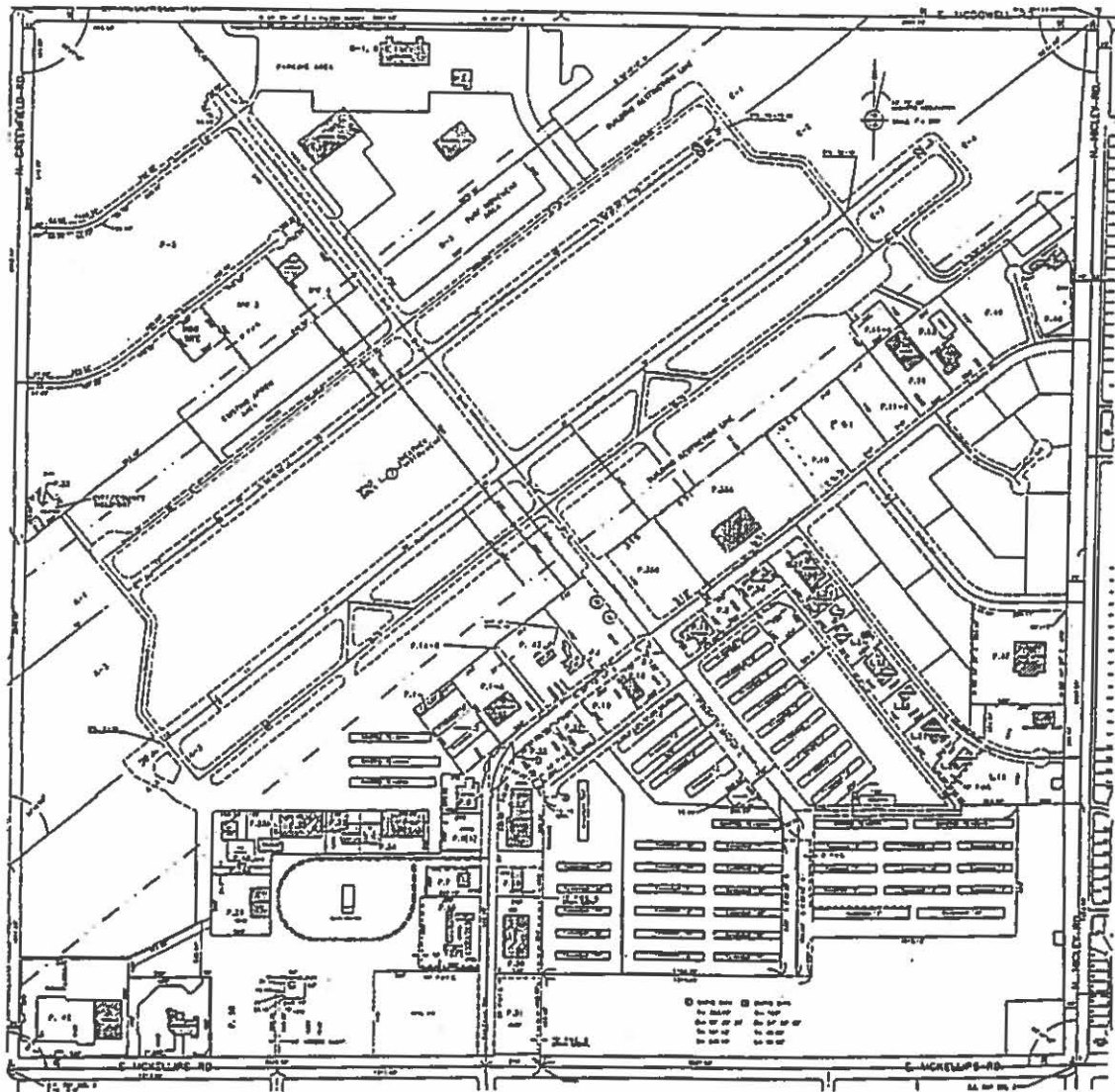


Exhibit “D”

Development Plan

The front entrance of the building will include a new balcony, facing the runway, that will wrap around the west side of the hangar. A stairway leading to the second story offices and balcony will be constructed in matching materials and design.

The exterior of the hangar will be painted in Sherman Williams White Heron #SM2425 with an accent design in Sherman Williams Blue, #SM1490 and Princely Purple, #SM1833.

The landscaping will be changed in front to accommodate the balcony and enhance its overall appearance. Landscape lighting will also be used to enhance the area at night.

The interior of the hangar's 5,000 SF of office and shop areas are to be totally remodeled and updated. The front entrance way will open into a lobby with high ceilings. New tile will be installed throughout the lobby and restrooms with new furniture and counters, to create a comfortable airport lounge atmosphere. In addition, a parts department, component overhaul shop, magnaflux, zyglon shop and machine shops will also utilize the areas behind the front lobby.

The front apron area will be marked for helicopters with taxi lights installed around the perimeter.

The unpaved portion of the parcel to the east will be paved at Heliponents expense. The removal and replacement of the chain link fence will also be at Heliponents expense. This is primarily for safety reasons, as well as clearly identifying the two separate parcels.

Exhibit “E”

Schedule of Improvements

Construction and remodeling to commence immediately after the leasing agreement is finalized.

The hangar will be painted immediately. The hangar floor will be painted within 60 days of finalized lease.

The entrance balcony add on will be completed within 120 days. All remodeling of hangar shops and offices will be completed within 2 months of finalized lease agreement and before moving in.

The unpaved parcel will be blacktopped within 8 – 10 months of lease signing.

The removal and replacement of the chain link fence will take place as soon as practical.

Exhibit "F"

Bonds

STATUTORY PERFORMANCE BOND PURSUANT TO
TITLE 34, CHAPTER 2, ARTICLE 2,
OF THE ARIZONA REVISED STATUTES
(Penalty of this bond must be 100% of the Contract amount)

KNOW ALL MEN BY THESE PRESENTS:

That, _____ (hereinafter called the Principal), as Principal, and _____, a corporation organized and existing under the laws of the State of _____ and duly licensed and possessing a certificate of authority to transact surety business in the State of Arizona, with its principal office in the City of _____, (hereinafter called the Surety) as Surety, are held firmly bound unto the City of Mesa (hereinafter called the Obligor) in the amount of _____, (\$ _____) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligor dated the _____ day of _____, 19_____, to construct _____, Project # _____ which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall faithfully perform and fulfill all of the undertakings, covenants, terms, conditions and agreements of the contract during the original term of the contract and any extension of the contract with or without notice to the Surety, and during the life of any guaranty required under the contract and also performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived; the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions, of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the extent as if it were copied at length in this Agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 19_____.

PRINCIPAL

SEAL

AGENCY OF RECORD

By _____

SURETY

AGENCY ADDRESS

By _____

Revised 1994