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**CITY OF GLENDALE, ARIZONA**

**AMENDMENT TO LEASE  
AGREEMENT**

(Agreement C-2024-6)

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**(PLEASE DO NOT REMOVE ~ THIS IS PART OF THE OFFICIAL DOCUMENT)**

When recorded, return to:

Baird, Williams & Greer  
6225 North 24<sup>th</sup> Street  
Suite 125  
Phoenix, Arizona 85016  
Attention: J. Ernest Baird, Esq.

### AMENDMENT TO LEASE AGREEMENT

This Amendment to Lease Agreement ("Amendment") is made and entered into effective as of the 9<sup>th</sup> day of September, 2014, by and between the City of Glendale, a municipal corporation of the State of Arizona ("Lessor" or "City") and Valley Aviation Services, L.L.P., an Arizona limited liability partnership ("Lessee") and is an amendment to that certain lease agreement dated January 28, 1986, by and between the City, as lessor, and Robert N. Ewing, General Contractor, Inc. and Robert N. Ewing and Amy L. Ewing pertaining to approximately 18.998 acres (827,540 sq. ft.) at the Glendale Municipal Airport (the "Lease").

### RECITALS

- A. Valley Aviation Services, L.L.P., an Arizona limited liability partnership, ("Lessee") is the successor and current lessee of the above described Lease. The Lease is currently scheduled to expire on January 27, 2031.
- B. The parties wish to amend the Lease as provided herein below in order to facilitate the marketing of the hangars, covered tie-downs /shades, and vacant apron areas, located on the leased premises, as demand warrants, to increase the number of planes based at the Glendale Municipal Airport, to increase the general business at the Airport and enhance its value as a contributor to the economic well-being of the City of Glendale.

Now, therefore, the Lease is amended as follows:

### AMENDMENTS

1. Extension of Lease.

The term of the Lease is extended by five (5) years, and will terminate, unless previously terminated pursuant to the provisions of the Lease, on January 27, 2036. The area of the Lease (as depicted in Exhibit A) is occupied by four (4) aircraft storage hangar

buildings (the "Hangar Portion") 4 (four) tie-down/shade buildings (the "Shade Portion"), and two (2) vacant apron areas (the "Apron Portions"). As depicted in Exhibit A, each hangar building, shade building, or vacant apron area is referred to as a row ("Row").

2. Use of Premises.

Lessee, and Lessee's assigns and sublessors, are permitted to use the leasehold premises for any aeronautical related purpose allowed by the Airport Rules and Regulations and Minimum Operating Standards adopted by the City of Glendale.

- a. Subject to the Airport Rules and Regulations and Minimum Operating Standards as well as the City of Glendale's permitting process and all applicable federal, state and local building codes and regulations, Lessee and/or its successors in interest may make improvements to its hangars, such as additional electrical upgrades, drains, fire suppression systems (either installed or portable), as well as other necessary improvements. Further, Lessee may remove interior walls in order to create larger rental units, with either pull-through convenience or side-by-side configurations, all of which shall require permits from the City of Glendale.
- b. Lessee may use its unoccupied apron areas or acreage to park aircraft during special events, or otherwise, and may install tie downs for that purpose until such time as hangars are constructed on the available land.
- c. Upon written request from Lessor and no more than once per year, Lessee will allow temporary parking on any available space on the leasehold premises to accommodate so-called "mega-events" that may take place in or around the Phoenix metropolitan area. By way of example only, "mega-events" include but are not limited to the National Football League Super Bowl, the College Football Playoff championship or semifinal, or the Fiesta Bowl. Lessee and Lessor will develop a plan to accommodate such aircraft parking no later than thirty (30) days prior to a "mega-event," and such plan will include determinations regarding removing all parked aircraft from the leasehold premises within a reasonable time following the completion of a "mega-event." This obligation expires when Lessee's hangars are more than fifty-percent (50%) occupied for three (3) consecutive months.

3. Creation of Hangar Associations.

- a. Lessee may, in its sole discretion, elect to transfer its hangars by transferring its leasehold rights to third parties. Lessor agrees that Lessee may sell any and all of the individual hangars, tie-downs/shades, or Rows, by assigning to third parties subleases of each hangar, tie-downs/shades or Rows, and creating owners' associations and using covenants, conditions and restrictions pursuant to documents to be presented to and approved by the Lessor. In the event Lessee elects to transfer its hangars and tie-downs/shades and sell them, either individually, in groups, or by Row, no consent shall be required for the sale of individual hangars or tie-downs/shades or groups of hangars or tie-downs/shades, except in the case of where an entire Row is intended to be conveyed to a single entity, in which case consent is required as provided in b. and c. of this paragraph.
- b. In connection with its marketing of units, Lessee may create an owners' association, of which each hangar or tie-down/shade in the Row is represented (an "Association"). Such Associations will contractually assume the rights and obligations of Lessee under the Lease, including but not limited to a pro-rated obligation to pay rent to Lessor. All Associations are responsible for collecting rent from the individual hangar and tie-down/shade owners and making the ground lease payments to the City pertaining to its specific Row. The City will not have to collect rent from the individual owners, nor will any individual owners attempt to make payments directly to the City. Associations may consist of more than one Row, but no single Row will be comprised by more than one Association. The Lessee and its successors (including any Associations created pursuant to this paragraph) will collectively pay annual rent to the Lessor that is not less than the annual rent paid by Lessee at the time of the execution of this Amendment. Such annual rent will increase from time to time according to the provisions of the Lease and this Amendment.
- c. Except as provided in paragraph 3(b) above, for ground lease payments, upon assignment of all or part of Lessee's leasehold interest to a third party, including the sale of a hangar, group of hangars or Row of hangars, the City shall look to the new owner for performance under the Lease as it applies to the assigned hangars or ground and shall look to the assignee in enforcing all restrictions, duties and requirements imposed by applicable rules, regulations, or law. Once such a division of the leasehold interest is made by total or partial assignment, the City shall enforce these requirements only against the parcel that is out of compliance, and shall not attempt to forfeit the entire leased premises under the Lease. Lessee or its successor in interest shall provide the City with written notice and

continuing information concerning any portion of the leased premises that are conveyed to a third party in order to facilitate such enforcement by the City.

4. Improvements, Tear Down, Reconstruction, Construction of Additional Hangars and Facilities, Pavements.

- a. Within one (1) year of the effective date of this amendment, Lessee or Lessee's successors in interest, shall install electrical distribution upgrades to at least a 50-amp service per hangar with at least one (1) usage meter for each Row of hangars (but not any Row consisting of tie-down/shades or vacant apron areas). In the event such electrical distribution upgrades are not installed within one (1) year of the effective date of this amendment, the extension to the Lease term in paragraph 1 is rescinded.
- b. Lessee may remove existing hangars and replace them with new hangars, may remove shades and replace them with hangars, may construct hangars on currently vacant leasehold property, or may assign all or portions of the leasehold premises to third parties for that purpose subject to the reasonable consent of the City for the assignment as provided in paragraph 3 above. All such improvements to be constructed shall comply with the City's permitting and building code requirements, as well as any federal or state requirements. The City shall not unreasonably delay consideration and response to an application for approvals and permits. No response by the City within ninety (90) days of submittal of an application is considered unreasonable.
- c. As of the execution of this amendment, Lessor is responsible for all maintenance and repairs to the airport aprons, ramps, and taxi lanes. Such aprons, ramps, and taxi lanes are non-exclusive to Lessee and any of its successors (in accordance with paragraph II of the Lease) and Lessor, its agents, and any other parties may enter the aprons, ramps, and taxi lanes. The obligation to maintain the aprons, ramps and taxi lanes does not extend to maintenance or repair of any hangar or tie-down/shade floors. Lessee's obligations to pay rent are unmodified.

5. Plan of Development. Lessee shall, prior to implementing a development plan whenever the development plan changes in a material way, provide to Lessor a written plan of development for Lessor's review and comment. Any development

plan is subject to applicable local, state and federal law, including but not limited to city codes or Federal Aviation Administration regulations.

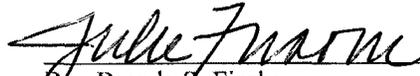
6. Consumer Price Index. The parties will calculate the adjustments to the annual lease payment(s) due pursuant to the Lease using the Phoenix-Mesa Consumer Price Index. All other methodology related to the computation of rent remains as described in paragraph IV(B) of the Lease and illustrated in Exhibit B.
  
7. Release. Except as provided in this paragraph 7, Lessee with the intention of binding itself, its successors, assigns, shareholders, directors, officers, employees and agents, ("Releasing Parties") releases and forever discharges Lessor and its respective councilmembers, representatives, owners, employees, spouses, agents, insurers, attorneys, assigns, successors, affiliated entities and subsidiaries ("Released Parties"), from any and all claims, causes of action, demands, any rights to recover damages, losses, costs, retentions, interests, attorneys' fees, judgments, executions, expenses and remuneration of any kind or nature whatsoever, either known or unknown, vested or contingent, which the Releasing Parties or any person claiming by, through or under them ever had, now has or may have against the Released Parties. Nothing in this paragraph 7 is deemed to release any claim, demand, damage, suit, cause of action, or liability arising out of a breach of the Lease between the Parties, as amended. It is expressly understood, acknowledged, and agreed that by reason of entering into this paragraph 7, neither the Releasing Parties nor the Released Parties admits, expressly or impliedly, any fact or liability of any type or nature with respect to any matter, whether or not referred to in the Lease, as amended, and neither the Releasing Parties nor the Released Parties has made any such admission. This paragraph 7 is entered into by way of compromise and settlement only.

Except as supplemented and amended by this Amendment, the Lease is hereby confirmed.

**[SIGNATURES ON FOLLOWING PAGE]**

The parties enter into this Agreement as of the effective date shown above.

City of Glendale,  
an Arizona municipal corporation



By: Brenda S. Fischer

Its: City Manager

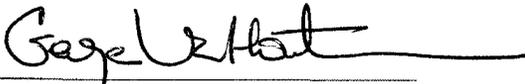
ATTEST:

  
City Clerk (SEAL)

APPROVED AS TO FORM:

  
City Attorney

Valley Aviation Services, L.L.P.,  
An Arizona Limited Liability Partnership

By: 

George G. Van Houten

Its: General Partner

EXHIBIT "A"



