



Board Packet

Regular Board Meeting

January 15, 2019

Grand Junction Regional Airport Authority



Date: January 15, 2019

Location:

**GRAND JUNCTION REGIONAL AIRPORT
2828 WALKER FIELD DRIVE
GRAND JUNCTION, CO 81506
AIRPORT TERMINAL - 3rd FLOOR CONFERENCE ROOM**

Time: 5:15 PM

REGULAR MEETING AGENDA

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Approval of Agenda**
- IV. Commissioner Comments**
- V. Citizens Comments**

The Grand Junction Regional Airport Authority welcomes respectful public comments at its meetings. The Citizens Comment section is open to all individuals that would like to comment. If you wish to speak under the Citizens Comment portion of the agenda, please fill out a comment card prior to the meeting. If you have a written statement for the Board, please have 10 copies available and give them to the Executive Director who will distribute them to the Board. The Board Chairman will indicate when you may come forward and comment. Please state your name for the record. Presentations are limited to **three minutes** and yielding time to others is not permitted. Speakers are to address the Chairman, not each other or the audience, and are expected to conduct themselves in an appropriate manner. The use of abusive or profane language shall not be allowed. No debate or argument between speakers and/or members of the audience shall be permitted.

VI. Consent Agenda

The Consent Agenda is intended to allow the Board to spend its time on the more complex items on the agenda. These items are perceived as non-controversial and can be approved by a single motion. The public or Board Members may ask that an item be removed from the Consent Agenda and be considered individually.

- A. December 4, 2018 meeting minutes _____ 1
- B. Posting of meetings _____ 2
- C. Asset disposal policy update _____ 3
- D. Asset capitalization policy update _____ 4
- E. 2018 audit engagement letter approval – Plante Moran _____ 5

	F. Rocky Mountain Hangar, Inc. lease update _____	6
VII.	Action Items	
	A. 2019 Officer and committee appointments _____	7
	B. 2019 Banking resolution _____	8
	C. CBP - MOU with GJ Chamber & design contracts with FCI and Mead & Hunt _____	9
	D. Airline Rates and Charges – Recommend delegation to finance & audit committee to approve business terms _____	10
VIII.	Discussion Items	
	A. State statute updates _____	11
IX.	Staff Reports	
	A. Director’s Report (Angela Padalecki)	
	B. Finance and Activity Report (Sarah Menge) _____	12
	C. Operations Report (Mark Papko)	
	D. Facilities Report (Ben Peck)	
	E. Project Report (Eric Trinklein)	
	F. Contractor Reports (Colin Bible, Scott Cary, Geoff Mohny, Adam Shuler)	
X.	Any other business which may come before the Board	
XI.	Adjournment	



Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
December 4, 2018

REGULAR BOARD MEETING

I. Call to Order

Mr. Tom Benton, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:15 PM on December 4, 2018 in Grand Junction, Colorado and in the County of Mesa.

<p><i>Commissioners Present:</i> Tom Benton, <i>Chairman</i> Chuck McDaniel, <i>Vice-Chairman</i> Erling Brabaek Rick Taggart Ronald Velarde</p> <p><i>Airport Staff:</i> Angela Padalecki, <i>Executive Director</i> Aaron Morrison, <i>Clerk fill-in</i> Sarah Menge Eric Trinklein Ben Peck Shelagh O’Kane</p>	<p><i>Other:</i> Geoff Mohnney, Mead & Hunt Shannon Kinslow, TOIL Scott Cary, Mead & Hunt Adam Shuler, FCI Construction Larry Kempton, Kempton Air Service, LLC Rhona Dicamillo, DKMG Joe Vaccarelli, Daily Sentinel</p>
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II. Pledge of Allegiance

Ms. Angela Padalecki wanted to acknowledge Commissioner McDaniel with a certificate of perfect attendance in recognition of attending all 2018 Board Meetings.

III. Approval of Agenda

Commissioner Brabaek stated he has a conflict regarding agenda item E. Ferris Lease Reassignment, and wants item to be moved from consent agenda to discussion item. Commissioner Brabaek will be recused for voting for consent agenda item E. due to a conflict of interest.

Commissioner McDaniel moved for the Board to approve the agenda as amended. Commissioner Brabaek seconded. Voice Vote. All Ayes. Commissioners Tufly and Shrader are absent.

IV. Commissioner Comments

None.

V. Citizen Comments

None.

VI. Consent Agenda

- A. November 15, 2018 Meeting Minutes
- B. Uber and Lyft Contract Renewals
- C. FAA AIP Grant Applications
- D. CDOT Grant Offer
- E. Ferris Lease Reassignment
- F. Kempton Lease Changes
- G. Purchase Radio Equipment

Commissioner McDaniel moved for the Board to approve consent agenda items A-G. Commissioner Velarde seconded. Commissioner Brabaek not voting for consent agenda item E. Voice Vote. All Ayes. Commissioners Tufly and Schrader are absent.

VII. Action Items

- A. On-Call General Contractor Master Service Agreement

This master service agreement is to provide contracting services for future building projects at the Airport. The on-call contractors will be under an Agreement with the Airport for a one-year term with the ability to renew on an annual basis.

Staff recommends approving the master services agreement with FCI Constructors, Inc. and PNCI Construction, Inc. for one- year terms since pricing is fixed, and escalation factors would not be ideal in the current economic environment.

Commissioner McDaniel moved for the Board to approve action item A. On-Call General Contractor Master Service Agreement. Commissioner Brabaek seconded. Voice Vote. All Ayes. Commissioners Tufly and Schrader are absent.

VIII. Discussion Items

- A. Rates & Charges Update
- B. Asset Disposal
- C. CMU Commercial Real Estate Study
- D. Standard Ground Lease Benchmarking

IX. Staff Reports

- A. Director's report (Angela Padalecki)
- B. Financial/Activity report (Sarah Menge)
- C. Facilities report (Ben Peck)
- D. Project report (Eric Trinklein)
- E. Contractor report (Colin Bible, Scott Cary, Geoff Mohny, Adam Shuler)

X. Any other business which may come before the Board

None.

XI. Adjournment

Commissioner Velarde moved for adjournment. Vice Chairman McDaniel seconded. Voice Vote. All Ayes.

The meeting adjourned at 8:41PM.

Audio recording of the complete meeting can be found at [https://gjairport.com/Board Meetings](https://gjairport.com/Board_Meetings)

Tom Benton, Board Chairman

ATTEST:

Aaron Morrison, Fill-in Clerk to the Board

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Resolution: 2019-001 - Proposed 2019 Posting of Notices of Meetings
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board adopt Resolution 2019-001: Posting of Notice of Meetings, as mandated by Colorado Revised Statute 24-6-402(2)(C).
SUMMARY:	See attached resolution for applicable CRS sections regarding the posting of Airport Authority meetings.
REVIEWED BY:	Executive Director and Legal Counsel
FISCAL IMPACT:	None.
ATTACHMENTS:	Resolution 2019-001
STAFF CONTACT:	Sarah Menge, Finance Director 970-248-8581 smenge@gairport.com

**GRAND JUNCTION REGIONAL AIRPORT
RESOLUTION NO. 2019-001**

A Resolution of the Grand Junction Regional Airport Authority
Designating the Location for the Posting of the Notice of Meetings

Recitals.

The Grand Junction Regional Airport Authority is a "local public body" as defined in C.R.S. §24-6-402 (1) (a).

The Grand Junction Regional Airport Authority holds meetings to discuss public business.

C.R.S. § 24-6-402(2)(c) requires a local public body to annually designate where the notices for meeting will be posted. Specifically, C.R.S. § 24-6-402(2)(c) states that “[t]he public place or places for posting such notices shall be designated annually at the local public body’s first regular meeting of each calendar year.” Colorado’s Public Airport Authority Law, at C.R.S. § 41-3-105(5)(a), states that “[n]otice of time and place designated for all regular meetings shall be posted in at least three places within each municipality and county forming a part of the authority if created by the formation of a combination, and, in addition, one such notice shall be posted, irrespective of the procedure under which the authority is created, in the county courthouse in the county wherein the airport is located and in the county creating the authority.”

C.R.S. § 41-3-105(5)(i), states that the board has the power to “appoint an official newspaper in the state to be used for official publications of the authority; but nothing in this section shall prevent the board from directing publication in additional newspapers or other periodicals which public necessity may so require or indicate.”

**BE IT RESOLVED BY THE GRAND JUNCTION REGIONAL AIRPORT AUTHORITY
THAT:**

1. The Notice of Meetings for the local public body shall be posted on the notice board at the Grand Junction Regional Airport Terminal Building, 2828 Walker Field Drive, third floor, Grand Junction, Colorado, 81506.
2. The Notice of Meeting for the local public body shall be posted at the City of Grand Junction office located at 250 N 5th St, Grand Junction, Colorado, 81501.
3. The Notice of Meetings for the local public body shall be posted at the Mesa County office located a Rood Ave, Grand Junction, Colorado, 81501.
4. The Notice of Meeting for the local public body shall be posted at the County Courthouse located at 125 N Spruce St, Grand Junction, Colorado, 81501.
5. The Daily Sentinel in Grand Junction is appointed as the official newspaper of the Authority to be used for official publications of the Authority.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2019

Board Members Voting Aye:

Those Voting Nay:

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Asset Disposal Policy Discussion
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommend the board revise the asset disposal policy as presented
SUMMARY:	<p>As discussed at the December board meeting, the staff are proposing revisions to the existing asset disposal policy to improve staff efficiency for asset management.</p> <p>The primary revisions were to add additional definitions to the policy, revise the scope of the policy, and revise the approval policy to allow for staff or director approvals based on the original purchase value of the asset.</p> <p>Definitions were added and scope was revised to more clearly define capital assets, non-capital controlled assets (such as tools and equipment), and consumable supplies as well as define obsolete, surplus and worthless equipment.</p> <p>Required approval levels were also revised to allow staff approval for disposals under \$15,000, while the board would still be required to approve disposals for any assets with an original purchase price over \$15,000.</p>
REVIEWED BY:	Executive Director and Legal Counsel
FISCAL IMPACT:	Budget: Operating <input type="checkbox"/> Capital <input type="checkbox"/> No immediate fiscal impact has been identified – policy update only.
ATTACHMENTS:	Red-line Asset Disposal Policy
STAFF CONTACT:	Sarah Menge Office: 970.248.8581 Email: smenge@gairport.com

Grand Junction Regional Airport Authority
Policy Regarding Disposal of Assets
Updated 2016

1. Purpose. The purpose of this policy is to establish and define standards and restrictions, and ensure accountability, for the disposal of surplus, obsolete, scrap or worthless equipment, vehicles, furniture and other assets owned by the Grand Junction Regional Airport Authority ("GJRAA") in a lawful and cost-effective manner, and which avoids conflicts of interest or their appearance. This policy also promotes reuse of equipment and materials to serve sustainability and repurposing values whenever possible.

2. Definitions:

- 2.1. Capital Assets: Purchases of vehicles, equipment, furniture, intangible assets or other assets with an individual unit value above the current capitalization threshold that have an estimated useful life of more than one year and are tracked in the GJRAA capital asset schedule.
- 2.2. Non-Capital Controlled Assets: Equipment, tools, furniture, IT equipment, or other items purchased and controlled by GJRAA, but below the capitalization threshold, with an estimated useful life of more than one year.
- 2.3. Consumable Goods and Supplies: Equipment, materials and supplies purchased by GJRAA that are expected to be consumed within a year as part of ongoing operations, or may have an estimated life beyond one year, but are of a de minimus amount (less than \$500).
- 2.4. Surplus Assets: Assets that are usable in their present condition, but no longer useful to GJRAA.
- 2.5. Obsolete: Assets that are technologically outdated, incompatible with other assets, and are no longer being used.
- 2.6. Scrap: Assets or parts of assets that have no remaining useful life, cannot be operated in their current condition, and cannot be salvaged for spare parts or equipment to support other active assets, but are saleable for scrap value.
- 2.7. Worthless Equipment: Assets that are broken or worn-out, have no remaining saleable or scrap value.

~~1.3. **Scope.** All capital assets and non-capital controlled assets equipment and materials purchased with GJRAA funds, including grant funds, which are GJRAA-owned and identified as surplus, obsolete, scrap or worthless and are subject to this policy. Consumable goods and supplies are not subject to this policy. This policy applies to the proper disposal of all non-leased vehicles, furniture, equipment and other assets (collectively, "Assets") owned by GJRAA. GJRAA owned Assets which are surplus, obsolete or beyond reasonable repair or reuse, or are being replaced, are covered by this policy.~~

4. Authorized Disposal Methods. Acceptable methods for the disposal of Assets may include:

- (a) Sold in a public forum;
- (b) Sold as scrap to a licensed dealer;
- (c) Used as a trade-in against cost of a replacement item;

- (ed) Donated to schools, charities, and other non-profit organizations;
- (fe) Recycled and/or refurbished to leverage further use (within limits of reasonable repair);
- (gf) Discarded as rubbish in a landfill; and
- (hg) Any other approved method ~~as approved by the Board~~.

Disposal of assets purchased in whole or part from obligated funds shall follow procedures outlined in Paragraph 7~~6~~.

5. ~~Board Required~~ Approval of Assets Disposal and Disposal Methods.

5.1. Non-capital controlled assets: Non-capital controlled assets may be disposed of using any of the methods listed above with the approval of the appropriate department manager.

5.2. Capital Assets Valued < \$15,000. Capital assets with an original purchase price of less than \$15,000 may be disposed of using any of the methods listed above with the approval of the department manager and the executive director. Disposals of capital assets must also be reported to the director of finance.

~~4-1-5.3. Assets Valued > \$15,000. Capital assets identified for disposal with an original purchase price over \$15,000 will be recommended to the Board. Staff recommendation for disposal will include the method of disposal and a description of the estimated value of the equipment and how that value was derived. From time to time as appropriate, the Airport Manager shall present the GJRAA Board with a list of Assets which are recommended for disposal, together with recommendations for the method of Asset disposal and a minimum reserve price if applicable. No Capital Assets with an original purchase price over \$15,000 shall be disposed of except in accordance with the affirmative vote of the GJRAA Board in an open meeting.~~

2-6. Disposal Policies. It is the responsibility of all employees of GJRAA to ensure that Assets are disposed of according to one or more of the methods prescribed above. Any such disposal shall be conducted appropriately, responsibly and ethically. The following policies must therefore be observed:

~~2-1-6.1. Trade-Ins:~~ Where equipment is due for replacement by a newer model, reasonable actions shall be taken to ensure a fair and market trade-in value is obtained for the old Asset against the cost of the replacement. Where the trade-in value is not deemed to be reasonable, another approved disposal method may be used.

~~2-2-6.2. Income Derived from Disposal: Whenever possible some residual value shall be achieved from retired or surplus Assets.~~ Any and all receipts from the sale of an Asset must be kept and submitted to the finance department. All such receipts shall state the value received, the date, and the name of the person or entity to which the Asset was transferred. Income derived from sales to the public must be fully received and monies sent to the finance department.

Commented [SM1]: I think this statement should be removed because it contradicts the approved disposal method of gifting the asset to another government entity or non-profit. It may be possible to achieve a residual value, however, if the value is minimal and we could donate equipment to another airport, that might be a preferred option.

~~2.3.6.3.~~ **Decommissioning of Assets:** All electronic Assets slated for disposal by any means must be fully wiped clean of all GJRAA data. Any property tags or identifying labels must also be removed from all disposed of Assets.

~~2.4.6.4.~~ **Harmful Substances:** Hazardous materials such as lead, mercury, bromine and cadmium shall be thoroughly removed from computer hardware and other Assets before shipment to a landfill as rubbish.

~~2.5.6.5.~~ **Donations:** ~~Assets, which are not assigned for reuse, discard or public sale, may be donated to a GJRAA Board approved school, charity, or other non-profit organization.~~ Donation receipts for any assets donated to a school, charity, non-profit organization, or other government entity must be submitted to the finance department stating the name of the organization, the estimated value of the Asset, and the date of disposal.

~~2.6.6.6.~~ **Board Members and Employees:** No Board member or employee of GJRAA or members of their immediate family shall be permitted to purchase or otherwise acquire any GJRAA Asset, including through sale in a public forum.

~~3.7.~~ **Assets Acquired ~~W~~with Federal or State Funds.** Assets which were acquired with funds derived in whole or in part from federal or state grants, or Passenger Facility Charges, shall be disposed of only in strict accordance with applicable federal or state grant restrictions and requirements.

~~4.8.~~ **Lost and Found.** GJRAA will accept, store and log lost items found in the terminal or terminal parking lot. GJRAA will attempt to contact the owner of the lost item if identification is available. ~~If item appears to be a value of \$100 or more, the item will be turned in to the Grand Junction Police Station. Lost and found items will be stored for a minimum of thirty days, after which, unclaimed items will be thrown away or destroyed.~~

The following items will be turned over to the Grand Junction Police Station

- Items that have an estimated value of \$100 or more.
- Items that contain cash or identification information (i.e. a driver's license, a checkbook, an item with a name engraved on it, etc.
- Articles that are questionable or suspicious in nature (i.e. possibly part of a weapon or drug paraphernalia) should be reported to the GJPD before disturbed. An office will respond and investigate such items where they are found and will make the determination as to whether the office must take possession of the item or leave it with the reporting party.
- Items that are illegal to possess.

Lost and found items that do not meet the criteria above and are not remitted to the Grand Junction Policy Station will be stored for a minimum of thirty days, after which, unclaimed items will be donated to a local non-profit, thrown away, or destroyed as deemed appropriate by staff.

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Asset Capitalization Policy
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommend that the current Asset Capitalization Policy be adopted as proposed.
SUMMARY:	<p>In a GASB Best Practice Advisory, the GFOA recommends that “In no case should a government establish a capitalization threshold of less than \$5,000 for any individual item”</p> <p>The GJRAA current policy is set at \$2,500, which is only half of the minimum recommended by GASB.</p> <p>We recommend adopting the recommended best practice minimum of \$5,000, with an applicable date of January 1, 2018. The proposed changes have been reviewed by the Chairman of the Finance and Audit Committee and we have also inquired with Plante Moran, the proposed 2018 auditors, if they had concerns with this adoption date, and they have indicated no concerns with this adoption date.</p> <p>Current practice at the airport is to expense all assets purchased during the year for budget tracking purposes, and then capitalize all assets at year end. At this time, assets purchased in 2018 have not yet been capitalized, therefore the implementation date of January 1, 2018 is recommended.</p>
REVIEWED BY:	Executive Director and Legal Counsel
FISCAL IMPACT:	Budget: Operating <input type="checkbox"/> Capital <input type="checkbox"/>
	At this time the fiscal impact for changing the asset capitalization policy has not been determined as all closing entries have not yet been identified by staff for 2018.
ATTACHMENTS:	Redline Asset Capitalization Policy
STAFF CONTACT:	Sarah Menge, Finance Director Office: 970.248.8581 Email: smenge@gjairport.com

GRAND JUNCTION REGIONAL AIRPORT AUTHORITY

ASSET CAPITALIZATION POLICY

1. **Scope and Purpose:**

This accounting policy establishes the minimum cost (capitalization amount) that shall be used to determine capital assets that are to be recorded in the Grand Junction Regional Airport Authorities (GJRAA) financial statements (or books).

2. **Guidelines**

2.1. A "material or supply" is generally considered to be tangible property that is used or consumed in the business within twelve months of acquisition, is not inventory, or has a unit cost of less than \$~~25,0500~~. Materials and supplies meeting this definition may be expensed.

2.2. A "Capital Asset" is defined as a unit of tangible property that: (1) has an economic useful life of more than 12 months; and (2) was acquired or produced for a cost of more than \$~~25,5000~~ including acquisition and installation costs on the same invoice. Capital Assets must be capitalized and depreciated for financial statement (or bookkeeping) purposes.

2.3. GJRAA establishes \$~~25,5000~~ as the threshold amount for minimum capitalization of tangible property. Any items costing below this amount will be expensed in annual financial statements (or books).

2.4. All capital assets are recorded at historical cost as of the date acquired.

2.5. Depreciation will be calculated on a straight-line basis.

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	2018 audit engagement letter approval – Plante Moran		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Finance and Audit committee recommends the Board approve the engagement of Plante Moran for the 2018 annual audit		
SUMMARY:	<p>The Finance and Audit committee are recommending to the Board to engage Plante Moran (formerly EKS&H) to perform the 2018 financial audit.</p> <p>Historically, the airport has gone out to bid every five years for the audit. This will be the sixth year this firm will be performing the annual audit, however, with the turnover in airport staff, maintaining the auditor for another year was deemed appropriate.</p>		
REVIEWED BY:	Executive Director, Legal Counsel, and Audit and Finance Committee		
FISCAL IMPACT:	\$39,500 plus out of pocket expenses estimated at approximately \$5,000 for a total estimated cost of approximately \$44,500 which is below the 2019 budget for the audit.		
ATTACHMENTS:	Plante Moran Engagement Letter		
STAFF CONTACT:	Sarah Menge, Finance Director Office: 970.248.8581 Email: smenge@gairport.com		

December 12, 2018

Board of Commissioners
c/o Mr. Tom Benton, Chairman
Grand Junction Regional Airport Authority
800 Eagle Drive
Grand Junction, CO 81506

Dear Mr. Benton:

Thank you for your selection of Plante & Moran, PLLC ("PM") to assist you. We are sending this letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, to confirm our understanding of the nature, limitations, and terms of the services we will provide to Grand Junction Regional Airport Authority ("GJRAA").

Scope of Services

We will audit GJRAA's basic financial statements and federal awards as of and for the year ended December 31, 2018.

In addition, the supplemental information accompanying the financial statements, consisting of the schedule of revenues and expenses – budget and actual and schedule of expenditures of passenger facility charges, will be subjected to the auditing procedures applied in our audit of the financial statements. In connection with our audit engagement, we will assist you in drafting your financial statements, supplementary information, and related notes. This assistance is considered a non-audit service; you agree to the contemporaneous provision of these audit and non-audit services. If you determine that you need additional services, including accounting, consulting, or tax assistance, PM can be available to provide such additional services if and to the extent provided for in a separate, signed engagement agreement.

Timing of Services

We expect to begin fieldwork for this engagement at your offices on April 29, 2019. We anticipate that our on-site audit work will end on approximately May 3, 2019 and that a draft of the financial statements will be issued by May 31, 2019. At the time this draft is issued, we will provide you with a list of issues to be resolved before issuance of a final report and, if possible, an estimated time for completion and issuance of our final report.

Fees and Payment Terms

Our fee for this engagement will be based on the value of the services provided, which is primarily a function of the time that PM staff expends at our current hourly rates. We estimate that our fee for this engagement will be approximately \$32,250 which includes \$30,000 for the financial statement audit plus \$2,250 for the passenger facility charge audit, plus all reasonable and necessary travel and out-of-pocket costs incurred. If a single audit is required, those fees will be approximately \$7,250.

Board of Commissioners
Mr. Tom Benton, Chairman
Grand Junction Regional Airport Authority

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December 12, 2018

Invoices for audit services will be rendered to reflect this payment schedule. Invoices for other services and out-of-pocket costs will be rendered as services are provided and are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Very truly yours,

Plante & Moran, PLLC



Lisa Meacham, CPA

Agreed and Accepted

We accept this engagement letter and the accompanying Professional Services Agreement, which set forth the entire agreement between Grand Junction Regional Airport Authority and Plante & Moran, PLLC with respect to the services specified in the Scope of Services section of this engagement letter.

Grand Junction Regional Airport Authority

Mr. Tom Benton, Chairman

Date

Title

Professional Services Agreement – Audit Services Addendum to Plante & Moran, PLLC Engagement Letter

This Professional Services Agreement is part of the engagement letter for audit services dated December 7, 2018 between Plante & Moran, PLLC (referred to herein as “PM”) and Grand Junction Regional Airport Authority (referred to herein as “GJRAA”).

1. **Financial Statements** – The financial statements of GJRAA being audited by PM are to be presented in accordance with accounting principles generally accepted in the United States of America (GAAP).
2. **Management Responsibilities** – GJRAA management is responsible for the preparation and fair presentation of these financial statements, the schedule of federal awards, and the data collection form in accordance with the applicable financial reporting framework, including compliance with the requirements of accounting principles generally accepted in the United States of America when required and the completeness and accuracy of the information presented and disclosed therein. Management is also responsible for the capability and integrity of GJRAA personnel responsible for GJRAA’s underlying accounting and financial records.

GJRAA personnel will provide PM, in a timely and orderly manner, with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, the schedule of federal awards, and the data collection form, such as records, documentation, and other matters and additional information that the auditor may request from management for the purpose of the audit.

This includes providing assistance and information PM requests during the course of its audit, including retrieval of records and preparation of schedules, analyses of accounts, and confirmations. A written request for information to be provided will be submitted under separate cover and supplemented by additional written and oral requests as necessary during the course of PM’s audit. In addition, GJRAA will provide PM with all information in its possession that has a material impact on any material transaction and that information will be complete, truthful, and accurate. GJRAA will allow PM unrestricted access to personnel within GJRAA from whom PM determines it necessary to obtain audit evidence.

GJRAA represents and warrants that any and all information that it transmits to PM will be done so in full compliance with all applicable federal, state, and foreign privacy and data protection laws, as well as all other applicable regulations and directives, as may be amended from time to time (collectively, “Data Privacy Laws”). GJRAA shall not disclose personal data of data subjects who are entitled to certain rights and protections afforded by applicable federal, state, and foreign privacy and data protection laws (“Personal Data”) to PM without prior notification to PM. GJRAA shall make reasonable efforts to limit the disclosure of Personal Data to PM to the minimum necessary to accomplish the intended purpose of the disclosure to PM.

Management is responsible for making all management decisions and performing all management functions relating to the financial statements, supplementary financial information, related notes, schedule of federal awards, and the data collection form. Management accepts full responsibility for such decisions, even if PM provides advice as to the application of accounting principles or assists in drafting the financial statements, supplementary financial information, related notes, schedule of federal awards, or data collection form. Management is also ultimately responsible for the submission of the data collection form to the Federal Audit Clearinghouse. GJRAA has designated Ms. Sarah Menge to oversee financial statement and federal awards reporting related services PM provides. Management will be required to acknowledge in the management representation letter that it has reviewed and approved the financial statements, supplementary financial information, and related notes prior to their issuance and have accepted responsibility for the adequacy of the financial statements.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing PM about all known or suspected fraud affecting the GJRAA involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management’s responsibilities include informing PM of its knowledge of any allegations of fraud or suspected fraud affecting the GJRAA received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

3. **Objective of an Audit of Financial Statements** – The objective of PM’s audit is the expression of an opinion on the GJRAA financial statements specified in the accompanying engagement letter. PM offers no guarantee, express or implied, that its opinion will be unmodified or that it will be able to form an opinion about these financial statements in the event that GJRAA’s internal controls or accounting and financial records prove to be unreliable or otherwise not auditable. If PM’s opinion is to be modified, PM will discuss the reasons with GJRAA management in advance of the issuance of its audit report. If, for any reason, PM is prevented from completing its audit or is

Professional Services Agreement – Audit Services

unable to form an opinion on these financial statements, PM may terminate the engagement and decline to issue a report.

4. **Supplementary Information** – In any document that contains supplementary information to the basic financial statements that indicates that the auditor has reported on such supplementary information, management agrees to include the auditor's report on that supplementary information. In addition, management agrees to present the supplementary information with the audited financial statements or to make the audited financial statements readily available no later than the date of issuance by GJRAA of the supplementary information and the auditor's report thereon.
5. **Internal Controls** – GJRAA is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including controls established for the purpose of preventing or detecting errors in financial reporting, preventing fraud or misappropriation of assets, and identifying and complying with applicable laws and regulations, including those applicable to federal awards, and with the provisions of contracts and grant agreements. PM, in making its risk assessments, will consider internal control relevant to GJRAA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. PM's audit will not be designed to provide assurance on the design or operating effectiveness of GJRAA's internal controls or to identify all conditions that represent significant deficiencies in those internal controls. PM will communicate all significant deficiencies and material weaknesses in internal controls relevant to the audit of the financial statements, instances of fraud, or misappropriation of assets that come to PM's attention.
6. **Audit Procedures and Limitations** – PM's audit of the financial statements will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include examination, on a test basis, of evidence supporting the amounts and disclosures in the GJRAA financial statements specified in this engagement letter. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. An audit in accordance with GAAS involves judgment about the number of transactions to be tested and the overall approach to testing in each area. As a result, PM's audit can only be designed to provide reasonable rather than absolute assurance that these financial statements are free from material misstatement. In addition, an audit in accordance with GAAS is not designed to detect errors or fraud that are immaterial to the financial statements. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected always exists, even in an audit properly planned and performed in accordance with GAAS. In recognition of these limitations, GJRAA acknowledges that PM's audit cannot guarantee that all instances of error or fraud will be identified.
7. **Government Auditing Standards** – Under *Government Auditing Standards*, PM will make some assessments of GJRAA's compliance with laws, regulations, and contract provisions. While those assessments will not be sufficient to identify all noncompliance with applicable laws, regulations, and contract provisions, PM will communicate all noncompliance conditions that come to PM's attention.

PM's audit of GJRAA's federal awards will be made in accordance with auditing standards generally accepted in the United States of America; the standards applicable for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Management is responsible for corrective action on all audit findings, including preparation of a schedule of prior audit findings and corrective action plans, if necessary.

In accordance with *Government Auditing Standards*, a copy of PM's most recent peer review report is included as an attachment to this agreement.

8. **Auditor Communications** – PM is obligated to communicate certain matters related to the audit to those responsible for governance of GJRAA, including instances of error or fraud and significant deficiencies and material weaknesses in internal control that PM identifies during its audit. PM will communicate these matters to the members of GJRAA's governing board, and GJRAA acknowledges and agrees that communication in this manner is sufficient for GJRAA's purposes.

Under *Government Auditing Standards* PM is obligated to communicate instances of fraud, noncompliance or abuse that is material to the financial statements to those responsible for governance of GJRAA. In certain situations, *Government Auditing Standards* require disclosure of instances of known or likely fraud, noncompliance,

or abuse directly to applicable governmental agencies. If such acts are detected during PM's audit, PM will make required disclosures regarding these acts to applicable government agencies.

- 9. Accounting and Financial Records** – GJRAA agrees that it is responsible for providing PM with accounting and financial records that are closed, complete, accurate, and in conformity with the requirements of GAAP, for providing schedules and analyses of accounts that PM requests, and for making all GJRAA financial records and related information available to PM for purposes of PM's audit. Where PM has provided estimates of the timing of its work and completion of PM's engagement and issuance of PM's report, those estimates are dependent on GJRAA providing PM with all such accounting and financial records, schedules, and analyses on the date PM's work commences. PM will assess the condition of GJRAA's accounting and financial records, schedules, and analyses of accounts prior to commencing its work. In the event that such records, schedules, and analyses are not closed, complete, accurate, or in conformity with GAAP, PM may have to reschedule its work, including the dates on which PM expects to complete its on-site procedures and issue its audit report.

In any circumstance where PM's work is rescheduled due to GJRAA's failure to provide information as described in the preceding paragraph, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of the audit work or issuance of its audit report. Because rescheduling audit work imposes additional costs on PM, in any circumstance where PM has provided estimated fees, those estimated fees may be adjusted for the additional time PM incurs as a result of rescheduling its work. These fee adjustments will be determined in accordance with the Fee Adjustments provision of this agreement.

- 10. Audit Adjustments** – PM will recommend adjustments to GJRAA's accounting records that PM believes are appropriate. GJRAA management is responsible for adjusting GJRAA accounting records and financial statements to correct material misstatements and for affirming to PM in writing that the effects of any unrecorded adjustments identified during PM's audit are immaterial, both individually and in the aggregate, to the GJRAA financial statements specified in this agreement.

- 11. Management Representations** – GJRAA is responsible for the financial statements and federal awards being audited and the implicit and explicit representations and assertions regarding the recognition, measurement, presentation, and disclosure of information therein. During the course of the audit, PM will request information and explanations from GJRAA officers, management, and other personnel regarding accounting and financial matters, including information regarding internal controls, operations, future plans, and the nature and purpose of specific transactions. PM will also require that management make certain representations to PM in writing as a precondition to issuance of PM's report.

PM's audit procedures will be significantly affected by the representations and assertions PM receives from management and, accordingly, false representations could cause material error or fraud to go undetected by PM's procedures. Accordingly, GJRAA acknowledges and agrees that it will instruct each person providing information, explanations, or representations to an auditor to provide true and complete information, to the best of his or her knowledge and belief. It is also agreed that any deliberate misrepresentation by any director, officer, or member of management, or any other person acting under the direction thereof ("Client Personnel"), intended to influence, coerce, manipulate, or mislead PM in the conduct of its audit of the financial statements will be considered a material breach of this agreement. In addition, as a condition of its audit engagement, GJRAA agrees to indemnify and hold PM and its partners, affiliates, and employees harmless from any and all claims, including associated attorneys' fees and costs, based on PM's failure to detect material misstatements in GJRAA financial statements resulting in whole or in part from deliberate false or misleading representations, whether oral or written, made to PM by Client Personnel. This indemnity will be inoperative only if, and to the extent that, a court having competent jurisdiction has determined that PM failed to conduct its audit in accordance with generally accepted auditing standards and such failure resulted in PM not determining such misrepresentation by Client Personnel was false.

- 12. Use of Report** – PM's report on the financial statements must be associated only with the financial statements that were the subject of PM's audit engagement. GJRAA may make copies of the audit report, but only if the entire financial statements (including related footnotes and supplemental information, as appropriate) are reproduced and distributed with that report. GJRAA agrees not to reproduce or associate PM's audit report with any other financial statements, or portions thereof, that are not the subject of this engagement.

If PM's report on the financial statements being audited is to be published in any manner or if GJRAA intends to make reference to PM in a publication of any type, GJRAA agrees to submit proofs of the publication to PM for review prior to such publication and cooperate with PM in PM's performance of any additional audit procedures PM deems necessary in the circumstances, the nature and extent of which will be at PM's sole discretion. GJRAA acknowledges and agrees that additional fees for such work will be determined in accordance with the Fee Adjustments provision of this agreement. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on GJRAA's Internet website, GJRAA understands that electronic sites are a means to distribute information and, therefore, PM is not required to read the information

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contained in these sites or to consider the consistency of other information in the electronic site with the original document.

- 13. Securities Offerings** – PM's audit does not contemplate, and does not include, any services in connection with any offering of securities, whether registered or exempt from registration. In the event GJRAA elects to incorporate or make reference to PM's report in connection with any offering of debt or equity securities and requests PM's consent to such incorporation or reference, GJRAA understands that additional procedures will need to be performed. In the event PM agrees in writing to perform such additional procedures, the nature and extent of which will be at PM's sole discretion, it is agreed and acknowledged that PM's performance of such additional procedures will be subject to all of the terms and conditions of this agreement. Additional fees for such work will be determined based on the actual time that PM staff expend at current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and that payment for all such additional fees will be made in accordance with the payment terms provided in this agreement.

If GJRAA incorporates or makes reference to PM's report in connection with any offering of debt or equity securities without obtaining consent from PM as described above, GJRAA agrees to include the following provision in the offering document:

Plante & Moran, PLLC, our independent auditor, has not performed or been engaged to perform any services in connection with the offering of securities. Nor has Plante & Moran, PLLC performed or been engaged to perform any procedures on the financial statements of GJRAA since the date of the Plante & Moran, PLLC report included herein. Plante & Moran, PLLC also has not performed any procedures relating to this offering document.

- 14. Tax Return Preparation** – This engagement does not include preparation of any tax returns or filings. If GJRAA requires tax services, including tax consulting or preparation of tax returns, those services will be detailed in a separate engagement letter.
- 15. Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to proprietary information of GJRAA, including, but not limited to, information regarding general ledger balances, financial transactions, trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to GJRAA. PM will comply with all applicable ethical standards, laws, and regulations as to the retention, protection, use and distribution of such confidential client information. Except to the extent set forth herein, PM will not disclose such information to any third party without the prior written consent of GJRAA.

In the interest of facilitating PM's services to GJRAA, PM may communicate or exchange data by internet, e-mail, facsimile transmission, or other electronic method. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, GJRAA recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Professional standards require that PM create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

Both GJRAA and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Further, in compliance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, PM's working papers will be made available to federal award program representatives at PM offices during normal business hours during the audit and for a period of three years after the issuance of the report. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this agreement. In the event that a request for any confidential information or workpapers covered by this agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform GJRAA in a timely manner of such request and to cooperate with GJRAA should it attempt, at GJRAA's cost, to limit such access. This provision will survive the termination of this agreement. PM's efforts in complying with such requests will be deemed billable to GJRAA as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

Both GJRAA and PM acknowledge that upon completion of the audit PM is required to send an electronic copy of GJRAA's financial report, PM's official letter of comments and recommendations, and auditing procedures report

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directly to the State of Michigan pursuant to Michigan Department of Treasury Regulations. GJRAA authorizes and directs PM to provide such information and disclosure of such information shall not constitute a breach of the provisions of this agreement.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon GJRAA's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. GJRAA acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

16. Consent to Disclosures to Service Providers – In some circumstances, PM may use third-party service providers to assist with its services. In those circumstances, PM will require any such third-party service provider to: (i) maintain the confidentiality of any information furnished; and (ii) not use any information for any purpose unrelated to assisting with PM's services for GJRAA. In order to enable these service providers to assist PM in this capacity, GJRAA, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of GJRAA's information to such service providers to the extent such information is relevant to the services such third-party service providers may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this agreement. GJRAA's consent shall be continuing until the services provided for this engagement agreement are completed.

17. Fee Quotes – In any circumstance where PM has provided estimated fees, fixed fees, or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on information provided by GJRAA regarding the nature and condition of its accounting, financial, and tax records; the nature and character of transactions reflected in those records; and the design and operating effectiveness of its internal controls. GJRAA acknowledges that the following circumstances may result in an increase in fees:

- Failure by GJRAA to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure by GJRAA to complete the audit preparation work by the applicable due dates;
- Significant unanticipated or undisclosed transactions, audit issues, or other such unforeseeable circumstances;
- Delays by GJRAA causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances, or report disclosures that impact the current year engagement;
- An excessive number of audit adjustments.

PM will advise GJRAA in the event these circumstances occur, however it is acknowledged that the exact impact on the Fee Quote may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this agreement.

18. Payment Terms – PM's invoices for professional services are due upon receipt unless otherwise specified in the engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's audit work or issuance of PM's audit report upon resumption of PM's work. GJRAA agrees that in the event PM stops work or terminates this Agreement as a result of GJRAA's failure to pay fees on a timely basis for services rendered by PM as provided in this Agreement, or if PM terminates this Agreement for any other reason, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.

19. Fee Adjustments – Any fee adjustments for reasons described elsewhere in this agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary

Professional Services Agreement – Audit Services

travel and out-of-pocket costs incurred, and included as an adjustment to PM's invoices related to this engagement. GJRAA acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this agreement.

- 20. Exclusion of Certain Damages** – In no event shall either party be liable to the other, whether a claim be in tort, contract, or otherwise, for any indirect, consequential, punitive, exemplary, lost profits, or similar damages in claims relating to PM's services provided under this engagement.
- 21. Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving GJRAA but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, GJRAA agrees to compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.
- 22. Subsequent Discovery of Facts** – After the date of PM's report on the financial statements, PM has no obligation to make any further or continuing inquiry or perform any other auditing procedures with respect to the audited financial statements covered by PM's report, unless new information that may affect the report comes to PM's attention. If PM becomes aware of information that relates to these financial statements but was not known to PM at the date of its report, and that is of such a nature and from such a source that PM would have investigated it had it come to PM's attention during the course of the audit, PM will, as soon as practicable, undertake to determine whether the information is reliable and whether the facts existed at the date of PM's report. In this connection, PM will discuss the matter with GJRAA and request cooperation in whatever investigation and modification of the financial statements that may be necessary. Additional fees for such work will be determined based on the actual time that PM staff expend at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and GJRAA acknowledges and agrees that payment for all such additional fees will be made in accordance with the payment terms provided in this agreement.
- 23. Termination of Engagement** – This agreement may be terminated by either party upon written notice. Upon notification of termination, PM's services will cease and PM's engagement will be deemed to have been completed. GJRAA will be obligated to compensate PM for all time expended and to reimburse PM for all out-of-pocket expenditures through the date of termination of this engagement.
- 24. Entire Agreement** – This engagement agreement is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this agreement, signed by all of the parties.
- 25. Severability** – If any provision of this engagement agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
- 26. Force Majeure** – Neither party shall be deemed to be in breach of this engagement agreement as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war or other violence, or epidemic (each individually a "Force Majeure Event"). A Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
- 27. Signatures** – Any electronic signature transmitted through DocuSign or manual signature on this engagement letter transmitted by facsimile or by electronic mail in portable document format may be considered an original signature.
- 28. Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the State of Colorado, and jurisdiction over any action to enforce this agreement, or any dispute arising from or relating to this agreement shall reside exclusively within the State of Colorado.

End of Professional Services Agreement – Audit Services



A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

System Review Report

To the Partners of
Plante & Moran, PLLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC in effect for the year ended June 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Plante & Moran, PLLC has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
November 18, 2016

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Rocky Mountain Hanger, Inc. Lease Change
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board approve Rocky Mountain Hanger, Inc. request to move to the current Ground Lease Agreement and authorize the Airport Director to execute the lease.
SUMMARY:	Rocky Mountain Hanger, Inc. also known as the Commemorative Air Force (CAF) has requested to move their ground lease to the Current Ground Lease Agreement.
REVIEWED BY:	Executive Director and Legal Counsel
FISCAL IMPACT:	None
ATTACHMENTS:	Rocky Mountain Hanger, Inc. Ground Lease Agreement
STAFF CONTACT:	Chance Ballegeer Airport Security Coordinator / Property Management Email: cballegeer@gairport.com Office: 970-248-8586

AERONAUTICAL USE GROUND LEASE

**Grand Junction Regional Airport
Grand Junction, Colorado**

Between

**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY
2828 WALKER FIELD DRIVE STE. 301
Grand Junction, CO 81506
("GJRAA")**

And

**ROCKY MOUNTAIN HANGER, INC.
P.O. BOX 4125
GRAND JUNCTION, CO 81502
("Lessee")**

Dated: January 9, 2019

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AERONAUTICAL USE GROUND LEASE

This Aeronautical Use Ground Lease (the "Lease") is made and entered into on the date set forth in Paragraph 1.1, below, by and between the **GRAND JUNCTION REGIONAL AIRPORT AUTHORITY** ("GJRAA"), formerly known as the Walker Field Public Airport Authority, a body corporate and politic and constituting a subdivision of the State of Colorado, and the Lessee as that term is defined in Paragraph 1.2, below.

Recitals

A. WHEREAS, the GJRAA is owner and operator of the Grand Junction Regional Airport and is authorized to enter into this Lease pursuant to C.R.S. § 41-3-101, *et seq.*;

B. WHEREAS, Lessee desires to lease a portion of the Grand Junction Regional Airport for aeronautical uses, which may include the construction and occupation of an aircraft hangar or other structure, or if already constructed, the occupation of an aircraft hangar or other structure; and

C. WHEREAS, the GJRAA desires to lease ground at the Grand Junction Regional Airport to Lessee and Lessee desires to lease ground and use the Grand Junction Regional Airport under the terms and conditions of this Lease, as well as any other applicable law and regulation.

NOW, THEREFORE, for and in v consideration of the fees, covenants, and agreements contained herein, and for other good and valuable consideration, it is agreed and understood between the GJRAA and Lessee that:

1. Article 1: Basic Lease Information

In addition to the terms defined elsewhere in this Lease, the following defined terms are used in this Lease as well. To the extent there is any conflict between the basic information contained in Article 1, below, and more detailed information contained elsewhere in this Lease, the more detailed information shall prevail.

1.1 Date of Mutual Execution: July 1, 1997

1.2 Lessee: Rocky Mountain Hanger, Inc.

1.3 Lessee's Trade Name: CAF

1.4 Lessee's Address and Telephone Number: P.O. Box 4125, Grand Junction, Colorado 81502; (970) 256-0693

1.5 GJRAA'S Address and Telephone Number: 2828 Walker Field Drive STE 301, Grand Junction, Colorado 81506; (970) 244-9100

1.6 Airport: The Grand Junction Regional Airport, which was formerly known as the Walker Field Airport, and which is located in Grand Junction, Mesa County, Colorado.

1.7 Commencement Date: January 16, 2019

1.8 Expiration Date: June 30, 2017

1.9 Initial Minimum Insurance Coverage Amount. Automobile, general liability, bodily injury and property damage insurance, written on an occurrence basis, with a limit of \$1,000,000 per occurrence, and which names the GJRAA as an additional insured (See paragraph 8.1.1 below).

1.10 Rent. Rent shall include both the Monthly Ground Rent, as altered from time to time, pursuant to paragraph 4.1 of this Lease, and other fees described in paragraph 4.3 of this Lease.

1.11 Monthly Ground Rent. The monthly ground rent for the first, revenue generating tract of the leased premises shall be based upon \$0.1469 per square foot per year, and the monthly ground rent for the second non-revenue generating tract shall be based upon \$0.0765 per square foot per year, equal to \$491.20 per month in total ($\$0.1469 \times 12,375 \text{ sq. ft.} \div 12 \text{ months}$) + ($\$0.0765 \times 53,228.50 \text{ sq. ft.} \div 12 \text{ months}$).

1.12 Permitted Uses. The permitted uses shall include the construction and/or occupation of a hangar and/or other structure subject to the provisions of this Lease, which together with the Premises themselves, shall be used primarily for aeronautical purposes, including, but not limited to, the parking, storing and maintaining aircraft owned or leased by Lessee or other third parties, other activities associated with aircraft ownership, and aeronautical-related businesses. The permitted uses shall exclude the sale and provision of fuel to aircraft.

1.13 Premises. The property shown on the attached **Exhibits A** and **B** and any Improvements existing thereon when Lessee first takes possession, which is also known as (ADDRESS).

1.14 Premises Square Footage. The Premises consist of a total of 78,119.50 square feet, which includes 12,456.00 square feet of OFA, 53,288.50 of non-revenue square feet, and 12,375.00 square feet of other area.

1.15 Date to Complete Improvements. N/A

1.16 Additional Provisions. N/A

1.17 Improvements. Improvements shall include the aircraft hangar or other structure that has been constructed and erected, or which is to be constructed or erected on the Premises, as

well as all hangar flooring, lighting, paving, fencing, grating and surfacing, underground and overhead wires, doors, cables, pipes, tanks and drains, and all property of every kind and nature, which is attached to the Premises or which may not be removed without material injury to the Premises.

1.18 Minimum Standards. "Minimum Standards" shall mean the most current and up-to-date version of the Requirements and Minimum Standards for Commercial Aeronautical Services and Activities for Walker Field Airport, Grand Junction, Colorado. The version of the Minimum Standards in effect on the date this Lease was adopted by the GJRAA Board of Commissioners on December 19, 2000, and was last revised on July 19, 2005.

1.19 Security Deposit. \$1,303.16

2. Article: Lease of Premises & Airport; Quiet Enjoyment

2.1 Use of Premises. In consideration of the payment of the Rent and the keeping and performance of the covenants and agreements by Lessee as stated herein, the GJRAA does hereby lease to Lessee the Premises, including any and all rights, privileges, easements, and appurtenances now or hereafter belonging to the Premises, subject, however, to all liens, easements, restrictions, and other encumbrances of record. Lessee leases the Premises in an "as is" and "with all faults" condition, without any express or implied warranties or representations from the GJRAA that the Premises, or any portions thereof, are suitable for a particular purpose, or can accommodate any particular weight or size of aircraft.

2.2 Use of Airport. Lessee is also granted the non-exclusive right to utilize such Airport runways, taxiways, taxi lanes, and public use aprons ("airfield areas"), and such other rights-of-way and access across the Airport ("Airport rights-of-way") as necessary for ingress and egress to the Premises, and to the extent necessary to enable Lessee to provide the Permitted Uses from the Premises. Lessee's use of said airfield areas and other Airport rights-of-way shall be on a non-exclusive, non-preferential basis with other authorized users thereof. Lessee shall abide by all directives of the GJRAA, the Federal Aviation Administration ("FAA"), the Transportation Security Administration ("TSA"), and any other governmental entity having jurisdiction over the Airport governing Lessee's use of said airfield areas and other Airport rights-of-way, either alone or in conjunction with other authorized users thereof.

2.3 Quiet Enjoyment. Upon the payment of Rent when due, as well as upon the payment of any other fees when due, and upon the performance of any and all other conditions stated herein, Lessee shall peaceably have, possess and enjoy the Premises and other rights granted herein, without hindrance or disturbance from the GJRAA, subject to the GJRAA's rights as discussed herein and/or pursuant to any applicable law or regulation.. Notwithstanding the provision set forth in the preceding sentence or any other provision of this Lease, the GJRAA and any Lessee of the GJRAA shall have the right to traverse that portion of the Premises not occupied by a hangar or other structure, if the GJRAA, in its sole discretion, believes that such access is necessary or desirable for the efficient operations of the Airport, the GJRAA, or another Lessee.

2.4 Inspection by GJRAA. The GJRAA, through its authorized agents, shall have the right, at all reasonable times, and after notice to Lessee when practical, to enter upon the Premises to inspect, to observe the performance by Lessee of its obligations hereunder, and to do any act which the GJRAA may be obligated to do or have the right to do under this Lease, any other agreement to which the GJRAA is a party, or pursuant to any applicable law or regulation. Without diminishing the GJRAA's rights to inspect and perform under this paragraph, the acts of the GJRAA shall not unduly burden or interfere with Lessee's operations on the Premises.

3. Article 3: Lease Term and Options

3.1 Term. Subject to earlier termination as hereinafter provided, the primary term of this Lease shall be the period between the Commencement Date set forth in paragraph 1.7 above and the Expiration Date set forth in paragraph 1.8 above (the "Primary Term").

3.2 Option to Renew. Subject to the provisions hereof, upon expiration of the Primary Term of this Lease, and if and only if Lessee is not in material default beyond applicable cure periods under this Lease, Lessee shall have the option to renew this Lease for one (1) additional term of ten (10) years following the expiration of the Primary Term. Lessee's option to renew may be exercised by delivering written notice to the GJRAA between twelve (12) and eighteen (18) months prior to end of the Primary Term of this Lease.

3.3 Additional Option Terms. In addition to the option term provided in Section 3.2 above, Lessee shall have up to four (4) additional options to extend the term of this Lease for five (5) years each (an "Additional Option"). However, the total of the Primary Term and all option terms of this Lease shall not exceed 50-years. The GJRAA shall offer an Additional Option to a Lessee if, and only if:

3.3.1 such Lessee requests the same at least 120 days prior to the expiration of the then-current option or Additional Option term, and

3.3.2 the GJRAA Board of Commissioners has not previously found, or found within sixty (60) days after such request by the Lessee, or by the close of the GJRAA Board of Commissioner's next regular Board meeting, whichever is later in time, that:

(a) the Improvements on the Premises have not been properly maintained (including painting) and do not meet current Minimum Standards as approved of by the GJRAA, the Improvements on the Premises do not meet any applicable code requirements, or the Improvements on the Premises are not in a condition expected to be serviceable in any respect for the additional five (5) year Additional Option term,

(b) the GJRAA intends to redevelop the area in which the Premises are located and/or use all or a portion of the Premises for purposes other than a lease to a Commercial Lessee or Storage Lessee, as the case may be with respect to the Lessee,

- (c) Lessee is not in default under this Lease,
- (d) Lessee is not in default in any other financial obligation to the GJRAA, and/or
- (e) The granting of any Additional Option would not violate any FAA Grant Assurance or the provisions of any applicable law or regulation.

3.3.3 The factors referred to in paragraph 3.3.2, above, shall each be referred to as a "Disqualifying Factor" and collectively as "Disqualifying Factors." A determination of the existence of any Disqualifying Factor shall be made in the reasonable discretion of the GJRAA.

3.3.4 Lessees are encouraged to contact the GJRAA in advance of the option exercise windows described in paragraph 3.3.1 above to discuss the condition of the Improvements on the Premises, actions which may be necessary to bring the Improvements into the required condition of maintenance and/or serviceability, and any other actions necessary to meet the other requirements of paragraph 3.3.2 above.

3.3.5 The GJRAA may condition the exercise of an Additional Option on amendment of this Lease to incorporate such other standard and non-discriminatory terms as are then being offered by the GJRAA to other Commercial Lessees or Storage Lessees, as the case may be, under aeronautical use ground leases, and ground lease rates for each Additional Option term shall be set at reasonable rates existing at the time the Additional Option is exercised, as set forth in the GJRAA's then current rates established by the GJRAA's Fees and Charges, which rates shall thereafter be subject to the CPI adjustment set forth below.

3.3.6 For purposes of Paragraph 3.3, "Commercial Lessee" shall mean a Lessee which (a) regularly engages in fixed base operations, ground handling and servicing of air carrier and commuter airline operations, aircraft charter operations, flight training, aircraft rental, aerial photography, crop dusting, aerial advertising, aerial surveying, aircraft sales and services, sale of aviation petroleum products, aircraft repair and maintenance, sale of aircraft parts, and/or other commercial aeronautical services to the public, (b) has entered into or will enter into a lease with the Authority, and (c) meets, and in the case of an existing Lessee, has met for a period of not less than six (6) continuous months, the GJRAA's Minimum Standards then in effect for the type of aeronautical business operated by the Lessee. "Storage Lessee" shall mean any Aeronautical Use Lessee other than a Commercial Lessee as defined above.

3.4 Repair and Maintenance Punch-List.

3.4.1 If the GJRAA finds that the Disqualifying Factor found under Paragraph 3.3.2(a), above, exists, but that no other Disqualifying Factor does, then the GJRAA will determine if the Improvements on the Premises can be restored and/or made serviceable through reasonable repair and/or maintenance. If the Improvements on the Premises can be restored and/or made serviceable through reasonable repair and/or maintenance, the GJRAA shall provide Lessee with a listing of items to be repaired and/or maintained by Lessee (hereinafter "Punch List"), at Lessee's sole expense. The repairs and/or maintenance to be completed by Lessee shall be for the purpose of restoring the Improvements on the Premises to their original state, excepting reasonable wear and tear.

3.4.2 The GJRAA shall provide Lessee with the Punch List within thirty (30) days after the GJRAA's determination that the Disqualifying Factor found under Paragraph 3.3.2(a), above, exists. Lessee will then have remainder of its then current option term or Additional Option term to complete the Punch List to the satisfaction of the GJRAA. Provided that Lessee is proceeding with the necessary diligence to complete the Punch List, and upon thirty (30) days written notice to the GJRAA prior to the expiration of Lessee's then current option term or Additional Option term, Lessee may extend the time to complete the Punch List for a period of time not to exceed sixty (60) days. However, Lessee agrees that any extension of the period of time for it to complete the Punch List to the satisfaction of the GJRAA will not create a new tenancy for the Additional Option period and that the GJRAA will maintain its right to terminate the Lease. If the Punch List items are completed to the reasonable satisfaction of the GJRAA, Lessee shall then be eligible to exercise the Additional Option.

3.5 Surrender and Holding Over. If Lessee holds over or remains in possession or occupancy of the Premises after the expiration of this Lease without any written renewal thereof, such holding over or continued possession or occupancy shall not be deemed as a renewal or extension of this Lease but shall create only a tenancy from month-to-month which may be terminated at any time by the GJRAA upon thirty (30) days written notice. Such holding over shall be at 150% of the Monthly Ground Rent that was payable in the month prior to such expiration, (or in recognition that the Improvements shall then be the property of the Authority) or the hangar rental rate established in the GJRAA's then-current Fees and Charges, whichever is greater, and shall otherwise be upon the same terms and conditions as set forth in this Lease.

4. Article 4: Rent, Security Deposit & Other Fees

4.1 Monthly Ground Rent. The Monthly Ground Rent for the Premises is initially the amount set forth in Paragraph 1.11 above. Within thirty (30) days of Lessee's completion of any Improvements on the Premises, Lessee will provide the GJRAA with a survey acceptable to the GJRAA (as determined by the GJRAA in its sole discretion) which shall be attached to this Lease as **Exhibit B**. Should the actual square footage of the Premises or the Improvements thereon (as determined by the Survey of the Premises to be attached as **Exhibit B**) differ from the initial estimate of the Premises or improvements' square footage (as shown by the Description of the

Premises, attached as **Exhibit A**), then the Monthly Ground Rent shall be adjusted to accommodate for such difference according to standard GJRAA procedure.

4.2 CPI Adjustment. The Monthly Ground Rent for the Premises may be adjusted by the increase or decrease in the Consumer Price Index, using the U.S. City Average for all urban consumers ("CPI-U"), all items index, set forth in the October to October report published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twenty-four (24) month period ending in the calendar year immediately preceding the calendar year in which the annual cost-of-living adjustment is to be made, or the period since the Commencement Date of this Lease, whichever is less. The initial CPI adjustment under this Lease shall be made on April 1st of the first even calendar year after the calendar year in which the Commencement Date falls, and every even year thereafter. If the CPI-U index is no longer published by the U.S. Department of Labor, the parties to this Lease, as well as any successors or assigns, shall use the U.S. Department of Labor index or report most closely approximating the CPI-U.

4.3 Other Fees and Charges. In addition to the Monthly Ground Rent described above:

4.3.1 Lessee shall pay the GJRAA such fees as set forth in the GJRAA's current Fees and Charges, as they are adopted by resolution of the GJRAA Board of Commissioners (the "Fees and Charges"), and as the same may be amended from time to time, including those Fees and Charges that are adopted or amended after the Commencement Date of this Lease, for the usage of the Airport's disposal station, by Lessee, or by Lessee's successors, assigns, and/or subLessees.

4.4 Manner of Payment. Payment of Lessee's Monthly Ground Rent shall be made in advance, on or before the first day of each and every month during the term of this Lease. Payment of all other fees, if any, shall be made in accordance with procedures adopted by the GJRAA from time to time. All rental payments shall be made to the GJRAA at its address listed in Paragraph 1.5, or at such other address as may be specified by the GJRAA.

4.5 Late Charges. All amounts payable under the Lease may collectively be referred to herein as "Rent." Any payment of Rent, including Monthly Ground Rent, which is not received on the due date will be subject to a late charge equal to five percent (5%) of the unpaid Rent, or \$100.00, whichever is greater. This amount is in consideration of the GJRAA's additional cost of processing late payments. In addition, any Rent which is not paid when due, including Monthly Ground Rent, will accrue interest at a default rate of three percent (3%) per month (but in no event in an amount in excess of the maximum rate allowed by applicable law) from the date on which it was due until the date on which it is paid in full, with accrued interest. Any payments received shall be applied first to accrued interest, and then to the reduction of principal.

4.6 Security Deposit. Lessee shall deposit with the GJRAA, a security deposit in the amount set forth in paragraph 1.19 above. This deposit is to be held by the GJRAA as security during the entire term of the Lease for all of Lessee's obligations hereunder. Any and all accrued interest on Lessee's security deposit shall be applied to Lessee's account, on an annual basis. The

security deposit shall be made at the time the Lease is signed by Lessee, unless the same has been previously paid in the full amount set forth above. The GJRAA reserves the right to withhold some or all of the deposit if Lessee abandons the leasehold in a condition that requires the GJRAA to expend money or labor to repair. A detailed list of expenses shall be provided to Lessee if any or all of the security deposit is withheld.

4.7 No Set Off. Except as may be expressly set forth herein, Lessee shall not have the right to set-off against any amounts owed to the GJRAA for any claims it may have against the GJRAA unless and until said amounts are agreed to by the GJRAA or reduced to final judgment.

4.8 New Federal Regulation. In the event the GJRAA is required to make additional direct expenditures in connection with the implementation of any future federal or state regulation imposed upon the GJRAA as a result, in whole or in part, of Lessee's operation, the GJRAA may call a conference for the purpose of discussing and determining methods of compliance and recovery from Lessee and others similarly situated, if any, of costs so incurred, and Lessee agrees to attend, in good faith, and agrees to reimburse the GJRAA for any reasonable costs it incurs for the implementation of these federal or state regulations.

5. Article 5: Improvements

5.1 Construction of Improvements. During the term of this Lease, Lessee shall have the right to construct, at its own expense, Improvements, alterations, or additions to the Premises, or to any Improvements presently located thereon, in furtherance of Lessee's authorized use of the Premises, provided that:

5.1.1 the Improvements, alterations, and additions are performed by qualified and licensed contractors or subcontractors; and

5.1.2 prior to the construction of any Improvements, alterations or additions to the Premises including, but not limited to, new improvements, major exterior changes to any existing improvements, changes in pavement, fences and utility lines, interior renovations that affect the structural integrity of any improvements, or office and hangar configuration, of any Improvements Lessee presently owns or may hereafter construct upon the Premises:

(a) Lessee submits the proposed plans to the GJRAA for its review; and

(b) the GJRAA determines, in its sole discretion, that the proposed improvements, alterations, or additions are consistent with the Airport's master and land use plans, the GJRAA's Development and Architectural Covenants, and if applicable, the Minimum Standards, as the same may be amended from time to time, including those established or amended after the Commencement Date of this Lease

5.2 Cost of Improvements; Bond. Lessee shall construct all Improvements, alterations, and additions to the Premises at its own expense. If Lessee constructs improvements, alterations

and/or additions, the same shall be constructed at Lessee's sole initiative and behest, and nothing herein shall be construed as an agreement by the GJRAA to be responsible for paying for them, and neither the Premises, nor the GJRAA's interest in said Premises or any Improvements, alterations or additions constructed thereon, shall be subjected to a mechanic's lien for any Improvements or alterations constructed by Lessee hereunder. The GJRAA may require Lessee to post a bond, or such other security as the GJRAA deems appropriate, guaranteeing payment for construction of the Improvements alterations and additions involved, as a condition precedent to the commencement of construction of the Improvements and/or alterations. Lessee shall be responsible for assuring that all of said Improvements, alterations and additions to the Premises are constructed in accordance with applicable local, state, and federal law. Lessee shall reimburse the GJRAA for all costs and expenses, including surveying and attorney's fees, that the GJRAA incurs (a) as a result of the fact that the Improvements, additions, or alterations do not comply with local, state, and federal law, (b) in defending against, settling, or satisfying any claim that the GJRAA is responsible for paying in relation to Improvements on the Premises, or (c) in defending against, settling, or satisfying any mechanic's lien and/or other claims, asserted as a result of the non-payment for Improvements on the Premises.

5.3 Timing of Construction. The Parties to this Lease, as well as their successors and/or assigns, hereby agree that Lessee shall have eighteen (18) months from the Commencement Date to obtain a Certificate of Occupancy or to otherwise fully develop the Premises. If such development is not timely commenced or completed, or if due diligence in pursuing such development is not demonstrated to the satisfaction of the GJRAA, then the GJRAA, in its sole discretion, shall have the right to terminate this Lease, and all of Lessee's interest in the Premises shall revert back to the GJRAA. If, however, Lessee has commenced development and is diligently pursuing completion of the development, but such development will not be completed within the eighteen (18) month period allowed, then Lessee may petition, in writing, the GJRAA for an extension of time to complete the development. An extension of time to complete the development is not automatic upon application, but may be granted at the sole discretion of the GJRAA. If such extension is not granted, then the GJRAA shall have the right to declare the Lease void, and all of Lessee's interest in the Premises shall revert back to the GJRAA. The GJRAA makes no representations or warranties with regard to the above contingencies, and Lessee undertakes such efforts solely at its own risk.

5.4 Signs. No exterior signs, logos or advertising displays identifying Lessee or its successors, assigns, subLessees or customers shall be painted on or erected in any manner upon the Premises, or in or on any Improvements or additions upon the Premises, without the prior written approval of the GJRAA, which approval shall not be unreasonably withheld. Any such signs, logos or advertising shall conform to reasonable standards to be established by the GJRAA, with respect to type, size, design, materials and location. All signs shall comply with all applicable city, county and state regulations.

6. Article 6: Maintenance, Utilities, Damage and Storage

6.1 Maintenance of Premise. During the term of this Lease, Lessee shall, at its own expense, maintain and keep all portions of the Premises, any Improvements, fixtures, and equipment thereon, any utility lines thereon or thereunder used by Lessee or its successors, assigns, and/or subLessees, and any of Lessee's Improvements, fixtures, or equipment located elsewhere at the Airport, in good operating and physical condition and repair. Lessee shall repair any utility lines located on or under its Premises which are utilized by it or other third parties, if the damage to said utility lines was caused by Lessee, or by Lessee's board members, officers, agents, employees, representatives, contractors, subcontractors, successors, assigns, subLessees, customers, guests, invitees, or anyone acting by, though, or under Lessee's direction and control. During the term of this Lease, Lessee shall maintain, at its expense, all portions of the Premises, any Improvements, fixtures, and equipment thereon, and all of its improvements, fixtures, and equipment located elsewhere at the Airport, in a safe and clean condition, and Lessee will not permit any unsightly accumulation of wreckage, debris, or trash where visible to the general public visiting or using the Airport. The determination of whether any accumulation is unsightly will be made at the sole, but reasonable, discretion of the GJRAA.

6.2 Utilities. During the term of this Lease, Lessee shall also be responsible for providing, at its own expense, all utilities and services, including but not limited to lighting, heating, air conditioning/cooling, water, gas, trash removal and electricity, required for the Premises and any improvements, alterations, or additions thereon. Lessee shall not permit any liens for utilities to be levied against the Premises and, in the event that any liens are so levied, agrees to indemnify the GJRAA and hold it harmless for the same.

6.3 Storage on Premises. Storage on the Premise shall be primarily for aeronautical purposes, including, but not limited to, the parking and storing of aircraft owned or leased by Lessee or other third parties, storage associated with aircraft ownership and aeronautical-related businesses.

6.4 Damage to Airport. Lessee shall be liable for any damage to the Airport and to any Improvements thereon caused by Lessee, or by Lessee's board members, officers, agents, employees, representatives, contractors, subcontractors, successors, assigns, subLessees, guests, invitees, or anyone acting by, through, or under its direction and control, ordinary wear and tear excepted. All repairs for which Lessee is liable shall be made, at the GJRAA's option, (a) by Lessee at its own expense, provided that said repairs are made timely and to the GJRAA's satisfaction as to the quality of repair or, if not timely or satisfactorily made by Lessee, then by the GJRAA at Lessee's expense or (b) by the GJRAA at Lessee's expense.

6.5 Waste Prohibited. Lessee may not conduct mining or drilling operations, remove sand, gravel, rock or related substances from the ground, commit waste of the Premises of any kind, nor in any manner that substantially changes the contour or condition of the Premises without prior written permission of the GJRAA.

7. Article 7: Taxes and Assessments

Lessee shall timely pay all real and personal property taxes related to its possession and operations hereunder and at the Airport or elsewhere; all local, state and federal income, payroll, aviation fuel and other taxes related to its operations hereunder and at the Airport or elsewhere; all sales and other taxes measured by or related to its sales and service revenues hereunder and at the Airport or elsewhere; all license fees; and any and all other taxes, charges, exactions or levies of any nature, whether general or special, which may at any time be imposed by any local, state or federal authorities having jurisdiction over Lessee, or that become a lien upon Lessee, the GJRAA, the Premises, or any Improvements thereon, by reason of Lessee's possession or activities under this Lease and the Airport or elsewhere.

8. Article 8: Insurance and Indemnification

8.1 Minimum Insurance Requirements. At all times during the term of this Lease:

8.1.1 Lessee shall maintain automobile, general liability, bodily injury and property damage insurance naming the GJRAA as an additional insured covering all of the services, operations, and activities of Lessee, and Lessee's subLessees at the Airport. The initial amount of coverage provided to the GJRAA shall be, at least, the Initial Minimum Insurance Coverage Amount, as that term is defined in Paragraph 1.9, above. The GJRAA may, from time to time, and in its sole discretion (which shall be reasonably exercised), increase the amount of required insurance due hereunder by amending the GJRAA's Fees and Charges, and these amendments shall apply to Lessee, including those amendments that occur after the Commencement Date of this Lease.

8.1.2 Lessee shall maintain such hazard insurance as necessary to cover the full replacement cost of each of the Improvements it, its successors, assigns, and/or subLessees, or the GJRAA own or have constructed upon the Premises, and the proceeds of said insurance shall be used to repair or replace the Improvements involved, as necessary.

8.1.3 Lessee and its subcontractors shall maintain worker's compensation insurance or a self-insurance plan in accordance with the laws of the State of Colorado for all employees or subcontractor employees who perform any work for Lessee in connection with the rights granted to Lessee hereunder.

8.2 Certificate of Insurance. Lessee shall provide a certificate of insurance to the GJRAA of the kinds and amounts of said insurance coverage and shall acquire policies that shall not be subject to cancellation without at least thirty (30) days advance written notice to the GJRAA. Such policies shall provide that they may not be materially changed or altered by the insurer during its term without first giving at least ten (10) days written notice to the GJRAA.

8.3 Indemnification. Lessee agrees that: :

8.3.1 It shall release the GJRAA of and from any and all liability for, and shall protect, defend, indemnify and hold the GJRAA harmless from and against any and all claims,

demands, and causes of action of every kind and character that are asserted or brought against the GJRAA on account of the actions, omissions, breaches, negligence, gross negligence, recklessness, willfulness, wantonness, and/or intentional conduct of Lessee, its agents, employees, representatives, successors, assigns, subLessees, contractors, subcontractors, invitees, or licensees. Lessee's indemnification obligations under this provision shall be without regard to, and without any right to contribution from, any insurance maintained by Lessee. Additionally, Lessee's indemnity obligations under this section shall be supported by insurance, but this insurance requirement shall be a separate and distinct obligation from Lessee's indemnity obligations, and the insurance and indemnity obligations shall be separately and independently enforceable. Further, Lessee's indemnity obligations hereunder are not limited by any insurance coverage Lessee may have.

8.3.2 Lessee further agrees to fully defend, indemnify and hold the GJRAA harmless from all legal costs and charges, including reasonable attorneys' fees, incurred in and about the defense of the matters identified above, as well as in any action arising out of those matters or in discharging the Premises, or any part thereof, from any and all liens, charges, or judgments which may accrue or be placed thereon by reason of any act, omission, or breach of or by Lessee.

8.3.3 Lessee also agrees to fully defend, indemnify and hold the GJRAA harmless from any liability on account of or in respect or any mechanic's lien or liens in the nature thereof for work and labor done, or materials furnished at, the request of the Lessee in, on, or about the Premises and, accordingly, Lessee will either satisfy any such lien or, if Lessee disputes the validity thereof, will defend any action for the enforcement thereof (and if Lessee loses any action, will cause such lien to be satisfied and released).

9. Article 9: Assignment and Subleasing

9.1 Assignment by Lessee. Lessee shall not assign its interest herein without the written consent of the GJRAA, which consent shall not be unreasonably withheld. All subsequent assignors and assignees shall be subject to this Lease as if they were the original Lessee/assignor.

9.2 Subletting. Lessee may not sublease all or any portion of the Premises, or all or any portion of the improvements thereon, without first obtaining written consent of the GJRAA for the sublease, which consent shall not be unreasonably withheld. Any such sublease must be in writing and in a form and for a rental amount and other consideration acceptable to the GJRAA, pursuant to the requirements of the Minimum Standards, by which such subLessee is authorized to do business at the Airport. Any sublease shall be in the form required by the GJRAA for all subleases, as the same may be amended from time to time, or in a form specifically approved by the GJRAA, including those forms that are created or amended after the Commencement Date of this Lease. The existence of any sublease or subleases shall not in any way relieve Lessee from its responsibilities as to the entire Premises under this Lease. Any default by a subLessee of its obligations to the GJRAA under any sublease shall constitute a default by Lessee of its obligations under this Agreement. Lessee shall not allow any subLessee to enter onto the Premises until the

subLessee has properly executed a sublease and that sublease has been consented to by the GJRAA.

9.3 No Consent or Waiver. Consent by the GJRAA to one (1) sublease or assignment shall not be construed as consent or waiver of the GJRAA's right to object to any subsequent sublease or assignment. Acceptance by the GJRAA of rent from any subLessee or assignee shall not be construed to be a waiver of the right of the GJRAA to void any sublease or assignment.

9.4 Assignment by the GJRAA. The GJRAA may assign its interest herein, without the consent of Lessee, to any successor operator or proprietor of the Airport. The GJRAA shall give prior written notice to Lessee of any such assignment and of its rights and obligations hereunder.

10. Article 10: Compliance with Applicable Law; Environmental Covenants

10.1 Compliance with Law and the GJRAA Documents. Lessee shall observe and obey all statutes, rules, regulations, and directives promulgated by the GJRAA and other appropriate local, State, and Federal entities having jurisdiction over the Airport, including the FAA, the TSA, and the Environmental Protection Agency ("EPA"). To the maximum extent applicable, Lessee further agrees to perform all of its operations authorized hereunder in accordance with all of the terms and conditions of the GJRAA's Minimum Standards, Development and Architectural Covenants ("Architectural Standards"), Fees and Charges ("Fees and Charges"), the AOA Safety Procedures ("Safety Procedures"), Fuel Handling and Storage Procedures ("Fuel Procedures"), and Noise Compatibility Procedures, copies of which are on file in the offices of the GJRAA, as the same may be amended from time to time, including as they are established or amended after the Commencement Date of this Lease. Lessee acknowledges that it has reviewed the above documents or has knowingly waived its rights to review such documents. If any inconsistency exists between the terms of this Agreement and the terms of the Minimum Standards, Architectural Standards, the GJRAA's Fees and Charges, Safety Procedures, Fuel Procedures, and Noise Compatibility Procedures, the terms of this Agreement shall control. Lessee further agrees to comply with all verbal and written directives of the Airport Manager regarding Lessee's use of the Premises, the Airport's airfield areas, and other common areas elsewhere at the Airport.

10.2 Reimbursement for Violations. Should Lessee, or Lessee's board members, officers, agents, employees, customers, guests, invitees, subLessees, assigns, successors, contractors, or subcontractors violate any local, State, or Federal law, rule, or regulation applicable to the Airport, and should said violation result in a damage award, citation, or fine against the GJRAA, then Lessee shall fully reimburse the GJRAA for said damage award, citation, or fine and for all costs and expenses, including reasonable attorney's fees, incurred by the GJRAA in defending against or satisfying the award, citation or fine.

10.3 Subordination. This Lease shall also be subject and subordinate to the requirements of any existing or future contracts or agreements between the GJRAA and Federal, State, or local governments, or any agencies thereof, and to the requirements of any Federal, State, or local

statutes, rules, regulations, or directives governing the operation of the Airport, and the GJRAA shall not owe any damages to Lessee, such as lost profits or revenues, as a result of its compliance with said contracts, statutes, rules, regulations, or directives. The GJRAA shall also be excused from its obligations to pay Lessee eminent domain compensation under Article 12, below, or to provide substitute leasehold premises pursuant to Article 13, below, unless the payment of compensation or provision of substitute premises is specifically directed by the contract, statute, rule, regulation or directive involved.

10.4 Deicing Limitations. Lessee shall use only propylene glycol as a deicing agent unless Lessee receives written authorization from the GJRAA to use a different deicing agent. All deicing operations shall be conducted on the Airport deicing pad, and Lessee shall pay its proportion share of glycol disposal costs in accordance with the GJRAA's then current Fees and Charges, which may be established or amended after the Commencement Date of this Lease.

10.5 Security. Lessee is wholly and completely responsible for, and shall comply with, all requirements of the Transportation Security Administration of the United States Department of Homeland Security with respect to security of the gates, doors or other entryways leading to the Airport's air operations area from the Premises.

10.6 Hazardous Materials.

10.6.1 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Lessee, its agents, employees, representatives, subLessees, contractors, subcontractors, licensees, or invitees, without the prior written consent of the GJRAA. If Lessee breaches this obligation, or if the presence of Hazardous Material on the Premises is caused or permitted by Lessee and results in contamination of the Premises, then Lessee shall indemnify, defend and hold the GJRAA harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, the diminution in value of the Premises, damages for the loss or restriction on the use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on the marketing of space, sums paid in settlement of claims, attorney fees, consultant fees and expert fees) which arise during or after the term of this Lease as a result of such contamination. This indemnification of the GJRAA by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, or any removal or restoration work required by any Federal, State, or local government agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises is caused or permitted by Lessee and it results in any contamination of the Premises, Lessee shall promptly take all actions, at its sole expense, that are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises, provided that the GJRAA's approval of such actions shall first be obtained. Lessee's obligations in Paragraph 10 of this Lease shall survive the termination of this Lease.

10.6.2 As used in paragraph 10.6.1, above, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental agency, the GJRAA, the State of Colorado, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under the applicable law, rule, or regulation; (ii) petroleum; (iii) asbestos; (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1321); (v) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 U.S.C. § 6903); (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601); (vii) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 U.S.C. § 6991); or, (viii) lavatory waste.

10.6.3 Upon the GJRAA's request, Lessee shall provide the GJRAA with written certification from a licensed environmental consulting or engineering firm that the Premises are not contaminated with any Hazardous Material.

11. Article 11: Nondiscrimination

11.1 Lessee, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Premises and any improvements thereon on the grounds of race, color, religion, sex, age, disability, or national origin; (2) no person on the grounds of race, color, religion, sex, age, disability, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of any improvements on, over, or under the Premises and the furnishing of services therein; and (3) Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

11.2 Lessee shall make and/or furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

11.3 This Lease is subject to the requirements of the US Department of Transportation's regulations governing nondiscrimination. Lessee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, age, religion, sex, or disability, in connection with the award or performance of any operating agreement relating to this Lease. Lessee further agrees to include the preceding statements in any subsequent sub-operating

agreements at the Airport that it enters into and to cause those businesses to similarly include the statements in further agreements, as required by FAA Rules, Regulations and Directives.

11.4 Non-compliance with subparagraphs 11.1, 11.2, and 11.3, above, after written finding, shall constitute a material breach thereof and, in the event of such non-compliance, the GJRAA shall have the right to terminate this Lease and the estate hereby created without liability therefor or at the election of either the GJRAA or the United States, or both, the GJRAA and the United States shall have the right to judicially enforce the provisions of subparagraphs 11.1, 11.2, and 11.3. However, this Lease cannot be terminated for non-compliance with subparagraphs 11.1, 11.2, and 11.3 until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed, including exercise or expiration of appeal rights.

11.5 Lessee assures that it shall undertake an affirmative action program if so required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E on the grounds of race, creed, color, religion, national origin, age, disability, or sex. Lessee 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. Lessee assures that it shall require that its covered sub-organizations, successors, sub-Lessees and assignees provide assurances to Lessee that they shall also undertake affirmative action programs and that they shall require assurances from their sub-organizations, if so required by 14 C.F.R. Part 152, Subpart E, to the same effect.

12. Article 12: Eminent Domain, Substitution of Premises, & Subordination

12.1 In the event that all or any portion of the Premises is taken for any public or quasi-public purpose by any lawful condemning authority, including the GJRAA, through its powers of eminent domain, or by private purchase by any public authority in lieu of the exercise of eminent domain, the proceeds, if any, from such taking or conveyance may be allocated between the GJRAA and Lessee according to the applicable law of eminent domain. If a portion of the Premises is so taken or sold, and as a result thereof, the remaining part cannot be used to reasonably continue the authorized purposes contemplated by this Lease in an economically viable manner, then this Lease shall be deemed terminated at the end of a period of sixty (60) days following said taking or conveyance. In that event, and at that time, Lessee shall surrender the Premises, Improvements (and the GJRAA's fixtures and personal property thereon, if any) to the GJRAA, and Lessee may remove its fixtures and personal property located upon the Premises, in accordance with the provisions of this Lease. No severance damages shall be paid by the GJRAA to Lessee as the result of the condemnation nor shall any damages be paid to Lessee as the result of the termination of this Lease.

12.2 The GJRAA may grant or take easements or rights-of-way across the Premises, in addition to the easements or rights-of-way identified in this Lease, if the GJRAA determines it is in its best interests and in accordance with applicable law to do so. If the GJRAA grants or takes such an easement or right-of-way across any of the Premises, in addition to those easements or rights-of-way identified in this Lease, Lessee may request compensation from the GJRAA for that

easement or right-of-way and the GJRAA will determine whether compensation should be paid to Lessee, and if so, the amount thereof, in accordance with applicable law.

12.3 The GJRAA has the right to substitute Comparable Areas for all or any portion of the Premises, and any additions, alterations or improvements thereon, should the GJRAA, in its sole discretion, determine that a taking of the Premises, or any portion thereof or any Improvement thereon, is required for Airport purposes. In the event that the GJRAA elects to exercise its right to substitute, all title, right and interest to the portion of Premises that is taken shall immediately vest in the GJRAA. Furthermore, the GJRAA may require Lessee to vacate the portion of the Premises taken. For the purposes of this Article, the term "Comparable Areas" is defined to mean a parcel of land within the Airport, or any additions or extensions thereof, similar in size to the Premises and brought to the same level of improvement as the Premises. The GJRAA shall bear all expenses of bringing the substituted area to the same level of improvement as the Premises, and of moving Lessee's improvements, equipment, furniture, and fixtures to the substituted area. If any of Lessee's improvements, equipment, furniture, or fixtures cannot be relocated, the GJRAA shall replace, at GJRAA's expense, such non-relocatable improvements and other property with comparable property in the Premises, and the GJRAA shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Lessee, or any other third party whomsoever. It is the specific intent of this subparagraph that Lessee be placed, to the extent possible, in the same position it would have been, had the GJRAA not substituted new premises for the Premises; provided, however, that the GJRAA shall not be obligated to reimburse Lessee for any damages, including lost profits or revenues, due to such substitution, should the GJRAA elect to exercise its right to substitute.

12.4 Nothing in subparagraph 12.3, above, shall be construed to adversely affect the GJRAA's rights to condemn or exercise its rights of eminent domain in regard to Lessee's leasehold rights and interests in the Premises, and any improvements thereon, should the GJRAA, in its sole discretion, determine that it requires all or any portion of the Premises, and improvements thereon, for Airport purposes. The GJRAA may, at its sole discretion, exercise its leasehold condemnation rights in lieu of the GJRAA's substitution rights set forth in subparagraph 12.3, above. Nothing in this Article shall be construed as a promise by the GJRAA to substitute Comparable Areas for the Premises. In the event the GJRAA proceeds by way of condemnation or through the exercise of eminent domain, Paragraph 12.3 shall not apply.

12.5 This Lease and all provisions hereof shall be subject and subordinate to the terms and conditions of all existing and future instruments, documents, contracts, or agreements between the GJRAA and any Federal, State, or local government, or any agency thereof, as well as subject and subordinate to the requirements of any current or future Federal, State, or local statute, rule, regulation, ordinance, or directive governing the operation of the Airport, and the GJRAA shall not owe any damages to Lessee, such as for lost profits or revenues, as a result of the GJRAA's compliance with said instruments, documents, contracts, agreements, statutes, rules, regulations, ordinances, or directives. The GJRAA shall also be excused from its obligations to pay Lessee eminent domain compensation or to provide substitute leasehold premises pursuant to this Article for its compliance with said instruments, documents, contracts, agreements, statutes, rules,

regulations, ordinances, or directives, unless specifically directed otherwise by those instruments, documents, contracts, agreements, statutes, rules, regulations, ordinances, or directives.

13. Article 13: Airport Development Rights; Emergency Use of Premises; Flight Paths; Height Restrictions.

13.1 In addition to the GJRAA's other rights set forth in this Lease, the GJRAA reserves the right to further develop or improve all areas within the Airport, including landing areas, as the GJRAA may determine, in its sole discretion, to be in the best interests of the Airport, regardless of the desires or views of Lessee, and without further interference or hindrance from Lessee. The GJRAA may, from time to time, increase or decrease the size or capacity of any airfield areas and Airport rights-of-way/facilities, make alterations thereto, reconstruct or relocate them, modify the design and type of construction thereof, or close them, or any portion or portions of them, either temporarily or permanently, without being liable for any damages, including lost profits or revenues, that Lessee may incur, and without being deemed to have terminated this Lease as a result thereof.

13.2 Lessee hereby permits the GJRAA to utilize all, or a portion of, the Premises, as well as the public airfield areas and any other parts of the Airport, should an emergency or other unforeseen circumstance arise at the Airport, and should the GJRAA determine, in its sole discretion, that the GJRAA needs to utilize all or a portion of the Premises, or other areas of the Airport, for business, media, first aid, or other purposes, during the pendency of said emergency or other unforeseen circumstance. The GJRAA shall use best efforts to attempt to locate alternative space on the Airport from which Lessee may conduct its business, while the GJRAA is utilizing all or a portion of the Premises during the pendency of the emergency or unforeseen circumstances. If the GJRAA is not able to find alternate space on the Airport from which Lessee may conduct his business during said emergency or unforeseen circumstances, then Lessee may be entitled to an abatement of ground rent, if permitted by applicable law, allocable to that portion of the Premises utilized by the GJRAA for the length of time that the GJRAA utilizes said portion of the Premises. Finally, regardless of whether the GJRAA is able to locate alternate premises on the Airport for Lessee to conduct its business, Lessee shall not be entitled to any damages, including lost profits or revenues from the GJRAA, as a result of the GJRAA's utilization of the Premises or other areas of the Airport during the emergency or unforeseen circumstances involved, and Lessee shall continue to owe the GJRAA all landing fees and other fees and charges that accrue during said period.

13.3 It shall be a condition of this Lease that Lessee reserves unto itself, 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, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from, or operating at the Airport.

13.4 The GJRAA reserves the right to protect the aerial approaches of the Airport against obstruction, including the right to prohibit Lessee from erecting, or permitting to be erected, any

building or other structure on the Premises which would, in the judgment of the GJRAA, limit the usefulness of the Airport or constitute a hazard to aviation. Lessee also expressly agrees, for itself, its successors, and assigns, to restrict the height of structures, objects of natural growth, and other obstructions on the Premises to such a height so as to comply with the Federal Aviation Regulations, including, but not limited to, Part 77. In the event the aforesaid covenant is breached, the GJRAA reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

13.5 GJRAA reserves the right to direct all activities of Lessee at the Airport in the event of an on-site emergency or in the event that Lessee's activities are substantially interfering with the use of the Airport by others.

13.6 Lessee expressly agrees for itself, its successors, and assigns to prevent any use of the Premises that would interfere or adversely affect the operation or maintenance of the Airport or that would otherwise constitute a hazard.

14. Article 14: Cooperation with GJRAA in Collecting Fees

14.1 Lessee acknowledges that commercial ground transportation operators who pick up their patrons at Lessee's Premises must pay access fees, as well as other fees and charges, to the GJRAA, pursuant to the GJRAA's Fees and Charges, as they may be amended from time to time, including those amounts established or amended after the Commencement Date of this Lease. Accordingly, in order to assist the GJRAA in determining the fees owed to the GJRAA by said ground transportation operators, Lessee will, to the best of its ability, provide in writing to the GJRAA on or before the fifth (5th) day of each month, the following information for each non-local taxicab, for-hire van, for-hire luxury limousine, for-hire people mover, for-hire bus, local hotel/motel courtesy vehicles, and off-Airport rental car operators (i.e., for each ground transportation vehicle operator other than local taxicab or on-Airport rental car operators) that picked up a ground transportation customer on Lessee's Premises during the preceding month: the name, business address, and telephone number of each operator involved; and the date and time of each customer picked up by each such operator during the preceding month.

14.2 Lessee shall provide to the GJRAA, or third-party governmental agency involved, such additional information or clarifications as may be requested, to (a) enable the GJRAA to calculate the landing fees, access fees, and other fees owed by aircraft and ground transportation operators to the GJRAA pursuant to the GJRAA's Fees and Charges, as the same may be amended from time to time, including those amounts established or amended after the Commencement Date of this Lease; (b) further the GJRAA's ability to market, promote and manage the Airport; or (c) to comply with governmental monetary collections and reporting requirements. Any subsequent changes or corrections in the information provided by Lessee shall be reported to the GJRAA and/or governmental agency involved within seven (7) days of Lessee's discovery of said changes or corrections.

14.3 Lessee shall not provide any storage or other services authorized hereunder to any aircraft operator, or permit a ground transportation operator to access its Premises to pick-up or drop off a ground transportation patron, if said aircraft or ground transportation operator is more than ninety (90) days delinquent in any monies owed to the GJRAA, and the GJRAA has sent written notice to Lessee instructing Lessee to cease providing its services or access to said operator.

14.4 Lessee shall comply with such other statutes, regulations, and directives regarding the collection, payment, and reporting of such taxes, fees, and other charges applicable to or for the benefit of the Airport, in the future.

15. Article 15: Expiration and Termination

15.1 Prior to the expiration or termination of this Lease, Lessee shall have the right to sell or transfer any Improvements on the Premises that is not the property of, or owned by, the GJRAA. However, any sale or transfer of these Improvements shall be subject to the consent or approval of the GJRAA, and the GJRAA shall not unreasonably withhold this consent or approval. Should Lessee sell or transfer the Improvements on the Premises that is not the property of, or owned by, the GJRAA prior to the expiration or termination of the Lease, and the GJRAA consents to and approves this sale or transfer, the GJRAA shall, in good faith, negotiate an Aeronautical Use Ground Lease with the new owner of the Improvements.

15.2 Upon the expiration or termination of this Lease, Lessee shall peaceably surrender to the GJRAA possession of the Premises, together with any Improvements, fixtures, or personal property of the GJRAA thereon (such as the GJRAA's security fencing and gating) in as good a condition as the Premises, and Improvements, fixtures, and personal property were initially provided to Lessee, with ordinary wear and tear excepted, without any compensation whatsoever, and free and clear of any claims of interest of Lessee or any other third-party.

15.3 Also upon the expiration or termination of the Lease, and provided that Lessee did not sell or transfer the Improvements on the Premises prior to the expiration or termination of this Lease, Lessee shall have all personal property and trade fixtures removed from the Premises, unless the personal property or trade fixtures are owned by the GJRAA, and shall restore the Premises to a good condition and repair. If Lessee is proceeding with the necessary diligence to remove these items and complete this work, upon thirty (30) days written notice to the GJRAA prior to the expiration or termination of the Lease, Lessee may extend the time to remove these items and complete this work for a period of time not to exceed sixty (60) days. Further, if Lessee is proceeding with "Punch List" work as outlined under Paragraph 3.4 above, Lessee will be provided sixty (60) days to remove the personal property or trade fixtures following the determination of the GJRAA that the Punch List items were not completed to its satisfaction, if that decision is made by the GJRAA. However, Lessee agrees that this additional period of time to remove any personal property or trade fixtures from the Premises, or any work necessary to return the Premises to a good condition and repair, will not create a new tenancy for any additional period of time and that the GJRAA will maintain its rights to terminate the Lease. Following the expiration or termination of the Lease, Lessee shall, at the option of the GJRAA, either (a) leave

the Improvements on the Premises in place, or (b) demolish the Improvements on the Premises, returning the Premises to a flat and level condition, and if the Premises was paved, re-paving the Premises to the same depth and specifications as it existed prior to the expiration or termination of the Lease. If the GJRAA elects to have Lessee demolish the Improvements on the Premises, Lessee will have sixty (60) days to complete this work, but the time period for Lessee to complete this work will not create a new tenancy for any additional period of time.

15.4 The GJRAA shall take title to, and full ownership of, all personal property and trade fixtures not removed by Lessee from the Premises within the time periods identified in Paragraph 16.3, above. Additionally, without any payment to Lessee, the GJRAA shall take title to, and full ownership of, any building, structure, or improvement that was on the Premises at the expiration or termination of the Lease, provided the GJRAA elects to have Lessee leave the Improvements on the Premises in place as outlined under Paragraph 16.3, above. Title and ownership of the personal property, trade fixtures, buildings, structures, or other improvements to the GJRAA under this provision shall be free and clear of any claim of interest by Lessee or that of a third-party.

16. Article 16: Default and Remedies

16.1 Lessee shall be in default of this Lease upon the happening of any of the following events or conditions ("Events of Default"):

16.1.1 default or breach by Lessee, or any of its successors, assignees, and/or subLessees, in payment or performance of any obligation, covenant, or liability contained or referred to in this Lease, or any approved sublease, as well as any default or breach of any of the terms or conditions of this Lease or any approved sublease;

16.1.2 the Lessee's death, legal incapacity, dissolution, or termination of existence, insolvency, business failure, appointment of a receiver for or the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Lessee, or the general assignment of Lessee's rights, title and interest hereunder for the benefit of creditors;

16.1.3 the Premises being left vacant or unoccupied or apparently abandoned by Lessee for a period of thirty (30) days; or

16.1.4 the placement or assertion of any mechanics' lien or other lien on the Premises due to any act or omission by Lessee or those claiming under Lessee.

16.2 Upon an Event of Default as defined in paragraph 17.1, the GJRAA shall have the right to, and at its option may, exercise any one or more of the following rights and remedies, each of which shall be cumulative, as well as in addition to any and all other rights and remedies authorized by law or equity:

16.2.1 The GJRAA may, with or without terminating this Lease, bring and maintain any action for any amount due and unpaid and/or for specific performance. The GJRAA's damages shall be the total of all rent and costs and expenses of performance of all other covenants

of the Lessee as herein provided due or to become due for the remainder of the lease term, together with the GJRAA's costs, including reasonable attorneys' fees, incurred in retaking possession of the Premises, and bringing and pursuing the action. However, if the GJRAA obtains a judgment against Lessee for damages due to Lessee's breach or default of this Lease, and the GJRAA then leases the Premises to a third-party, the GJRAA shall offset the judgment against the Lessee with any amounts the GJRAA may realize from leasing the Premises to that third-party for the remainder of the lease term with Lessee, after deducting the GJRAA's costs and expenses incurred in connection with obtaining the judgment against the Lessee, as well as leasing the Premises to that third-party, which includes, but is not limited to, redecorating, altering, building, constructing, etc., to prepare the Premises for the lease to the third-party. The GJRAA shall have the sole discretion to determine the terms and conditions of leasing the Premises to the third-party.

16.2.2 The GJRAA may reenter and take possession of the Premises, remove all persons and property therefrom, and declare this Lease and the leasehold estate hereby created to be, and thereupon the same shall be and become, terminated and ended.

16.2.3 The GJRAA may, at its option, with or without declaring this Lease or the leasehold estate created hereby terminated or ended, occupy the Premises or cause the Premises to be redecorated, altered, divided, consolidated with other adjoining premises, or otherwise changed or prepared for re-leasing, and may re-lease the Premises or any part thereof in order to mitigate the GJRAA's damages. The terms and conditions of such re-leasing shall be in the sole discretion of the GJRAA. All rent received by the GJRAA for the remainder of the lease term shall be applied first to the payment of expenses the GJRAA may have incurred in connection with recovery of possession of the Premises and/or preparing it for releasing, and the releasing, including brokerage and reasonable attorneys' fees, and then to the payment of amounts equal to the rent hereunder and the costs and expense of performance of the other covenants of Lessee as herein provided. Lessee shall, whether or not the GJRAA has released the Premises, pay the GJRAA all rent and other sums herein agreed to be paid by Lessee, less the net proceeds of the releasing, if any, as ascertained from time to time, and the same shall be payable by Lessee upon demand. If the GJRAA elects, pursuant hereto, to occupy and use the Premises, or any part thereof, during any part of the balance of the term of the lease as originally fixed or since extended, there shall be allowed against Lessee's obligation for rent or other charges as herein defined, during the period of the GJRAA's occupancy, the reasonable value of such occupancy, not to exceed in any event the rent herein stated, and such occupancy shall not be construed as a release of Lessee's liability hereunder.

16.2.4 The GJRAA may, on reasonable notice to Lessee (except that no notice need be given in case of emergency), cure any breach at the expense of Lessee and the cost of such cure, including attorneys' fees incurred by the GJRAA in doing so, shall be deemed additional rent payable on demand.

16.3 In the event the GJRAA re-leases the Premises as authorized above, any and all of Lessee's improvements, structures, furniture, furnishings, equipment, and trade fixtures that are in or on or about the Premises may be used by the GJRAA or its new Lessee until the expiration of

the term, without any liability for rent, compensation, or other charge therefor; however, in such case, if on the expiration of the term or on an earlier termination of this Lease, the total net amount so collected or received by the GJRAA from and through any such re-leasing or operation has exceeded the total amount accrued and due and unpaid from the Lessee, then such excess shall be applied to the Lessee.

16.4 Whenever a right of reentry is given to the GJRAA by the terms of this Lease, the GJRAA may exercise the same by agent or attorney, and with or without legal process, such process and demand for possession of the Premises being expressly waived by Lessee, and GJRAA may use all force necessary to make such entry and/or hold the Premises after such entry and/or to remove Lessee and/or any other person and property from the Premises; and the GJRAA shall be entitled, on application to a court of competent jurisdiction, to have a receiver appointed in aid of the enforcement of any remedy herein provided.

16.5 Lessee waives all right of redemption to which Lessee or any person claiming under Lessee may be entitled by any law now or hereafter enforced.

16.6 The GJRAA's retaking of possession of the Premises shall not constitute acceptance of surrender, eviction, or forfeiture of the Lease. The GJRAA and Lessee hereby expressly agree that if, after Lessee's default, the GJRAA retakes possession of the Premises, Lessee shall remain liable for all unaccrued rent, and all other obligations of this Lease for the remainder of the lease term, notwithstanding the GJRAA's reentry. Upon default, the GJRAA may exercise any and all of the remedies provided for herein in any order.

16.7 Any default by either Lessee or the GJRAA in the performance of any of the terms and conditions contained herein, other than the payment of Rent, shall be excused where due to force majeure, which, among other things, shall include natural catastrophes such as hurricanes, tornadoes, or floods, acts of God, acts of war, and governmental statutes, regulations, directives, or contracts governing the operation of the Airport, with which the GJRAA or Lessee must comply. This Paragraph shall not apply to a failure to timely pay any monetary amounts due.

17. Article 17: Miscellaneous Provisions

17.1 Notices. All notices and communications hereunder shall be given by depositing the same in the United States mail, postage prepaid, registered or certified mail, or via a nationally recognized overnight courier service having proof of delivery, and addressed to the relevant addresses as set forth in paragraph 1, above, or to such other address as either party may specify by notice, in writing, given to the other party. Notices shall be deemed given on the date of mailing and the date of mailing shall be the date shown on the post office registry or express service receipt. Notice given in a manner other than as specified herein shall be ineffective.

17.2 Subordination. Lessee's interest in the Premises shall be subordinated to those of any existing or future lender holding a mortgage or deed of trust on the Premises, and Lessee will, at the GJRAA's request, sign such subordination agreements or statements as such lenders may from time to time require.

17.3 No Waiver. The failure of either party to insist upon the strict and prompt performance of any of the terms, covenants, agreements, and conditions contained herein, upon the other party imposed, shall not constitute or be construed as a waiver or relinquishment of such party's right or rights thereafter to enforce any term, covenant, agreement, or condition, but the same shall continue in full force and effect. The waiver of any breach of any term, covenant, agreement, or condition contained herein by either party shall not be construed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement, or condition. Should Lessee breach any of its obligations hereunder, the GJRAA may thereafter accept from Lessee any payment or payments due hereunder, and continue this Lease, but without waiving the GJRAA's right to exercise and enforce all available default rights hereunder, or any other remedies provided by law, for said breach or default.

17.4 Lease Contingent. If improvements on the Premises have not been constructed as of the date of this Lease, this Lease is contingent upon FAA approval of any construction or development plans by Lessee, and upon the approval of any applicable planning agency. The responsibility for obtaining any authorization from or approval of any federal, state, or local governmental agency shall be the sole responsibility and expense of Lessee. Lessee shall have 60 days from the date set forth in paragraph 1.1, above, to satisfy the foregoing contingencies. If, at the end of such 60 day period Lessee has not provided to the GJRAA clear evidence that such contingencies have been satisfied, or that substantial progress has been made toward satisfaction of same, then the GJRAA may terminate this Lease without penalty to Lessee.

17.5 Entire Agreement; Modifications; Termination of Prior Leases. This Lease constitutes the entire agreement between the parties with respect to the subject matter contained herein. Modifications or amendments to this Lease shall be effective only if made in writing and executed by the GJRAA and Lessee. This Lease shall replace and supersede all prior leases, amendments and addenda thereto and any other agreements between the GJRAA and Lessee with respect to the Premises, all of which shall be deemed terminated upon mutual execution of this Lease.

17.6 Time of Essence. Time shall be of the essence of this Lease, and the terms hereof shall be binding upon the heirs, personal representatives, successors, and permitted assigns of each of the parties hereto.

17.7 Headings. The article or other headings employed in this Lease are for convenience of reference only. Such headings shall not be interpreted as enlarging or limiting the meaning of any portion of this Lease.

17.8 Lessee Representations. Lessee represents that Lessee is the owner of, or fully authorized to use any and all services, processes, machines, articles, marks, names, or slogans used by Lessee in Lessee's operations under this Lease. Lessee shall save and hold the GJRAA, its Board members, officers, employees, agents, and representatives, free and harmless against any loss, liability, expense, suit, or claim for damages in connection with any actual or alleged infringement of any patent, trademark, or copyright, or from any claim of unfair competition or other similar claim, arising out of Lessee's operations under, or in connection with, this Lease. Lessee, and those individuals executing this Lease on behalf of Lessee, represent and warrant that they are familiar with C.R.S. §18-8-301, *et seq.* (Bribery and Corrupt Influences) and C.R.S. §18-8-401, *et seq.* (Abuse of Public Office) and that they are unaware of no violations of the provisions thereof with respect to this Lease or operations to be conducted hereunder. With respect to Lessee, the undersigned warrants and represents he/she is authorized to execute this Lease on Lessee's behalf, and Lessee shall be bound as a signatory to this Lease by his/her execution of this Lease. Lessee also certifies, by signing this Lease, that neither it nor its principals, members, or managers are presently debarred, suspended, proposed for debarment, declared ineligible, or are voluntarily excluded from participation in this Lease by any federal department or agency. Lessee further agrees, by signing this Lease, that it will include this clause, without modification, in all subleases.

17.9 Fees and Memorandum. Lessee shall pay all legal and surveying fees and costs associated with the rental of the Premises under this Lease or any addendum hereto. Furthermore, Lessee shall assist the GJRAA, in any way deemed advisable in preparing, executing or recording a Memorandum of Lease relating to this Lease.

17.10 Invalidity. If any term or condition of this Lease or the application thereof to any person or event shall to any extent be invalid and unenforceable, the remainder of this Lease and the application of such term, covenant, or condition to persons or events other than those to which it is held invalid or unenforceable shall not be affected and each term, covenant, and condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

17.11 GJRAA Representations. The GJRAA covenants and represents that it is the owner of the Premises, and has the right to enter into this Lease and grant the rights contained herein to Lessee.

17.12 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third-party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the parties. It is understood and agreed that neither the method of computation of fees, nor any other provision contained herein, nor any acts of the parties hereto creates a relationship other than the relationship of landlord and Lessee.

17.13 Attorney Fees. If litigation is required to interpret or enforce this Agreement, the prevailing party shall be awarded its reasonable attorney's fees, costs and other expenses incurred in addition to any other relief it receives.

17.14 Incorporation of Exhibits. The Exhibits to this Lease are integral parts of this Agreement and Lessee is bound by the terms set forth in them. If through oversight or otherwise, those Exhibits are not attached hereto, it is Lessee's responsibility to obtain copies of those Exhibits from the GJRAA.

17.15 Law and Venue. This Lease shall be interpreted in accordance with the laws of the State of Colorado and applicable federal law. Should either party believe it necessary to file suit to interpret or enforce any provisions of this Agreement, the exclusive venue and jurisdiction for said lawsuit shall be in the Mesa County, Colorado, or if federal court jurisdiction would be appropriate, then in the United States District Court for the District of Colorado.

17.16 All Terms Material. Covenants and agreements herein which would ordinarily be considered to be material shall be so considered herein. In addition, the parties recognize the special and unique nature of Airport operations; that the GJRAA operates the Airport under agreements with other government entities, pursuant to numerous laws, regulations and ordinances, and in furtherance of the public need, health and safety; each term, covenant and/or agreement, the breach of which by Lessee might materially adversely affect any such aspect of the GJRAA's operation of the Airport, shall also be deemed material, and any default in any such term, covenant and/or agreement shall be deemed to be a default in the Lease.

17.17 Right of Appeal. Whenever the Airport Manager is authorized by this Lease to make discretionary decisions affecting Lessee, or the Airport Manager is authorized by the GJRAA to make discretionary decisions hereunder, the Lessee shall be entitled to appeal such decision to the Board of the GJRAA. Any such appeal shall be in writing, shall be filed with the GJRAA within thirty (30) days of the complained of decision, shall clearly state each basis for appeal, and shall include copies of any documents upon which the appeal is based. The pendency of an appeal shall not relieve the Lessee from compliance with the decision of the Airport Manager. The taking of such an appeal shall be a condition precedent to the filing of any action by Lessee to enforce or interpret this Lease.

17.18 Limitation of Benefit. This Lease does not create in or bestow upon any other person or entity not a party to this Lease any right, privilege or benefit unless expressly provided in this Lease. This Lease does not in any way represent, nor should it be deemed to imply, any standard of conduct to which the parties expect to conform their operations in relation to any person or entity not a party.

17.19 Non-Exclusive Right. Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended. The GJRAA reserves the right to grant to others the privilege and right of conducting any aeronautical or non-aeronautical activity at the Airport. The GJRAA reserves the right, during the term hereof, to reduce and reallocate space leased for the exclusive use of Lessee in any case where the failure to do so might reasonably constitute the granting by the GJRAA to Lessee of such an exclusive right.

Done and entered into on the date first above written.

**GRAND JUNCTION REGIONAL AIRPORT
AUTHORITY**

Dated: _____

By: _____

Its: _____

LESSEE:

Dated: _____

By: _____

Its: _____

EXHIBIT A

Description of the Premises

EXHIBIT B

Survey Including Common and Particular Description of the Premises

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC: 2019 Officer & Committee Appointments

PURPOSE: Information Guidance Decision

RECCOMENDATION: None

SUMMARY:

OFFICERS:

Section 4.2 of the Board's Bylaws

The Chairman and Vice Chairman shall be elected from the members of the Board at the first regular meeting in January of each calendar year, and they shall hold office until their successors have been duly elected. The Board shall appoint a Clerk and Treasurer, and it may appoint a Deputy Clerk and Deputy Treasurer. The Clerk, Treasurer, Deputy Clerk and/or Deputy Treasurer need not be members of the Board, and such positions shall continue in office at the pleasure of the Board.

Current positions held:

Position	Currently Held by:
Chairman	Tom Benton
Vice Chairman	Chuck McDaniel
Treasurer	Vacant
Clerk	Victoria Hightower
Deputy Clerk	Chance Ballegeer

COMMITTEES:

Section 4.5 of the Board's Bylaws:

The Chairman must appoint a Finance and Audit Committee and a Compliance Committee to oversee the auditing, finances, and compliance of the Grand Junction Regional Airport at the first regular meeting in January of each calendar year. The Chairman may also create and appoint any other Ad Hoc Committees from time to time to address specific concerns of the Authority. Committees may be composed of Directors and/or non-Directors as the Board deems advisable. All committees shall report directly to the Board.

Current positions held:

Finance and Audit Committee

Position	Currently Held by:
Commissioner	Tom Benton
Commissioner	Clay Tufly
Member	Drew Armstrong
Member	Steve Hovland

Compliance Committee

Position	Currently Held by:
Commissioner	Chuck McDaniel
Commissioner	Earling Brabaek
Staff	Mark Papko

Building Committee

Position	Currently Held by:
Commissioner	Rick Taggart
Commissioner	Thaddeus Shrader
Staff	Eric Trinklein

REVIEWED BY: Executive Director and Legal Counsel

FISCAL IMPACT: None.

ATTACHMENTS: None.

STAFF CONTACT: Sarah Menge, Finance Director
970-248-8581
smenge@gairport.com

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Resolution No. 2019-002: Revised Resolution Concerning Execution of Documents Pertaining to Bank Accounts
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board adopt resolution No. 2019-002: Revised Resolution Concerning Execution of Documents Pertaining to Bank Accounts.
SUMMARY:	The banking resolution will be adopted annually to reflect the current Chairman and Vice Chairman. No other changes have been made to the resolution since it's last update to increase the level requiring dual signatures.
REVIEWED BY:	Executive Director and Legal Counsel
FISCAL IMPACT:	None
ATTACHMENTS:	Resolution No. 2019-002:
STAFF CONTACT:	Sarah Menge, Finance Director Email: smenge@gairport.com Office: 970-248-8581

Resolution No. 2019-002
Of the
GRAND JUNCTION REGIONAL AIRPORT AUTHORITY
A Resolution Concerning
Execution of Documents Pertaining to Bank Accounts

WHEREAS, the Board of Grand Junction Regional Airport Authority (“the Board”) desires to authorize the deposit of Authority funds, and funds due to the Authority, into Authority accounts in eligible financial institutions in Mesa County which have been designated by the Board as meeting the requirements for deposit of Authority monies under appropriate federal and Colorado laws; and

WHEREAS, the Board desires to authorize the Board Chairman, Vice Chairman, Executive Director, Director of Planning and Development or Director of Finance to transfer funds between Authority accounts within the same Authority Board-designated financial institution; and

WHEREAS, The Board desires to authorize the Chairman, Vice Chairman, Executive Director or Director of Planning and Development as designated below, to **execute with only one (1) signature any and all (A) bank documents, checks and other instruments of withdrawal in the sum of less than \$10,000, and (B) any payroll and payroll related expenditures, including but is not limited to, payments for tax withholding, payments for retirement and 401(k) contributions and garnishments and sales tax:**

_____	Chairman
_____	Vice Chairman
Angela Padalecki	Executive Director
Eric Trinklein	Director of Planning and Development

Provided, however, that checks or other instruments of withdrawal (**other than payroll and payroll related expenditures including but not limited to payments for tax withholding, payments for retirement and 401(k) contributions, and garnishments and sales tax**) in an amount equal to or greater than **\$10,000 shall have two (2) such signatories, as follows:**

- Chairman; AND/OR
- Vice Chairman; AND
- Executive Director OR
- Director of Planning and Development

AND,

WHEREAS, The Board desires to require three (3) signatories, as follows, **to execute any promissory note or other evidence of indebtedness** at any financial institution:

- Chairman or Vice Chairman; AND
- Executive Director; AND
- One (1) additional Board Commissioner

NOW THEREFORE, IT IS RESOLVED that the Board authorizes the deposit of Authority funds, and funds due to the Authority, into an Authority account in a eligible financial institution in Mesa County which has been designated by the Board as meeting the requirements for deposit of public monies under appropriate federal and Colorado laws; and

IT IS FURTHER RESOLVED, that the Board authorizes the Board Chairman, Vice Chairman, Executive Director, Director of Planning and Development, or Director of Finance to transfer funds between Authority accounts within the same Authority Board-designated financial institution; and

IT IS FURTHER RESOLVED that the Board authorizes the Chairman, Vice Chairman, Executive Director or Director of Planning and Development to execute with one (1) signature **any and all (A) bank documents, checks and other instruments of withdrawal in the sum of less than \$10,000, and (B) all payroll and payroll related expenditures, including but not limited to, payments for tax withholding, payments for retirement and 401(k) contributions, and garnishments and sales tax:**

_____	Chairman
_____	Vice Chairman
_____ Angela Padalecki	Executive Director
_____ Eric Trinklein	Director of Planning and Development

Provided, however, that checks or other instruments of withdrawal (**other than payroll and payroll related expenditures, including but not limited to payments for tax withholding, payments for retirement and 401(k) contributions, garnishments and sales tax**) in an amount equal to or greater than **\$2,000 shall require two (2) such signatures as follows:**

- Chairman; AND/OR
- Vice Chairman; AND
- Executive Director; OR
- Director of Planning and Development

AND,

IT IS FURTHER RESOLVED that the Board requires three (3) signatures, as follows, **to execute any promissory note or other evidence of indebtedness** at any financial institution:

- Chairman or Vice Chairman; AND
- Executive Director; AND
- One (1) additional Board Commissioner

PASSED AND ADOPTED this ____ day of _____, 2019.

Board Members Voting Aye:

Those Voting Nay:

Board Members Voting Aye:	Those Voting Nay:

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	CBP – MOU with GJ Chamber & Design Contracts with FCI and Mead & Hunt
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends approving the Memorandum of Understanding (MOU) with the Grand Junction Chamber of Commerce and entering into design contracts with FCI and Mead & Hunt to be paid for by the GJ Chamber.
SUMMARY:	<p>Staff have had various discussions with members of the Community and the Grand Junction Chamber of Commerce about building a customs boarder patrol (CBP) office at GJRAA with a future goal of establishing a foreign trade zone.</p> <p>In order to determine the cost and feasibility of building the facility, GJRAA and the Chamber would like to enter an MOU where the Chamber will pay for the first phase of a schematic design to determine the financial cost of building such a facility.</p> <p>The design and cost estimates will be determined by FCI and Mead & Hunt and costs for these contracts will be reimbursed by the Chamber.</p>
REVIEWED BY:	Executive Director and Legal Counsel
FISCAL IMPACT:	None to the GJRAA at this time. The design contracts have a combined not-to exceed amount of \$30,000 and under the MOU, the Chamber will reimburse up to \$30,000 for the first phase of a schematic Design.
ATTACHMENTS:	Chamber MOU & Design Contracts with FCI and Mead & Hunt
STAFF CONTACT:	Eric Trinklein, Project Manager 970-248-8597 etrinklein@gjairport.com

**MEMORANDUM OF UNDERSTANDING
BETWEEN GRAND JUNCTION REGIONAL AIRPORT AUTHORITY AND
THE GRAND JUNCTION AREA CHAMBER OF COMMERCE**

This MEMORANDUM OF UNDERSTANDING is made and entered into effective this ___ day of January 2019 between the GRAND JUNCTION REGIONAL AIRPORT AUTHORITY (“GJRAA”) and the GRAND JUNCTION AREA CHAMBER OF COMMERCE(the “Chamber”).

RECITALS

WHEREAS the GJRAA and the Grand Junction Area Chamber of Commerce (together the “Parties”) wish to explore the possibility of siting a U.S. Customs Border Protection General Aviation Facility (“CPB”) at the Grand Junction Regional Airport (the “Airport”); and

WHEREAS in order to explore the possibility of siting a CBP at the Airport it is necessary to undertake Phase One of a Schematic Design Review (Phase One Schematic Design) of the potential office; and

WHEREAS the Chamber wishes to provide the funding to undertake Phase One Schematic Design; and

WHEREAS the GJRAA wishes to manage the process on behalf of the Parties; and

WHEREAS the Parties wish to memorialize their agreement as set forth below.

TERMS & CONDITIONS

The Parties, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged agree as follows:

1. Phase One Schematic Design.

(a) The Chamber shall reimburse the GJRAA for all actual costs incurred in the completion of the Phase One Schematic Design in an amount not to exceed \$30,000. Payment shall be made by the Chamber within fifteen (15) days of invoice submission by GJRAA.

(b) The GJRAA shall manage the process and hire through its procurement process the necessary experts to conduct the Phase One Schematic Design in an amount not to exceed \$30,000.

(c) If the Phase One Schematic Design results in a potential design for a CBP office at the Airport that is financially feasible, the parties agree to negotiate in good faith a separate agreement or memorandum of understanding for the construction of such facility on Airport property.

11. Authority. Each person signing this Agreement, and any addendums or attachments hereto, represents and warrants that said person is fully authorized to enter into and execute this Agreement and to bind the party it represents to the terms and conditions hereof.

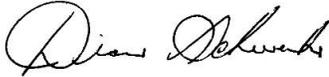
12. Attorneys' Fees. Should this Agreement become the subject of litigation between the GJRAA and the Chamber, the prevailing party shall be entitled to recovery of all actual costs in connection therewith, including but not limited to attorneys' fees and expert witness fees. All rights concerning remedies and/or attorneys' fees shall survive any termination of this Agreement.

13. Agreement Subject to Appropriation. To the extent this Agreement constitutes a multiple fiscal year debt or financial obligation of the GJRAA, it shall be subject to annual appropriation pursuant to Article X, Section 20 of the Colorado Constitution and other relevant statutory authority. The GJRAA shall have no obligation to continue this Agreement in any fiscal year in which no such appropriation is made.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the date first above written.

**GRAND JUNCTION REGIONAL
AIRPORT AUTHORITY**

**GRAND JUNCTION AREA CHAMBER
OF COMMERCE**

By: 

Name: _____

Name: Diane Schwenke

Title: _____

Title: President/CEO

**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY
PROFESSIONAL SERVICES AGREEMENT**

This PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made this ____ day of _____, 20__, by and between the GRAND JUNCTION REGIONAL AIRPORT AUTHORITY, a Colorado statutory authority (the "GJRAA"), and FCI CONSTRUCTORS, INC., (hereinafter "Contractor").

WHEREAS, the GJRAA desires that Contractor perform certain design and planning services for a concept cost estimate for the Customs and Border Protection Offices at the Grand Junction Regional Airport as an independent contractor, in accordance with the provisions of this Agreement; and

WHEREAS, Contractor desires to perform such duties pursuant to the terms and conditions provided for in this Agreement; and

WHEREAS, the parties hereto desire to set forth certain understandings regarding the services in writing.

NOW THEREFORE, in consideration of the promises and covenants contained herein, the parties agree as follows:

1. Services. The GJRAA agrees to retain Contractor to provide consulting services related to a concept cost estimate for the Customs and Border Protection Offices at the Grand Junction Regional Airport. Specifically the Services include the components described on the "Scope of Work" attached hereto as **Exhibit A** and incorporated herein by this reference. Contractor warrants and represents that it has the requisite authority, capacity, experience, and expertise to perform the Services in compliance with the provisions of this Agreement and agrees to perform the Services on the terms and conditions set forth herein.

2. Term. The Services shall commence on _____, 20__, and shall continue pursuant to the components timeline as described in **Exhibit A**. At the conclusion of the Services, Contractor shall provide all deliverables identified in **Exhibit A**. GJRAA shall evaluate the work and decide whether to amend this Agreement to include additional services. Contractor specifically acknowledges that if it has done work outside the scope of this Agreement or not authorized by a written amendment to this Agreement, Contractor does so at its own risk and waives any claim against the GJRAA for compensation for such work.

3. Compensation.

a. Compensation to Contractor for Services pursuant to this Agreement shall not exceed \$5,590.00 including reimbursable expenses to be paid as follows:

b. Payment. GJRAA shall pay Contractor within thirty (30) days of GJRAA reimbursement by the Grand Junction Chamber Association pursuant to the Memorandum of Understanding dated _____ by and between GJRAA and the Chamber.

c. Contractor specifically acknowledges this is a not to exceed Contract and that it is Contractor's responsibility to complete the scope of work for the compensation listed in (a) above.

4. Outside Support Services and Sub-Contractor. Any sub-contractors shall be pre-approved by the GJRAA.

5. Ownership of Instruments of Service. The GJRAA acknowledges the Contractor's work product, including electronic files, as instruments of professional service. Nevertheless, the final work product prepared under this Agreement shall become the property of the GJRAA upon completion of the Services and payment in full of all monies due to the Contractor.

6. Monitoring and Evaluation. The GJRAA reserves the right to monitor and evaluate the progress and performance of Contractor to ensure that the terms of this Agreement are being satisfactorily met in accordance with the GJRAA's and other applicable monitoring and evaluating criteria and standards. Contractor shall cooperate with the GJRAA relating to such monitoring and evaluation.

7. Independent Contractor. The parties agree that the Contractor shall be an independent contractor and shall not be an employee, agent, or servant of the GJRAA. Contractor is not entitled to workers' compensation benefits from the GJRAA and is obligated to pay federal and state income tax on any money earned pursuant to this Agreement.

8. Insurance Requirements. Contractor shall be responsible for its own independent general liability insurance, automobile insurance, worker's compensation, and any other insurance necessary to perform the duties contemplated by this Agreement and shall indemnify and hold harmless the GJRAA from any acts attributable to Contractor's negligence for which the GJRAA may be held liable not covered by the GJRAA's insurance. Contractor shall, if possible, name GJRAA as additional insured.

9. Work By Illegal Aliens Prohibited. This paragraph shall apply to the extent that Contractor's performance of work under this Agreement does not involve the delivery of a specific end product other than reports that are merely incidental to the performance of said work, or information technology services or information technology products and services. Pursuant to Section 8-17.5-101, C.R.S., et. seq., Contractor warrants, represents, acknowledges, and agrees that:

a. Contractor does not knowingly employ or contract with an illegal alien.

b. Contractor shall not knowingly employ or contract with an illegal alien to perform works or enter into a contract with a subcontractor that fails to verify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement.

c. Contractor has participated in or attempted to participate in the basic pilot employment verification program created in Public Law 208, 104th Congress, as amended, and expanded in Public Law 156, 108th Congress, as amended, administered by the Department of Homeland Security (hereinafter, "E-Verify") in order to verify that

Contractor does not employ illegal aliens. If Contractor is not accepted into E-Verify prior to entering into this Agreement, Contractor shall forthwith apply to participate in E-Verify and shall submit to the GJRAA written verification of such application within five (5) days of the date of this Agreement. Contractor shall continue to apply to participate in E-Verify and shall certify such application to the GJRAA in writing, every three (3) months until Contractor is accepted or this Agreement is completed, whichever occurs first. This Paragraph 9 shall be null and void if E-Verify is discontinued.

d. Contractor shall not use E-Verify procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

e. If Contractor obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an illegal alien, Contractor shall be required to:

(i) notify the subcontractor and the GJRAA within three (3) days that Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(ii) terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required pursuant to this subparagraph the subcontractor does not stop employing or contracting with the illegal alien; except that Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

f. Contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking pursuant to the authority established in subsection 8-17.5-102(5), C.R.S.

g. If Contractor violates this Paragraph, the GJRAA may terminate this Agreement for breach of contract. If this Agreement is so terminated, Contractor shall be liable for actual and consequential damages to the GJRAA arising out of said violation.

10. Indemnification. Contractor hereby covenants and agrees to indemnify, save, and hold harmless the GJRAA, its officers, employees, and agents from any and all liability, loss, costs, charges, obligations, expenses, attorneys' fees, litigation, judgments, damages, claims, and demands of any kind whatsoever arising from or out of any negligent act or omission or other tortious conduct of Contractor, its officers, employees, or agents in the performance or nonperformance of its obligations under this Agreement.

11. Termination.

a. Generally.

(i) The GJRAA may terminate this Agreement without cause if it determines that such termination is in the GJRAA's best interest. The GJRAA shall

effect such termination by giving written notice of termination to Contractor, specifying the effective date of termination, at least fifteen (15) calendar days prior to the effective date of termination. In the event of such termination by the GJRAA, the GJRAA shall be liable to pay Contractor for Services performed as of the effective date of termination, but shall not be liable to Contractor for anticipated profits. Contractor shall not perform any additional Services following receipt of the notice of termination unless otherwise instructed in writing by the GJRAA.

(ii) Contractor may terminate this Agreement without cause if it determines that such termination is in Contractor's best interest. Contractor shall effect such termination by giving written notice of termination to the GJRAA, specifying the effective date of termination, at least fifteen (15) calendar days prior to the effective date of termination.

b. For Cause. If, through any cause, Contractor fails to fulfill its obligations under this Agreement in a timely and proper manner, violates any provision of this Agreement, or violates any applicable law, and does not commence correction of such nonperformance or violation within seven (7) calendar days of receipt of written notice and diligently complete the correction thereafter, the GJRAA shall have the right to terminate this Agreement for cause immediately upon written notice of termination to Contractor. Contractor shall not perform any additional Services following receipt of the notice of termination.

12. Responsibilities. The Contractor shall be responsible for all damages to persons or property caused by the Contractor, its agents, employees or sub-Contractors, to the extent caused by its negligent acts, errors and omissions hereunder, and shall indemnify and hold harmless the GJRAA from any claims or actions brought against Contractor by reason thereof.

13. Entire Agreement. This Agreement, along with any addendums and attachments hereto, constitutes the entire agreement between the parties. The provisions of this Agreement may be amended at any time by the mutual consent of both parties. The parties shall not be bound by any other agreements, either written or oral, except as set forth in this Agreement.

14. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Garfield, State of Colorado.

15. Governmental Immunity Act. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, et seq.

16. Assignability. Contractor shall not assign this Agreement without the GJRAA's prior written consent.

17. Binding Effect. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors, and assigns.

18. Survival Clause. The “Indemnification” provision set forth in this Agreement shall survive the completion of the Services and the satisfaction, expiration, or termination of this Agreement.

19. Severability. In the event a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

20. Headings. Paragraph headings used in this Agreement are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this Agreement.

21. Notices. Written notices required under this Agreement and all other correspondence between the parties shall be directed to the following and shall be deemed received when hand-delivered or three (3) days after being sent by certified mail, return receipt requested:

If to the GJRAA: Grand Junction Regional Airport Authority
2828 Walker Field Drive
Grand Junction, CO 81506

If to Contractor: FCI Constructors, Inc
P.O. Box 1767
Grand Junction, CO 81506

22. Authority. Each person signing this Agreement, and any addendums or attachments hereto, represents and warrants that said person is fully authorized to enter into and execute this Agreement and to bind the party it represents to the terms and conditions hereof.

23. Attorneys’ Fees. Should this Agreement become the subject of litigation between the GJRAA and Contractor, the prevailing party shall be entitled to recovery of all actual costs in connection therewith, including but not limited to attorneys’ fees and expert witness fees. All rights concerning remedies and/or attorneys’ fees shall survive any termination of this Agreement.

24. Agreement Subject to Appropriation. To the extent this Agreement constitutes a multiple fiscal year debt or financial obligation of the GJRAA, it shall be subject to annual appropriation pursuant to Article X, Section 20 of the Colorado Constitution and other relevant statutory authority. The GJRAA shall have no obligation to continue this Agreement in any fiscal year in which no such appropriation is made.

IN WITNESS WHEREOF, the parties have executed this Professional Services Agreement as of the date first above written.

[Remainder of page intentionally left blank]

**GRAND JUNCTION REGIONAL
AIRPORT AUTHORITY**

FCI CONSTRUCTORS, INC

By: _____

By: Ed Forsman

Name: _____

Name: Ed FORSMAN

Title: _____

Title: President

GRAND JUNCTION REGIONAL AIRPORT - CBP CONCEPT ESTIMATE



FCI Preconstruction Proposal

PO Box 1767

Grand Junction, CO 81506

Date

11/28/2018

SCOPE: Produce a conceptual cost estimate for the proposed Customs and Boarder Protection offices located at the Grand Junction Regional Airport. Mead & Hunt will provide scope narrative and preliminary drawings for development of budget. Work to begin as soon as information is received to produce the estimate and acceptance of this proposal is provided.

CONCEPT ESTIMATE

FCI Project Number TBD

	HOURS	RATE / HR	TOTAL
PREPARE CONCEPT COST ESTIMATE			
Project Manager	10	\$ 89.56	\$ 896
Preconstruction Manager	40	\$ 99.13	\$ 3,965
Fee		15%	\$ 729
TOTAL PRECONSTRUCTION COSTS			\$ 5,590



**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY
PROFESSIONAL SERVICES AGREEMENT**

This PROFESSIONAL SERVICES AGREEMENT (hereinafter “Agreement”) is made this 8th day of January, 2019, by and between the GRAND JUNCTION REGIONAL AIRPORT AUTHORITY, a Colorado statutory authority (the “GJRAA”), and MEAD & HUNT ARCHITECTURE, INC., (hereinafter “Consultant”).

WHEREAS, the GJRAA desires that Contractor perform certain design and planning services for the US Customs and Border Protection General Aviation Facility and Elevated Pedestrian Walkway at the Grand Junction Regional Airport as an independent contractor, in accordance with the provisions of this Agreement; and

WHEREAS, Consultant desires to perform such duties pursuant to the terms and conditions provided for in this Agreement; and

WHEREAS, the parties hereto desire to set forth certain understandings regarding the services in writing.

NOW THEREFORE, in consideration of the promises and covenants contained herein, the parties agree as follows:

1. Services. The GJRAA agrees to retain Consultant to provide consulting services related to the US Customs and Border Protection General Aviation Facility and Elevated Pedestrian Walkway at the Grand Junction Regional Airport. Specifically the Services include the components described on the “Scope of Work” attached hereto as **Exhibit A** and incorporated herein by this reference. Consultant ~~warrants and~~ represents in providing services under this Agreement, the Consultant shall perform in a manner consistent with and limited to that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. Consultant also represents to perform the Services in compliance with the provisions of this Agreement and agrees to perform the Services on the terms and conditions set forth herein.

2. Term. The Services shall commence on January 15, 2019, and shall continue pursuant to the components timeline as described in **Exhibit A**. At the conclusion of the Services, Consultant shall provide all deliverables identified in **Exhibit A**. GJRAA shall evaluate the work and decide whether to amend this Agreement to include additional services. Consultant specifically acknowledges that if it has done work outside the scope of this Agreement or not authorized by a written amendment to this Agreement, Consultant does so at its own risk and waives any claim against the GJRAA for compensation for such work.

3. Compensation.

a. Compensation to Consultant for Services pursuant to this Agreement shall not exceed \$23,870.00 including reimbursable expenses to be paid as follows:

b. Payment. GJRAA shall pay Consultant within thirty (30) days of GJRAA reimbursement by the Grand Junction Chamber Association pursuant to the Memorandum of Understanding dated January 15, 2019 by and between GJRAA and the Chamber.

c. Consultant specifically acknowledges this is a not to exceed Contract and that it is Consultant's responsibility to complete the scope of work for the compensation listed in (a) above.

4. Outside Support Services and Sub-Contractor. Any sub-contractors shall be pre-approved by the GJRAA.

5. Ownership of Instruments of Service. The GJRAA acknowledges the Consultant's work product, including electronic files, as instruments of professional service. Nevertheless, the final work product prepared under this Agreement shall become the property of the GJRAA upon completion of the Services and payment in full of all monies due to the Consultant.

6. Monitoring and Evaluation. The GJRAA reserves the right to monitor and evaluate the progress and performance of Consultant to ensure that the terms of this Agreement are being satisfactorily met in accordance with the GJRAA's and other applicable monitoring and evaluating criteria and standards. Contractor shall cooperate with the GJRAA relating to such monitoring and evaluation.

7. Independent Contractor. The parties agree that the Consultant shall be an independent contractor and shall not be an employee, agent, or servant of the GJRAA. Consultant is not entitled to workers' compensation benefits from the GJRAA and is obligated to pay federal and state income tax on any money earned pursuant to this Agreement.

8. Insurance Requirements. Consultant shall be responsible for its own independent general liability insurance, automobile insurance, worker's compensation, and any other insurance necessary to perform the duties contemplated by this Agreement and shall indemnify and hold harmless the GJRAA from acts attributable to Consultant's negligence for which the GJRAA may be held liable not covered by the GJRAA's insurance. Contractor shall, if possible, name GJRAA as additional insured.

9. Work By Illegal Aliens Prohibited. This paragraph shall apply to the extent that Consultant's performance of work under this Agreement does not involve the delivery of a specific end product other than reports that are merely incidental to the performance of said work, or information technology services or information technology products and services. Pursuant to Section 8-17.5-101, C.R.S., et. seq., Consultant represents, acknowledges, and agrees that:

a. Consultant does not knowingly employ or contract with an illegal alien.

b. Consultant shall not knowingly employ or contract with an illegal alien to perform works or enter into a contract with a subcontractor that fails to verify to Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement.

c. Consultant has participated in or attempted to participate in the basic pilot employment verification program created in Public Law 208, 104th Congress, as amended, and expanded in Public Law 156, 108th Congress, as amended, administered by the Department of Homeland Security (hereinafter, "E-Verify") in order to verify that Consultant does not employ illegal aliens. If Consultant is not accepted into E-Verify prior to entering into this Agreement, Consultant shall forthwith apply to participate in E-Verify and shall submit to the GJRAA written verification of such application within five (5) days of the date of this Agreement. Consultant shall continue to apply to participate in E-Verify and shall certify such application to the GJRAA in writing, every three (3) months until Consultant is accepted or this Agreement is completed, whichever occurs first. This Paragraph 9 shall be null and void if E-Verify is discontinued.

d. Consultant shall not use E-Verify procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

e. If Consultant obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an illegal alien, Consultant shall be required to:

(i) notify the subcontractor and the GJRAA within three (3) days that Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(ii) terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required pursuant to this subparagraph the subcontractor does not stop employing or contracting with the illegal alien; except that Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

f. Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking pursuant to the authority established in subsection 8-17.5-102(5), C.R.S.

g. If Consultant violates this Paragraph, the GJRAA may terminate this Agreement for breach of contract. If this Agreement is so terminated, Consultant shall be liable for actual and consequential damages to the GJRAA arising out of said violation.

10. Indemnification. Consultant hereby covenants and agrees to indemnify, save, and hold harmless the GJRAA, its officers, and employees from liability, loss, costs, charges, obligations, expenses, reasonable attorneys' fees, litigation, judgments, direct damages, claims, and demands to the extent caused by the Consultant's willful misconduct or negligent acts, errors or omissions, its officers, or employees in the performance or nonperformance of its obligations under this Agreement.

11. Termination.

a. Generally.

(i) The GJRAA may terminate this Agreement without cause if it determines that such termination is in the GJRAA's best interest. The GJRAA shall effect such termination by giving written notice of termination to Contractor, specifying the effective date of termination, at least fifteen (15) calendar days prior to the effective date of termination. In the event of such termination by the GJRAA, the GJRAA shall be liable to pay Consultant for Services performed as of the effective date of termination, but shall not be liable to Consultant for anticipated profits. Consultant shall not perform any additional Services following receipt of the notice of termination unless otherwise instructed in writing by the GJRAA.

(ii) Consultant may terminate this Agreement without cause if it determines that such termination is in Consultant's best interest. Consultant shall effect such termination by giving written notice of termination to the GJRAA, specifying the effective date of termination, at least fifteen (15) calendar days prior to the effective date of termination.

b. For Cause. If, through any cause, Consultant fails to fulfill its obligations under this Agreement in a timely and proper manner, violates any provision of this Agreement, or violates any applicable law, and does not commence correction of such nonperformance or violation within seven (7) calendar days of receipt of written notice and diligently complete the correction thereafter, the GJRAA shall have the right to terminate this Agreement for cause immediately upon written notice of termination to Consultant. Consultant shall not perform any additional Services following receipt of the notice of termination.

12. Responsibilities. The Consultant shall be responsible for all damages to persons or property caused by the Consultant, its employees or sub-Contractors, to the extent caused by its negligent acts, errors and omissions hereunder, and shall indemnify and hold harmless the GJRAA from any claims or actions brought against Consultant by reason thereof.

13. Entire Agreement. This Agreement, along with any addendums and attachments hereto, constitutes the entire agreement between the parties. The provisions of this Agreement may be amended at any time by the mutual consent of both parties. The parties shall not be bound by any other agreements, either written or oral, except as set forth in this Agreement.

14. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Garfield, State of Colorado.

15. Governmental Immunity Act. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, et seq.

16. Assignability. Contractor shall not assign this Agreement without the GJRAA's prior written consent.

17. Binding Effect. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors, and assigns.

18. Survival Clause. The "Indemnification" provision set forth in this Agreement shall survive the completion of the Services and the satisfaction, expiration, or termination of this Agreement.

19. Severability. In the event a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

20. Headings. Paragraph headings used in this Agreement are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this Agreement.

21. Notices. Written notices required under this Agreement and all other correspondence between the parties shall be directed to the following and shall be deemed received when hand-delivered or three (3) days after being sent by certified mail, return receipt requested:

If to the GJRAA: Grand Junction Regional Airport Authority
2828 Walker Field Drive
Grand Junction, CO 81506

If to Contractor: M & H Architecture, Inc.
1743 Wazee Street, Suite 400
Denver, Colorado 80202

22. Authority. Each person signing this Agreement, and any addendums or attachments hereto, represents that said person is fully authorized to enter into and execute this Agreement and to bind the party it represents to the terms and conditions hereof.

23. Attorneys' Fees. Should this Agreement become the subject of litigation between the GJRAA and Contractor, the prevailing party shall be entitled to recovery of all actual costs in connection therewith, including but not limited to attorneys' fees and expert witness fees. All rights concerning remedies and/or attorneys' fees shall survive any termination of this Agreement.

24. Agreement Subject to Appropriation. To the extent this Agreement constitutes a multiple fiscal year debt or financial obligation of the GJRAA, it shall be subject to annual appropriation pursuant to Article X, Section 20 of the Colorado Constitution and other relevant statutory authority. The GJRAA shall have no obligation to continue this Agreement in any fiscal year in which no such appropriation is made.

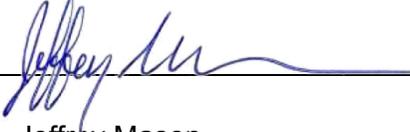
IN WITNESS WHEREOF, the parties have executed this Professional Services Agreement as of the date first above written.

[Remainder of page intentionally left blank]

**GRAND JUNCTION REGIONAL
AIRPORT AUTHORITY**

MEAD & HUNT ARCHITECTURE, INC

By: _____

By:  _____

Name: _____

Name: Jeffrey Mason

Title: _____

Title: Vice President

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Airline Rates and Charges – Delegate authority to the Finance and Audit committee to approve proposed financial terms in the leases
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the authority to approve the business terms of the new airline rates and charges agreements be delegated to the Finance and Audit Committee.
SUMMARY:	<p>The Airport staff have been working with DKMG to establish a new rates and charges model for the airlines terminal rent and landing fee and to update the existing leases.</p> <p>The finance and audit committee have been briefed on the models prepared by DKMG and the primary financial terms of the contract (maximum annual increase limits, non-airline revenue treatment, etc.).</p> <p>We have received positive feedback from the airlines and are confident that we can start negotiating lease terms in the coming month.</p> <p>Staff encourages any board member to contact us with additional questions on the rates and charges models proposed by the consultants, but we believe it would be most effective and efficient to have the finance committee approve the financial terms due to the complexity of the models.</p>
REVIEWED BY:	Executive Director and Legal Counsel
FISCAL IMPACT:	<p>Budget: Operating <input type="checkbox"/> Capital <input type="checkbox"/></p> <p>Actual increases to airline revenues are dependent on the final approved rates.</p> <p>Based on an average enplanement growth of 1.8% and an increase in landed weight of less than 1% per year, we expect that the proposed model will generate over \$3M of additional airline revenue by 2025.</p>
ATTACHMENTS:	Annual Projected Airline Revenue Comparison
STAFF CONTACT:	Sarah Menge Office: 970.248.8581 Email: smenge@gjairport.com

**Grand Junction Regional Airport Authority
Financial Model**

Annual Projected Airline Revenue Comparison

	Forecast							Cumulative
	2019	2020	2021	2022	2023	2024	2025	
Total airline revenue - Proposed Rates								
Terminal rent	\$1,245,130	\$1,268,864	\$1,293,947	\$1,317,197	\$1,337,502	\$1,356,054	\$1,380,374	\$10,371,904
Passenger airline Landing Fees	583,073	672,884	775,358	893,116	1,031,252	1,109,449	1,172,485	6,744,643
Cargo landing fees	105,684	121,962	140,536	161,880	186,918	201,091	212,517	1,130,588
	<u>\$1,933,887</u>	<u>\$2,063,710</u>	<u>\$2,209,842</u>	<u>\$2,372,193</u>	<u>\$2,555,671</u>	<u>\$2,666,594</u>	<u>\$2,765,376</u>	<u>\$18,247,135</u>
Total passenger airline revenue - Existing Rates								
Terminal rent	\$1,285,737	\$1,285,737	\$1,285,737	\$1,285,737	\$1,285,737	\$1,285,737	\$1,285,737	\$10,172,994
Passenger airline Landing Fees	507,025	508,802	509,815	510,646	512,718	515,814	519,081	4,090,926
Cargo landing fees	91,900	92,222	92,406	92,556	92,932	93,493	94,085	649,593
	<u>\$1,884,662</u>	<u>\$1,886,760</u>	<u>\$1,887,957</u>	<u>\$1,888,939</u>	<u>\$1,891,386</u>	<u>\$1,895,044</u>	<u>\$1,898,903</u>	<u>\$14,913,514</u>
Projected Annual Increase	<u>\$49,226</u>	<u>\$176,950</u>	<u>\$321,885</u>	<u>\$483,254</u>	<u>\$664,285</u>	<u>\$771,550</u>	<u>\$866,472</u>	<u>\$3,333,621</u>

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	State Statute Updates
PURPOSE:	Information <input type="checkbox"/> Guidance <input checked="" type="checkbox"/> Decision <input type="checkbox"/>
RECOMMENDATION:	Discuss desired updates to the state statute governing airport authorities
SUMMARY:	<p>Colorado Revised Statute Title 41 Article 3 outlines Public Airport Authority Law. Grand Junction Regional Airport is one of four airport authorities in the state of Colorado. The airport managers of the four authorities will meet at the end of January to discuss desired updates to the state statute. Below is a summary of staff's recommendation for objectives to the state statute update. These also include input from Vice-Chair McDaniel.</p> <ul style="list-style-type: none">• Eliminate conflicts and redundancy with other state statutes• Bring current approval limits and procurement in line with best practices• Cleanup, clarify, and simplify<ul style="list-style-type: none">○ Clarify that in procurements where federal funding is used the funding source rules control if there is a conflict with the state statute (e.g. FAA grant assurances)○ Clarify quorum requirements○ Minimize need for future statute updates, including pointing to applicable state statutes that are routinely updated where possible
REVIEWED BY:	Executive Director and Legal Counsel
FISCAL IMPACT:	None
ATTACHMENTS:	CRS 2016 Title 41
STAFF CONTACT:	Angela Padalecki, Executive Director Office: 970.248.8588 Email: apadalecki@gairport.com

Colorado Revised Statutes 2016

TITLE 41

AERONAUTICS: AIRCRAFT AND AIRPORTS

AIRCRAFT

ARTICLE 1

Aeronautics Act of 1937

41-1-101. Short title. This article shall be known and may be cited as the "Aeronautics Act of 1937".

41-1-102. Interpretation. This article shall be so interpreted and construed as to effect its general purpose and to make uniform the law of those states which enact it and to harmonize, as far as possible, with federal laws and regulations on the subject of aeronautics.

41-1-103. Navigation of aircraft. The public safety requiring and the advantages of uniform regulation making it desirable in the interest of aeronautical progress that aircraft operating within this state should conform with respect to design, construction, and airworthiness to the standards prescribed by the United States government with respect to navigation of aircraft subject to its jurisdiction, it is unlawful for any person to navigate an aircraft within the state unless it is licensed and registered by the department of commerce of the United States in the manner prescribed by the lawful rules and regulations of the United States government then in force.

41-1-104. License for navigation. The public safety requiring and the advantages of uniform regulations making it desirable in the interest of aeronautical progress that a person engaging within this state in navigating aircraft designated in section 41-1-103 in any form of navigation for which license to operate such aircraft would be required by the United States government shall have the qualifications necessary for obtaining and holding the class of license required by the United States government. It is unlawful for any person to engage in operating such aircraft within this state in any form of navigation unless he has such a license.

41-1-105. Display of license. The certificate of the license shall be kept in the personal possession of the licensee when he is operating aircraft within this state, and must be presented for inspection upon the demand of any passenger, any official of the United States department of commerce, any peace officer of this state, or any official, manager, or person in charge of any airport or landing field in this state upon which he lands.

41-1-106. Sovereignty in space in state. Sovereignty in the space above the lands and waters of this state is declared to rest in the state, except where assumed by United States law.

41-1-107. Ownership of space. The ownership of space above the lands and waters of this state is declared to be vested in the several owners of the surface beneath, subject to the right of flight of aircraft.

41-1-108. Penalty for violation. Any person who violates any provision of this article is guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than five hundred dollars, or by imprisonment in the county jail for not more than six months, or by both such fine and imprisonment.

ARTICLE 2

Operating an Aircraft under the Influence of Alcohol or Drugs

41-2-101. Definitions. As used in this article, unless the context otherwise requires:

(1) "Aircraft" means any vehicle used or designed for carrying any person, persons, or freight and used or designed for aviation or flight in the air in control of a crew member, whether it is or is not a certificated vehicle under the rules of the federal aviation administration, and the federal department of transportation, or its successor.

(2) "Controls" means the wheel, yoke, stick, cyclic, collective, throttle, mixture, propeller, lever, switch, gage, circuit breaker, doors, emergency exits, or any other thing that pertains to the safe operation of an aircraft.

(3) "Crewmember" means any person assigned to perform any duty in an aircraft during flight time.

(4) "Flight time" means any time from the moment an aircraft is occupied and in control.

(5) "Operating an aircraft" means being in actual physical control or having immediate access to the controls of an aircraft, or being involved in the safe operation of any part of an aircraft as a crewmember.

41-2-102. Operating an aircraft under the influence - operating an aircraft with excessive alcohol content - tests - penalties - useful public service program. (1) (a) It is a misdemeanor for any person who is under the influence of alcohol or one or more drugs, or a combination of both alcohol and one or more drugs, to operate any aircraft in this state.

(b) It is a misdemeanor for any person who is an habitual user of any controlled substance, as defined in section 18-18-102 (5), C.R.S., to operate any aircraft in this state.

(c) For the purposes of this subsection (1), "one or more drugs" shall mean all substances defined as a drug in section 27-80-203 (13), C.R.S., and all controlled substances, as defined in section 18-18-102 (5), C.R.S.

(d) The fact that any person charged with a violation of this subsection (1) is or has been entitled to use one or more drugs under the laws of this state shall not constitute a defense against any charge of violating this subsection (1).

(e) "Operating an aircraft under the influence" means operating an aircraft when a person has consumed alcohol or one or more drugs, or a combination of alcohol and one or more drugs, which alcohol alone, or one or more drugs alone, or alcohol combined with one or more drugs affects him to a degree that he is substantially incapable, either mentally or physically, or both mentally and physically, to exercise clear judgment, sufficient physical control, or due care in the safe operation of an aircraft.

(f) Pursuant to section 16-2-106, C.R.S., in charging a violation of paragraph (a) of this subsection (1), it shall be sufficient to describe the offense charged as "operated an aircraft under the influence of alcohol or drugs or both".

(2) (a) It is a misdemeanor for any person to operate any aircraft in this state when the amount of alcohol in such person's blood, as shown by analysis of the person's blood or breath, is 0.04 or more grams of alcohol per hundred milliliters of blood or 0.04 or more grams of alcohol per two hundred ten liters of breath at the time of operating an aircraft or within two hours after such operation. During a trial, if the state's evidence raises the issue, or if a defendant presents some credible evidence, that he consumed alcohol between the time that he stopped operating an aircraft and the time that testing occurred, such issue shall be an affirmative defense, and the prosecution must establish beyond a reasonable doubt that the minimum 0.04 blood or breath alcohol content required in this paragraph (a) was reached as a result of alcohol consumed by the defendant before he stopped operating an aircraft.

(b) In any prosecution for a violation of this subsection (2), the defendant shall be entitled to offer direct and circumstantial evidence to show that there is a disparity between what the tests show and other facts so that the trier of fact could infer that the tests were in some way defective or inaccurate. Such evidence may include testimony of nonexpert witnesses relating to the absence of any or all of the common symptoms or signs of intoxication for the purpose of impeachment of the accuracy of the analysis of the person's blood or breath.

(c) Pursuant to section 16-2-106, C.R.S., in charging a violation of this subsection (2), it

shall be sufficient to describe the offense charged as "operated an aircraft with excessive alcohol content".

(3) Notwithstanding the provisions of section 18-1-408, C.R.S., during a trial of any person accused of violating subsection (1) and subsection (2) of this section, the court shall not require the prosecution to elect between the two violations. The court or a jury may consider and convict the person of a violation of either subsection (1) or subsection (2), or both subsection (1) and subsection (2) of this section. If the person is convicted of more than one violation, the sentences imposed shall run concurrently.

(4) (a) In any prosecution for a violation of subsection (1) of this section, the amount of alcohol in the defendant's blood or breath at the time of the commission of the alleged offense or within a reasonable time thereafter, as shown by analysis of the defendant's blood or breath, shall give rise to the presumption that the defendant was under the influence of alcohol if:

(I) There was at such time 0.04 or more grams of alcohol per one hundred milliliters of blood as shown by analysis of such person's blood; or

(II) There was at such time 0.04 or more grams of alcohol per two hundred ten liters of breath as shown by analysis of such person's breath.

(b) The limitations of this subsection (4) shall not be construed as limiting the introduction, reception, or consideration of any other competent evidence bearing upon the question of whether or not the defendant was under the influence of alcohol or whether or not his ability to operate an aircraft was impaired by the consumption of alcohol.

(5) Following the lawful contact with a person who has been operating an aircraft, and when a law enforcement officer reasonably suspects that a person was operating an aircraft while under the influence of alcohol, such law enforcement officer may conduct a preliminary screening test using a device approved by the executive director of the department of public health and environment after first advising the operator that the operator may either refuse or agree to provide a sample of the operator's breath for such preliminary test. The results of this preliminary screening test may be used by a law enforcement officer in determining whether probable cause exists to believe such person was operating an aircraft in violation of subsection (1) or (2) of this section and whether to administer a test pursuant to paragraph (a) of subsection (6) of this section. Neither the results of such preliminary screening test nor the fact that the person refused such test shall be used in any court action except in a hearing outside of the presence of a jury, when such hearing is held to determine if a law enforcement officer had probable cause to believe that the operator committed a violation of subsection (1) or (2) of this section. The results of such preliminary screening test shall be made available to the operator or his attorney on request. The preliminary screening test shall not substitute for or qualify as the test or tests required by paragraph (a) of subsection (6) of this section.

(6) (a) (I) On and after July 1, 1990, any person who operates an aircraft anywhere in this state shall be deemed to have expressed his consent to the provisions of this paragraph (a).

(II) Any person who operates an aircraft anywhere in this state shall be required to take and complete, and to cooperate in the taking and completing of, any test or tests of his breath or blood for the purpose of determining the alcoholic content of his blood or breath when so requested and directed by a law enforcement officer having probable cause to believe that the person was operating an aircraft in violation of subsection (1) or (2) of this section. Except as otherwise provided in this section, if such person requests that said test be a blood test, then the test shall be of his blood; but,

if such person requests that a specimen of his blood not be drawn, then a specimen of his breath shall be obtained and tested. If such person elects either a blood test or a breath test, such person shall not be permitted to change such election, and, if such person fails to take and complete, and to cooperate in the completing of, the test elected, such failure shall be deemed to be a refusal to submit to testing. If such person is unable to take, or to complete, or to cooperate in the completing of a breath test because of injuries, illness, disease, physical infirmity, or physical incapacity, or if such person is receiving medical treatment at a location at which a breath testing instrument certified by the department of public health and environment is not available, the test shall be of such person's blood.

(III) Any person who operates an aircraft anywhere in this state shall be required to submit to and to complete, and to cooperate in the completing of, a test or tests of his blood, saliva, and urine for the purpose of determining the drug content within his system when so requested and directed by a law enforcement officer having probable cause to believe that the person was operating an aircraft in violation of subsection (1) of this section and when it is reasonable to require such testing of blood, saliva, and urine to determine whether such person was under the influence of, or impaired by, one or more drugs, or one or more controlled substances, or a combination of both alcohol and one or more drugs, or a combination of both alcohol and one or more controlled substances.

(IV) Any person who is required to take and to complete, and to cooperate in the completing of, any test or tests shall cooperate with the person authorized to obtain specimens of his blood, breath, saliva, or urine, including the signing of any release or consent forms required by any person, hospital, clinic, or association authorized to obtain such specimens. If such person does not cooperate with the person, hospital, clinic, or association authorized to obtain such specimens, including the signing of any release or consent forms, such noncooperation shall be considered a refusal to submit to testing. No law enforcement officer shall physically restrain any person for the purpose of obtaining a specimen of his blood, breath, saliva, or urine for testing except when the officer has probable cause to believe that the person has committed a violation of section 18-3-105, 18-3-106, 18-3-204, 18-3-205, or 18-3-208, C.R.S., and the person is refusing to take or to complete, or to cooperate in the completing of, any test or tests, then, in such event, the law enforcement officer may require a blood test. Evidence acquired through such involuntary blood test shall be admissible in any prosecution for a violation of subsection (1) or (2) of this section and for a violation of section 18-3-105 or 18-3-204, C.R.S.

(b) (I) The tests shall be administered at the direction of a law enforcement officer having probable cause to believe that the person had been operating an aircraft in violation of subsection (1) or (2) of this section and in accordance with rules and regulations prescribed by the state board of health concerning the health of the person being tested and the accuracy of such testing. Strict compliance with such rules and regulations shall not be a prerequisite to the admissibility of test results at trial unless the court finds that the extent of noncompliance with a board of health rule has so impaired the validity and reliability of the testing method and the test results as to render the evidence inadmissible. In all other circumstances, failure to strictly comply with such rules and regulations shall only be considered in the weight to be given to the test results and not to the admissibility of such test results. It shall not be a prerequisite to the admissibility of test results at trial that the prosecution present testimony concerning the composition of any kit used to obtain blood, urine, saliva, or breath specimens. A sufficient evidentiary foundation concerning the

compliance of such kits with the rules and regulations of the department of public health and environment shall be established by the introduction of a copy of the manufacturer's or supplier's certificate of compliance with such rules and regulations if such certificate specifies the contents, sterility, chemical makeup, and amounts of chemicals contained in such kit.

(II) No person except a physician, a registered nurse, an emergency medical service provider, as defined in part 1 of article 3.5 of title 25, C.R.S., and as certified in part 2 of article 3.5 of title 25, C.R.S., or a person whose normal duties include withdrawing blood samples under the supervision of a physician or registered nurse shall withdraw blood to determine the alcoholic or drug content of the blood for purposes of this section. In a trial for a violation of subsection (1) or (2) of this section, the testimony of a law enforcement officer that he or she witnessed the taking of a blood specimen by a person who he or she reasonably believed was authorized to withdraw a blood specimen is sufficient evidence that the person was authorized, and testimony from the person who obtained the blood specimens concerning the person's authorization to obtain blood specimens is not a prerequisite to the admissibility of test results concerning the blood specimen obtained. No civil liability attaches to a person authorized to obtain blood, breath, saliva, or urine specimens or to a hospital, clinic, or association in or for which the specimens are obtained as provided in this subsection (6) as a result of the act of obtaining the specimens from any person submitting thereto if the specimens were obtained according to the rules and regulations of the state board of health; except that this provision shall not relieve the person from liability for negligence in the obtaining of any specimen sample.

(c) Any person who is dead or unconscious shall be tested to determine the alcohol or drug content of his blood or any drug content within his system as provided in this subsection (6). If a test cannot be administered to a person who is unconscious, hospitalized, or undergoing medical treatment because the test would endanger such person's life or health, the law enforcement agency shall be allowed to test any blood, urine, or saliva which was obtained and not utilized by a health care provider and shall have access to that portion of the analysis and results of any tests administered by such provider which shows the alcohol or drug content of the person's blood, urine, or saliva or any drug content within his system. Such test results shall not be considered privileged communications, and the provisions of section 13-90-107, C.R.S., relating to the physician-patient privilege shall not apply. Any person who is dead, in addition to the tests prescribed, shall also have his blood checked for carbon monoxide content and for the presence of drugs, as prescribed by the department of public health and environment. Such information obtained shall be made a part of the accident report.

(d) If a person refuses to take or to complete, or to cooperate with the completing of, any test or tests as provided in this subsection (6) and such person subsequently stands trial for a violation of subsection (1) of this section, the refusal to take or to complete, or to cooperate with the completing of, any test or tests shall be admissible into evidence at the trial, and a person may not claim the privilege against self-incrimination with regard to admission of refusal to take or to complete, or to cooperate with the completing of, any test or tests.

(7) (a) (I) Every person who is convicted of a violation of subsection (1) or subsection (2) of this section shall be punished by imprisonment in the county jail for not less than five days nor more than one year, and, in addition, the court may impose a fine of not less than three hundred dollars nor more than one thousand dollars. Except as provided in subparagraph (II) of paragraph (d)

of this subsection (7), the minimum period of imprisonment provided for such violation shall be mandatory. In addition to any other penalty which is imposed, every person who is convicted of a violation to which this subparagraph (I) applies shall perform not less than forty-eight hours nor more than ninety-six hours of useful public service. The performance of the minimum period of service shall be mandatory, and the court shall have no discretion to suspend the mandatory minimum period of performance of such service.

(II) Upon a conviction of a violation of subsection (1) or subsection (2) of this section, which violation occurred within five years of the date of a previous violation, for which there has been a conviction, of subsection (1) or (2) of this section, the offender shall be punished by imprisonment in the county jail for not less than ninety days nor more than one year, and, in addition, the court may impose a fine of not less than five hundred dollars nor more than one thousand five hundred dollars. The minimum period of imprisonment as provided for such violation shall be mandatory, but the court may suspend up to eighty-three days of the period of imprisonment if the offender complies with the provisions of subparagraph (I) of paragraph (d) of this subsection (7). In addition to any other penalty which is imposed, every person who is convicted of a violation to which this subparagraph (II) applies shall perform not less than sixty hours nor more than one hundred twenty hours of useful public service. The performance of the minimum period of service shall be mandatory, and the court shall have no discretion to suspend the mandatory minimum period of performance of such service.

(b) The provisions of this subsection (7) relating to the performance of useful public service are also applicable to any defendant who receives a diversion in accordance with section 18-1.3-101, C.R.S., or who receives a deferred sentence in accordance with section 18-1.3-102, C.R.S., and the completion of any stipulated amount of useful public service hours to be completed by the defendant shall be ordered by the court in accordance with the conditions of such deferred prosecution or deferred sentence as stipulated to by the prosecution and the defendant.

(c) For the purposes of paragraph (a) of this subsection (7), a person shall be deemed to have a previous conviction of subsection (1) or (2) of this section if such person has been convicted of an act under the laws of any other state, the United States, or any territory subject to the jurisdiction of the United States which, if committed within this state, would be a violation of subsection (1) or (2) of this section.

(d) (I) Upon conviction of a violation of subsection (1) or (2) of this section, the court shall sentence the defendant in accordance with the provisions of paragraph (a) of this subsection (7). The court shall consider the alcohol and drug evaluation required pursuant to subsection (8) of this section prior to sentencing; except that the court may proceed to immediate sentencing without considering such alcohol and drug evaluation if the defendant has no prior or pending charges under this section and neither the defendant nor the prosecuting attorney objects. If the court proceeds to immediate sentencing, without considering such alcohol and drug evaluation, such alcohol and drug evaluation shall be conducted after sentencing, and the court shall order the defendant to complete the education and treatment program recommended in such alcohol and drug evaluation. If the defendant disagrees with the education and treatment program recommended in such alcohol and drug evaluation, he may request the court to hold a hearing to determine which education and treatment program should be completed by the defendant.

(II) For sentencing purposes concerning convictions for second and subsequent offenses,

prima facie proof of a defendant's previous convictions shall be established when the prosecuting attorney and the defendant stipulate to the existence of the prior conviction or convictions or the prosecuting attorney presents to the court a copy of the court record of such conviction in this state or some other state. The court shall not proceed to immediate sentencing when there is not a stipulation to prior convictions or if the prosecution requests an opportunity to obtain a conviction record. The prosecuting attorney shall not be required to plead or prove any previous convictions at trial, and sentencing concerning convictions for second and subsequent offenses shall be a matter to be determined by the court at sentencing.

(e) The sentence of any person subject to the provisions of subparagraph (II) of paragraph (a) of this subsection (7) may be suspended to the extent provided for in said subparagraph (II) if the offender receives a presentence alcohol and drug evaluation; based on that evaluation, satisfactorily completes an appropriate level I or level II alcohol and drug education or treatment program; and abstains from the use of alcohol for a period of one year from the date of sentencing. Such abstinence shall be monitored by the treatment facility by the administration of disulfiram or by any other means that the director of the treatment facility deems appropriate. If, at any time during the one-year period, the offender does not satisfactorily comply with the conditions of the suspension, that sentence shall be reimposed, and the offender shall spend that portion of his sentence which was suspended in the county jail.

(f) In addition to the penalties prescribed in this subsection (7), persons convicted of violations of subsection (1) or (2) of this section are subject to the costs imposed by section 24-4.1-119 (1) (c), C.R.S., relating to the crime victim compensation fund.

(g) In addition to any other penalty provided by law, the court may sentence a defendant who is convicted pursuant to this section to a period of probation for purposes of treatment not to exceed two years. As a condition of probation, the defendant shall be required to make restitution in accordance with the provisions of section 18-1.3-205, C.R.S.

(h) The provisions of section 42-4-1301.4, C.R.S., shall apply to this article.

(8) The unit in the department of human services that administers behavioral health programs and services, including those related to mental health and substance abuse, shall provide presentence alcohol and drug evaluations on all persons convicted of a violation of subsection (1) or (2) of this section, in the same manner as described in section 42-4-1301.3, C.R.S.

(9) Upon a plea of guilty, or a verdict of guilty by the court or a jury, to any offense specified in subsection (1) or (2) of this section, the court shall order the defendant to immediately report to the sheriff's department in the county where the defendant was convicted, at which time the defendant's fingerprints and photographs shall be taken and returned to the court, which fingerprints and photographs shall become a part of the court's official documents and records pertaining to the defendant's conviction and the defendant's identification in association with such conviction. On any trial for a violation of any of the offenses specified in subsection (1) or (2) of this section, a duly authenticated copy of the record of former convictions and judgments of any court of record for any of said crimes against the party indicted or informed against shall be prima facie evidence of such convictions and may be used in evidence against such party. Identification photographs and fingerprints that are part of the record of such former convictions and judgments of any court of record or that are part of the record at the place of such party's incarceration after sentencing for any of such former convictions and judgments shall be prima facie evidence of the identity of such party

and may be used in evidence against him. Any person who fails to immediately comply with the court's order to report to the sheriff's department, to furnish fingerprints, or to have his photographs taken may be held in contempt of court.

(10) As used in this section, "convicted" includes a plea of no contest accepted by the court.

AIRPORTS

Generally

ARTICLE 3

Public Airport Authority Law

41-3-101. Short title. This article shall be known and may be cited as the "Public Airport Authority Act".

41-3-102. Legislative declaration. The purpose of this article is to authorize the creation by cities and towns, and counties, and the state of Colorado, through their joint action, and by counties acting by independent action or jointly with the state, of airport authorities, corporate and politic, and constituting political subdivisions of the state of Colorado, for the purpose of acquiring and improving airports, air navigation facilities, and related facilities, and the financing of the cost of such acquisition by the issuance of bonds or other obligations of such authorities payable from the income of any such authorities and otherwise secured to the extent permitted by law without the incurrance of an indebtedness by the state of Colorado, or by any of its political subdivisions, thereby promoting and facilitating transportation by air from or to points located within the state of Colorado, all to the benefit and general welfare of the state of Colorado, its political subdivisions, and the inhabitants thereof.

41-3-103. Definitions. As used in this article, unless the context otherwise requires:

(1) "Air navigation facility" means any facility, other than one owned and operated by the United States, used in, available for use in, or designed for use in aid of air navigation, including any structures, mechanisms, lights, beacons, markers, communicating systems, or other instrumentalities or devices used or useful as an aid, or constituting an advantage or convenience to the safe taking off, navigation, and landing of aircraft, or the safe and efficient operation or maintenance of an airport, and any combination of any or all of such facilities.

(2) "Airport" means any area of land or water which is used, or intended for use, for the landing and takeoff of aircraft, and any appurtenant areas which are used, or intended for use, for

airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon however financed. Such facilities may also include land and buildings, together with all appurtenances necessary or convenient thereto for the accommodation or convenience of the public, whether or not the members of the public so accommodated are directly or indirectly engaged in transportation by air, including, but not limited to, parking, dining, recreational, and hotel facilities.

(3) "Airport hazard" means any structure, object of natural growth, or use of land which obstructs the airspace required for the flight of aircraft in landing or taking off at an airport, or is otherwise hazardous to such landing or taking off of aircraft.

(4) "Authority" means a body corporate and politic and constituting a political subdivision of the state created for airport purposes under the provisions of this article.

(5) "Board", as distinguished from the governing board defined in subsection (11) of this section, means the board of commissioners of any airport authority created pursuant to the provisions of this article.

(6) "Bonds" means any bonds, notes, interim certificates, debentures, or similar obligations issued by an authority pursuant to this article.

(7) "Clerk" means the custodian of the official records of a municipality or county.

(8) "Combination" means any combination comprised of two or more municipalities, two or more counties, or any combination of one or more municipalities and one or more counties.

(9) "County" means any county organized under the laws of the state of Colorado or an adjoining state and includes public entities which are both cities and counties.

(10) "Federal government" means the United States, or any of its officers, agencies, boards, or commissions.

(11) "Governing board" means the officials authorized by law to exercise by ordinance or resolution the lawmaking powers of a municipality or county.

(12) "Income of the authority" means all revenues derived directly or indirectly by the authority from the use and operation of the airport, including, but not limited to, interest on investments and all rentals, fees, rates, or other charges for the use of the airport, or for any services rendered by the authority in the operation thereof, but excluding, if necessary or appropriate, money received as grants or gifts from the federal government or the state or other sources, the use of which is limited by the grantor or donor to the construction of capital improvements to an airport.

(13) "Municipality" means any city or town, whether incorporated under the general laws of the state of Colorado or an adjoining state, article XX of the state constitution, or acts of the council and house of representatives of the territory of Colorado, but does not include local entities which are both cities and counties.

(14) "Person" means any individual, firm, partnership, corporation, company, association, joint-stock association, or body politic; and the term includes any trustee, receiver, assignee, or other similar representative thereof.

(15) "Resolution" means a resolution of the board of county commissioners of a county or ordinance of a city, city and county, or town, whichever form of action is necessary or appropriate under the laws of the state of Colorado or an adjoining state, or under the charter of a city, or city and county, incorporated pursuant to article XX of the state constitution.

(16) "State" means the state of Colorado or any of its agencies.

41-3-104. Creation of authorities. (1) Any combination, or any county in this state acting independently, may create an authority that is authorized to operate an airport in this state and exercise the functions conferred by the provisions of this article, upon the issuance by the director of the division of local government in the department of local affairs of a certificate reciting that the authority has been duly organized according to the laws of the state of Colorado. Such certificate shall be issued by the director of said division upon the filing with him or her of a certified copy of the resolution of the county acting independently and, in the case of a combination, of each county or municipality joining therein, duly certified as correct by the clerk of the municipality or county. In the case of a combination, there shall also be filed with the director of said division a joint certificate of the clerks of any county or municipality joining therein, certifying that such counties or municipalities, and listing them, constitute all of the counties or municipalities joining in the formation of the authority. At the time of filing such resolutions, there shall also be filed a designation of the official name of the authority.

(2) Any combination creating an authority may be increased from time to time to include one or more additional counties or municipalities, if each additional municipality or county and the members then included in the authority and the board of commissioners of the authority, respectively, adopt a resolution consenting thereto. Any authority which was created by a county acting independently may be increased from time to time to include one or more additional counties or municipalities, if each additional municipality or county and the county creating the authority and the board of commissioners of the authority, respectively, adopt a resolution consenting thereto. Upon the inclusion of any county or municipality in an authority initially created by a county acting independently, such authority shall be deemed to have been created by a combination for purposes of this article. Upon the inclusion of any county or municipality in the authority so created, either initially or as an additional member later, all rights, contracts, obligations, and property, both real and personal, of such municipality or county used for or in relation to transportation by air shall vest in the authority created pursuant to this section, unless otherwise specifically provided by the resolution including such municipality or county in the authority.

(3) Any combination formed to create an authority may be decreased if each of the members then included therein and the board of the authority consent to the decrease and make provision for the retention or disposition of the assets and liabilities of the county or municipality, as the case may be; but, if the authority has any bonds outstanding, no such decrease shall be effective until at least seventy-five percent of the holders of the outstanding bonds of the authority consent thereto in writing, or unless the board determines that such decrease will not affect adversely the rights of the holders of such outstanding bonds.

(4) A municipality or a county in this state shall not adopt a resolution authorized by this section without a public hearing thereon. Notice shall be given at least ten days prior to the date of the hearing in a newspaper having a general circulation in the municipality or county, as the case may be.

(5) All commissioners of an authority shall be appointed for a term of four years each; except that a vacancy occurring other than by the expiration of term shall be filled for the unexpired term in the same manner as the original appointments.

(6) Any authority created pursuant to the provisions of this article shall cease to exist upon the filing with the director of the division of local government of a certified resolution of each county or municipality composing the authority requesting the termination of such authority; but adequate provisions shall be made for the payment of the outstanding bonds of the authority.

(7) Notwithstanding any other provision of this article to the contrary, the general assembly may, by law, authorize the governor, on behalf of the state, to join in the creation of any airport authority authorized by this article or to join any existing airport authority created pursuant to this article.

41-3-105. Board of commissioners. (1) All powers, privileges, and duties vested in or imposed upon any authority organized pursuant to the provisions of this article shall be exercised and performed by and through the board except as otherwise provided by law; but the exercise of any and all executive, administrative, and ministerial powers may be by said board delegated and redelegated to any of the officers created or by the board acting under this article.

(2) The board of commissioners of an authority created by the formation of a combination shall consist of at least five members, but no more than nine members, representing the counties or municipalities participating in the combination. The authorizing resolution, filed with the director of the division of local government in the department of local affairs, as provided in section 41-3-104 (1), shall contain a provision as to the representation of the counties and municipalities participating in the combination. The members of the board of an authority created by a combination shall be appointed by resolution of the governing boards of the counties or municipalities that are members of the combination, the initial appointments, at the election of such municipality or county, to be made by the authorizing resolution filed with the director of said division. If the county in which the airport is to be located is not a member of the combination, then the member or members, if any, to which such county is entitled shall be appointed by the board of county commissioners of such county. The board created by the independent action of a county shall consist of five members who shall be appointed by the board of county commissioners of the county, and initial appointments to such board, at the election of the board of county commissioners, may be made in the authorizing resolution filed with the director of said division. Board members from municipalities and counties in this state shall be taxpaying electors, as defined in section 1-1-104 (49), C.R.S., at the time of their appointment, residing in the municipality or county from which appointed. After an authority is organized by the formation of a combination, the inclusion of additional counties or municipalities shall entitle the included municipalities or counties to representation on the same basis as other counties or municipalities. Each member of the board may receive as compensation for his or her services a sum not in excess of sixty dollars per year. No member of the board shall receive any compensation as an employee of the authority or otherwise, other than that provided in this section, and no member of the board shall be interested in any contract or transaction with the authority except in his or her official respective capacity.

(3) The term of each member shall be for four years; except that the terms of the members of the first board shall be adjusted so that the terms of one-half of the members shall expire two years thereafter. At the first meeting of the board of a newly formed authority the commissioners shall determine by lot which members shall serve for two-year terms and which shall serve for four-year

terms. At the expiration of the term of any commissioner, a new appointment shall be made by the appropriate governing board, and any member may be appointed to succeed himself.

(4) A change of residence of a member of the board from a municipality or county in the state to a place outside the municipality that he or she represents, or the county from which he or she is appointed, automatically creates a vacancy on the board as to such municipality or county. Vacancies which may occur on the board through death or resignation of one of the members, or for any other reason, shall be filled in the same manner as provided for the appointment of original members of the board.

(5) The board, in addition to any other powers conferred by this article, has the following powers:

(a) To fix the time and place at which its regular meetings shall be held, which place may be located within any municipality or county forming a part of an authority created by a combination, or within the county independently creating such authority, and shall provide for the calling and holding of special meetings; to organize, adopt bylaws and rules of procedure, and select a chairman and pro tem chairman. Notice of time and place designated for all regular meetings shall be posted in at least three places within each municipality and county forming a part of the authority if created by the formation of a combination, and, in addition, one such notice shall be posted, irrespective of the procedure under which the authority is created, in the county courthouse in the county wherein the airport is located and in the county creating the authority. Such notices shall remain posted and shall be changed in the event that the time or place of such regular meeting is changed. Special meetings may be called by any officer or member of the board by informing the other members of the date, time, and place of such meeting and the purpose for which it is called, and by posting as provided in this paragraph (a) at least three days previous to said meeting. All business of the board shall be conducted only during such regular or special meetings, and all of such meetings shall be open to the public.

(b) To make and pass resolutions and orders not repugnant to the constitution of the United States; the state; an adjoining state, if a combination includes a municipality or county from the adjoining state; or other provisions of this article, necessary for the government and management of the affairs of the authority, and the execution of the powers vested in the authority and for carrying into effect the provisions of this article. On all resolutions the rolls shall be called and the ayes and nays recorded. Resolutions and orders may be adopted by viva voce vote, but on demand of any member the roll shall be called.

(c) To record all resolutions, as soon as may be after their passage, in a book kept for that purpose and authenticate them by the signature of the presiding officer of the board and the clerk thereof. Any resolution may at the election of the board be published in a newspaper of general circulation in the county wherein the airport is located within ten days of the date of passage and adoption, and shall become effective, if so provided, upon the date of such publication.

(d) To transact business only if a quorum of sixty percent of the board is present at a regular or special meeting; but all questions involving the inclusion or exclusion of a municipality or county in or from the authority or authorizing any expenditures in excess of ten thousand dollars shall require the affirmative majority vote of the board, and all other questions shall require the affirmative vote of not less than fifty percent of the board;

(e) To fix the location of the principal place of business of the authority and the location of

all offices and departments maintained thereunder, the location thereof to be at such place as the board deems best;

(f) To prescribe by resolution a system of business administration; to create any and all necessary offices; to establish and reestablish the powers and duties and compensation of all officers and employees; and to require and fix the amount of all official bonds necessary for the protection of the funds and property of the authority;

(g) To employ clerical, legal, consulting, and engineering assistance and labor, and to delegate and redelegate to such employees the powers conferred by this article, under such conditions and restrictions as shall be fixed by the board to authorize such employees to bind the authority by contract;

(h) To prescribe a method of auditing and allowing or rejecting claims and demands and a method for the letting of contracts on a fair and competitive basis for the construction of works, structures, or equipment or the performance or furnishing of labor, materials, or supplies as required for the carrying out of any of the purposes of this article; but, in cases where the amount involved is fifty thousand dollars or more, the board shall provide for the letting of contracts to the lowest responsible bidder after publication in the official newspaper of notices inviting bids, subject to the right of said board to reject any and all proposals and to readvertise for bids as provided in this section. The procedures above described shall be subject to the approval of the board of county commissioners of any county independently creating an authority under the provisions of this article, and any action on the part of the board to raise or increase revenue from any source whatsoever for the purposes of the authority shall also be subject to such approval. The board shall be bound to carry out any action requested by the board of county commissioners.

(i) To constitute and appoint an official newspaper in this state to be used for the official publications of the authority; but nothing in this section shall prevent the board from directing publication in additional newspapers or other periodicals which public necessity may so require or indicate.

(6) Where the state, pursuant to section 41-3-104 (7), joins in the creation of an airport authority authorized by this article or joins an existing airport authority created pursuant to this article, the state shall be entitled to such number of members of the board of commissioners as may be agreed upon by the creating parties or present parties of the authority and the state, as the case may be, but in no case shall the state be entitled to less than one member of the board of commissioners. The state member or members of the board of commissioners shall be appointed by the governor, with the consent of the senate.

41-3-106. Powers of an authority. (1) An authority has the following powers:

- (a) To have perpetual existence;
- (b) To have and use a corporate seal;
- (c) To sue and be sued, and be a party to suits, actions, and proceedings;
- (d) To enter into contracts and agreements affecting the affairs of the authority, including, but not limited to, contracts with the United States, the state of Colorado, and an adjoining state, if a combination includes a municipality or county from the adjoining state;
- (e) To borrow money and to issue bonds payable in whole or in part from the income of the

authority and otherwise secured to the extent permitted by law; but, before any money shall be borrowed or any bonds issued, such borrowing or sale shall first be approved by the board of county commissioners of any county independently creating an authority under the provisions of this article. Said bonds shall be authorized by resolution of said board without the necessity of submitting the question of their issuance to the qualified electors of the municipalities or counties constituting members of the authority. Said resolution shall prescribe the form of said bonds, the manner of their execution, which may be effected by the use of the facsimile signatures of the officers of the authority in accordance with the laws of the state in effect at the time of their execution, shall provide for the terms thereof, including the maximum net effective interest rate for the issue of bonds, and the security for their payment, may authorize the issuance of additional bonds having a lien on a parity with or junior thereto on the income of the authority, provide for the redemption of said bonds prior to their respective maturities with or without premium, and direct that said bonds shall be sold at public or private sale at or below par, but such bonds shall not be sold at a price such that the net effective interest rate of the issue of bonds exceeds the maximum net effective interest rate authorized. The board shall prescribe other details in connection with the issue of bonds. The bonds so authorized shall mature serially over a period not exceeding thirty years and shall bear interest at a net effective interest rate not exceeding the maximum net effective interest rate authorized. Said resolution and bonds may also include such other terms or recitals which in the judgment of the board are necessary or proper to render the same marketable. Nothing in this article shall be construed as authorizing the authority or any county to assess and levy taxes for the payment of said bonds, nor shall said bonds be construed to be an indebtedness of the municipalities or counties constituting members of the authority or of the county independently creating such authority within the meaning of any constitutional, charter, or statutory limitation.

(f) To purchase, trade, exchange, acquire, buy, sell, and otherwise dispose of and encumber real and personal property of the authority and any interest therein, including leases and easements;

(g) To refund any bonds of the authority as the same become due at stated maturities, or as a result of the exercise of the privilege of calling bonds for prior redemption, and to refund any such bonds in advance of such maturities or redemption dates in accordance with the laws of the state then in effect and applicable to municipalities. The terms and conditions of refunding bonds shall be substantially the same as those of an original issue of bonds.

(h) To regulate, when acting singly, or by agreement, when acting jointly with any other municipality or county, the receiving, deposit, and removal and the embarkation of passengers or property to or from the airport; to regulate or prohibit any airport hazard; to exact and require charges, fees, and rentals, together with a lien to enforce the payment; to lease or assign for operation such space or area, appurtenances, appliances, or other conveniences necessary or useful in connection therewith; to own and operate aircraft; to employ pilots; to provide rules and regulations governing the use of such airport and facilities and the use of other property and means of transportation within or over said airport, landing field, and navigation facilities; to perform any duties, necessary or consistent with the regulation of air traffic; to enter into contracts or otherwise cooperate with the United States, the state, an adjoining state, if a combination includes a municipality or county from the adjoining state, or other public or private agencies; and to exercise such powers as may be required or consistent with the promotion of aeronautics and the furtherance of commerce and navigation by air;

(i) To pledge all or a part of the income of the authority to the payment of the bonds authorized to be issued pursuant to the terms of this article and to otherwise secure the payment of said bonds to the extent permitted by law including, but not limited to, a conveyance in trust of any or all of the properties or facilities of the authority as a part of such security;

(j) To have and exercise the power of eminent domain in the manner provided by law for the condemnation of private property for public use and to take any property necessary to exercise the powers in this article granted, either within or without the boundaries of the municipalities or counties constituting members of the authority. In exercising the power of eminent domain, the procedure established and prescribed by articles 1 to 7 of title 38, C.R.S., shall be followed. Nothing in this article shall be construed to limit the power of a county otherwise to acquire property through the exercise of the power of eminent domain under and in accordance with the laws of the state.

(k) To construct and maintain works and establish and maintain facilities, within or without the boundaries of the municipalities or counties constituting members of the authority or within or without the boundaries of the county independently creating an authority pursuant to the provisions of this article, across or along any public street or highway or in, upon, under, or over any vacant public lands, which public lands are now, or may become, the property of the state; but the authority shall promptly restore any such street or highway to its former state of usefulness as nearly as may be and shall not use the same in such manner as to completely or unnecessarily impair the usefulness thereof;

(l) To invest any surplus money in the treasury of the authority, including such money in any sinking or trust fund established for the purpose of retiring bonds at or prior to maturity not required for the immediate necessities of the authority, in securities meeting the investment requirements established in part 6 of article 75 of title 24, C.R.S. Such investment may be made by direct purchase of any issue of such securities, or part thereof, at the original sale of the same or by the subsequent purchase of such securities. Any securities thus purchased and held may be sold, unless such sale is prohibited by any agreement under which the same have been or shall be deposited and the proceeds thereof reinvested in securities as provided in this paragraph (l). Sales of any securities thus purchased and held shall be made at such time so that the proceeds may be applied to the purposes for which the money with which the securities were originally purchased was placed in the treasury of the authority.

41-3-107. Legal status of authorities - tax exemption. (1) An authority created pursuant to this article is hereby declared to be a political subdivision of the state, exercising essential governmental powers for a public purpose. The general assembly, therefore, finds:

(a) That no authority, or county independently creating an authority, shall be required to pay any general ad valorem taxes upon an airport or any facilities connected therewith located within the state nor upon the interest of the authority therein;

(b) That bonds issued under this article and the income therefrom shall be free and exempt from taxation by the state, or any political subdivision of the state, with the exception of transfer, inheritance, and estate taxes.

41-3-108. Legal investments and securities. It shall be legal for any bank, trust company, banker, savings bank, or banking institution, any building and loan association, savings and loan association, investment company, and other person carrying on a banking or investment business, any insurance company, insurance association, or other person carrying on an insurance business, and any executor, administrator, trustee, or fiduciary to invest funds or moneys in their custody in any of the bonds authorized to be issued pursuant to the provisions of this article. Public entities, as defined in section 24-75-601 (1), C.R.S., may invest public funds in such bonds only if said bonds satisfy the investment requirements established in part 6 of article 75 of title 24, C.R.S. Such bonds shall be authorized security for public deposit. Nothing in this section shall be construed as relieving any public body or other person of any duty of exercising reasonable care in selecting securities.

ARTICLE 4

Airports

PART 1

COUNTY AIRPORTS

41-4-101. Operation a governmental function. The acquisition of any lands for the purpose of establishing airports or other air navigation facilities; the acquisition of airport protection privileges; the acquisition, establishment, construction, enlargement, improvement, maintenance, equipment, and operation of airports and other air navigation facilities; and the exercise of any other powers granted in this part 1 to any county, city and county, city, or town are hereby declared to be public governmental functions, exercised for a public purpose, and matters of public necessity; and such lands and other property, easements, and privileges acquired and used in the manner and for the purposes enumerated in this part 1 are hereby declared to be acquired and used for public purposes and as a matter of public necessity.

41-4-102. Authority to establish. The board of county commissioners in any county in this state either singly or jointly with any other county, city and county, city, or town has the power to acquire, establish, construct, own, control, lease, equip, improve, maintain, operate, and regulate airports and landing fields for the use of airplanes and other aircraft and to contract or otherwise provide, by condemnation if necessary, for the removal of any airport hazard, or the removal or the relocation of all private structures, railways, mains, pipes, conduits, wires, cables, poles, and all other facilities and equipment which may interfere with the location, expansion, development, or improvement of such airports, restricted landing areas, and other air navigation facilities or with the

safe approach thereto or takeoff therefrom by aircraft, and to pay the cost of removal or relocation.

41-4-103. Joint action by corporate authority. (1) All of the powers, rights, and authority granted to counties by this part 1 and to cities and towns by any other law may be exercised and enjoyed by such counties, cities and counties, cities, and towns, acting jointly, either within or without the territorial limits thereof, without regard to the distance said airport may be located from the boundary of any such city or town.

(2) (a) Any two or more of such counties, cities and counties, cities, or towns may enter into agreements with each other duly authorized by resolution or ordinance for joint action pursuant to the provisions of this part 1. Each such agreement shall specify the proportionate interest which each county, city and county, city, or town has in the property, facilities, and privileges involved and the proportion of costs of acquisition, establishment, construction, enlargement, improvement, equipment, and expenses of maintenance, operation, and regulation to be borne by each, and it shall make such other provisions as may be necessary to carry out the provisions of this part 1 for the amendment thereof and the conditions and terms upon which such agreement may be terminated.

(b) A county or two or more of such counties, cities and counties, cities, or towns that entered into an agreement under paragraph (a) of this subsection (2) may enter into an agreement under section 29-1-203, C.R.S., with a county or municipality of an adjoining state to jointly operate an airport in this state created pursuant to this part 1. The agreement must include the same information for an agreement described in said paragraph (a).

41-4-104. Acquisition. Real property needed by any county, either acting singly or jointly, shall be acquired by purchase or by condemnation in the manner provided by law for acquiring real property for public purposes. The political subdivision exercising such power in addition to the damage for the taking, injury, or destruction of property shall also pay the cost of the removal and relocation of any structures, railways, mains, pipes, conduits, wires, cables, or poles of any public utility which is required to be moved to a new location.

41-4-105. Authority to incur indebtedness. The board of county commissioners of any county, either acting singly or jointly with any other county, city and county, city, or town, has the power to incur indebtedness on its behalf for any of the purposes mentioned in this part 1 and to issue bonds for the acquisition, construction, and improvement of airports, landing fields, air navigation facilities, and airport protection privileges in the same form and manner as debt is incurred and bonds issued for other county purposes; except that such indebtedness may also be approved at a special election called for that purpose by the board of county commissioners, which election shall be conducted insofar as practicable in the manner set forth in section 30-26-101, C.R.S.

41-4-106. Operation of airports. In connection with the erection, maintenance, and operation of any such airport or navigation facilities, any county has the power and jurisdiction,

when acting singly, or by agreement, when acting jointly with any other county, city and county, city, or town, to regulate the receipt, deposit, and removal and the embarkation of passengers or property to or from such airports; to exact and require charges, fees, and tolls, together with a lien to enforce their payment; to lease or assign for operation such space or area, appurtenances, appliances, or other conveniences necessary or useful in connection therewith; to own and operate aircraft; to employ pilots; to provide rules and regulations governing the use of such airport and facilities and the use of other property and means of transportation within or over said airport, landing field, and navigation facilities; to perform any duties necessary or consistent for the regulation of air traffic; to enter into contracts or otherwise cooperate with the federal government or other public or private agencies; and to exercise such powers as may be required or consistent in the promotion of aeronautics and the furtherance of commerce and navigation by air.

41-4-107. Appropriation for airports. The board of county commissioners of any county is hereby authorized to annually appropriate from the county general fund the sum sufficient to carry out the provisions of this part 1 relating to airports.

41-4-108. Removal of airport hazards. Where necessary, in order to provide unobstructed airspace for the landing and taking off of aircraft utilizing airports or landing fields acquired or operated under the provisions of this part 1, any such county, city and county, city, or town, either singly or jointly, is authorized to contract or otherwise provide, by condemnation if necessary, for the removal of any airport hazard or the removal or the relocation of all private structures, railways, mains, pipes, conduits, wires, cables, poles, and other facilities and equipment which may interfere with the location, expansion, development, or improvement of such airports, restricted landing areas, and other air navigation facilities or with the safe approach thereto or takeoff therefrom by aircraft and to pay the cost of removal or relocation. A county, city and county, city, or town may acquire, in the same manner as is provided for the acquisition of property for airport purposes, easements through or other interests in airspaces over land or water, interests in airport hazards outside the boundaries of the airports or landing fields, and such other airport protection privileges as are necessary to ensure safe approaches to the landing areas of said airports or landing fields and the safe and efficient operation thereof. It is also hereby authorized to acquire, in the same manner, the right or easement, for a term of years or perpetually, to place or maintain suitable marks for the daytime markings and suitable lights for the nighttime markings of airport hazards, and including the right of ingress and egress to or from such airport hazards, for the purpose of maintaining and repairing such lights and marks. This authority shall not be so construed as to limit any right, power, or authority to zone property adjacent to airports and landing fields, under the provisions of any law of this state.

41-4-109. Encroachment a nuisance. It is unlawful for anyone to build, rebuild, create, or cause to be built, rebuilt, or created any object or plant or cause to be planted or permit to grow higher any tree or other vegetation which shall encroach upon any airport protection privileges

acquired pursuant to the provisions of section 41-4-108, but it is lawful to make maintenance repairs to or to replace parts of existing structures which do not enlarge or increase the height of an existing structure. Any such encroachment is declared to be a public nuisance and may be abated in the manner prescribed by law for the abatement of public nuisances; or the county, city and county, city, or town or the board in charge of the airport or landing field for which airport protection privileges have been acquired may go upon the land of others and remove any such encroachment without being liable for damages.

41-4-110. Previous acts legalized. Any acquisition of property made prior to April 3, 1945, by any county for the purposes specified in this part 1 and any bonds issued before said date by any such county for such purposes or any election held before said date by such county for the purpose of authorizing the issuance of bonds for any of the provisions specified in this part 1 are hereby legalized and made valid and effective.

41-4-111. Federal aid. Any county, city and county, city, or town is authorized to accept, receive, and receipt for federal moneys for the acquisition, construction, enlargement, improvement, maintenance, equipment, or operation of airports, landing fields, air navigation facilities, or airport protection privileges under such terms and conditions as may be agreed to by such county, city and county, city, or town.

41-4-112. Additional powers. The board of county commissioners of any county is authorized to rent or lease or lease and convey any lands or interest in lands acquired by the county for the purposes set forth in this part 1 to any person, partnership, association, or corporation, either public or private, for commercial, industrial, or other purposes, for such periods of years and upon such terms and conditions as are deemed in the best interests of the county by the board of county commissioners, and the terms thereof shall be binding upon succeeding boards of county commissioners. Any such instruments made and entered into before March 25, 1963, by the board of county commissioners of any county are hereby confirmed, validated, and declared to be legal and valid insofar as the authority of such board is concerned.

41-4-113. County airport fund. (1) A fund to be known as the county airport fund is hereby created and established in each of the counties of the state of Colorado, to which shall be credited all moneys received from state and federal sources, and appropriations thereto by the board of county commissioners, and any levies imposed by the board of county commissioners for the construction or maintenance of airports.

(2) The board of county commissioners shall appropriate from said fund for construction, maintenance, and operation of either a county airport or a municipal airport in the manner which in its judgment shall best serve the public interest.

PART 2

AIRPORTS - CITIES AND TOWNS

41-4-201. Power to establish airports. The city councils and boards of trustees in towns have the power to acquire, establish, construct, own, control, lease, equip, improve, maintain, operate, and regulate airports and landing fields for the use of airplanes and other aircraft either within or without such municipalities or may set apart and use for such purpose real property owned by such cities and towns. Any lands previously acquired by any town or city in the state of Colorado for park purposes may be used for any of the purposes specified in this section. On any airports so established, city councils and boards of trustees in towns shall grant no exclusive concession, license, or lease agreement relating to the business of servicing, repairing, or furnishing supplies for aircraft.

41-4-202. How lands acquired. Real property needed by a city or town for an airport or landing field shall be acquired by purchase if the city or town is able to agree with the owners on the terms thereof and otherwise by condemnation in the manner provided by law for acquiring real property for public purposes.

41-4-203. Power to incur indebtedness and issue bonds. The city councils or boards of trustees in towns have the power to incur indebtedness for any of the purposes mentioned in this part 2 and to issue bonds for the acquisition, construction, and improvements of airports and landing fields and appurtenances thereto, in the same form and manner as debt is incurred and bonds are issued for other municipal purposes.

41-4-204. Jurisdiction to regulate use. In connection with the erection or maintenance of any such airport or air navigation facilities, any city or town, or any municipal corporation, has the power and jurisdiction to regulate the receipt, deposit, and removal and the embarkation of passengers or property to and from such landing places or moorage as may be provided; to exact and require charges, fees, and tolls, together with a lien to enforce their payment; to lease or assign for operation such space or area, appurtenances, appliances, or other conveniences necessary or useful in connection therewith; to own and operate municipal aircraft; to employ pilots; to provide rules and regulations covering the use of such airport and facilities and the use of other property or means of transportation within or over the airport; to perform any duties necessary or convenient for the regulation of air traffic; to enter into contracts or otherwise cooperate with the federal government or other public or private agencies; and otherwise to exercise such powers as may be required or convenient in the promotion of aeronautics and the furtherance of commerce and navigation by air.

41-4-205. Funds may be raised by taxation. The city council or board of trustees may

annually appropriate and cause to be raised by taxation in such city or town a sum sufficient to carry out the provisions of this part 2.

Airport Revenue Bonds

ARTICLE 5

Airport Revenue Bonds - County

41-5-101. Powers. (1) In addition to the powers which it may now have, any county without any election of the taxpaying or qualified electors thereof has the power under this article:

(a) To acquire by gift, purchase, lease, or exercise of the right of eminent domain, to construct, to reconstruct, to improve, to better, and to extend airport facilities, including any of them within the boundaries of any said county, and to acquire by gift, purchase, or the exercise of the right of eminent domain lands, easements, and rights in land in connection therewith;

(b) To accept loans or grants or both from the United States under any federal law in force to aid in financing the cost of engineering, architectural, or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures, or other action preliminary to the construction of an airport;

(c) To accept loans or grants or both from the United States under any federal law in force for the construction or improvement of such airport or airport facilities or both;

(d) To prescribe, revise, and collect in advance or otherwise from any user of such facility or occupant of any real property connected therewith rentals, rates, fees, tolls, and charges, or any combination thereof, for the use of such airport facilities, including, without limiting the generality of the foregoing, landing fees, office rentals, franchise fees, and land and airport rentals; and, in anticipation of the collection of the revenues of such airport facilities, to issue revenue bonds to finance in whole or in part the cost of acquisition, construction, reconstruction, improvement, betterment, or extension of an airport;

(e) To pledge to the punctual payment of said bonds and interest thereon all or any part of the gross revenues arising from such airport facilities;

(f) To enter into and perform contracts or agreements concerning the planning, construction, lease, or other acquisition and the financing of airport facilities, and the maintenance and operation thereof;

(g) To make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers granted in this section or in the performance of its duties or in order to secure the payment of its bonds; but no encumbrance, mortgage, or other pledge of property, excluding any pledged revenues, of the county is created thereby no property, other than money, of the county is liable to be forfeited or taken in payment of said bonds, and no debt on the credit of the county is thereby incurred in any manner for any purpose.

41-5-102. Authorization - airport facilities and bonds. (1) The acquisition, construction, reconstruction, lease, improvement, or betterment of any airport or airport facilities, or both, and the issuance of bonds in anticipation of the collection of revenues of such facility to provide funds to pay the cost thereof may be authorized by a vote of a majority of the members of the board of county commissioners at a regular or special meeting thereof. The board shall establish a maximum net effective interest rate for the issue of bonds.

(2) The board of county commissioners, in determining such cost, may include all costs and estimated costs of the issuance of said bonds, all engineering, inspection, fiscal, and legal expenses, all preliminary planning expenses and interest which it is estimated will accrue during the construction or other acquisition period or a period not exceeding two years thereafter on money borrowed or which it is estimated will be borrowed pursuant to this article; any discount on the sale of the bonds; costs of financial, professional, and other estimates and advice; contingencies; any administrative, operating, and other expenses of the county prior to and during such acquisition period and for a period not exceeding two years thereafter, as may be determined by the board of county commissioners; and all such other expenses as may be necessary or incident to the financing, acquisition, improvement, and completion of any airport facility, and the placing of the same in operation, and also such provision or reserves for working capital, operation, or maintenance, or for payment or security of principal of or interest on any bonds during or after such an acquisition or improvement as the board of county commissioners may determine, and also reimbursements to the federal government, or any agency, instrumentality, or corporation thereof, of any moneys theretofore expended for or in connection with any such airport facilities.

(3) All revenue bonds issued under the provisions of this article shall bear interest at a rate such that the net effective interest rate for the issue of bonds does not exceed the maximum net effective interest rate authorized, and shall be executed in such a manner and be payable serially in annual installments beginning not later than two years and extending not more than forty years from the date thereof, and may be made payable at such place as the board of county commissioners determines. Said bonds may be made callable for redemption prior to maturity in such manner, at such time, and in such amounts, upon payment of a premium not exceeding three percent of the principal, as may be determined by the board of county commissioners.

(4) Said bonds may be sold at, above, or below their par values, but they may not be sold at a price such that the net effective interest rate of the issue of bonds exceeds the maximum net effective interest rate authorized.

(5) Said bonds may be sold at private sale to the United States or any agency, instrumentality, or corporation thereof or to the state of Colorado or any agency or instrumentality thereof. Unless sold to the United States or any agency, instrumentality, or corporation thereof or to the state of Colorado or any agency or instrumentality thereof, said bonds shall be sold at public sale after notice of such sale published once at least five days prior to such sale in a newspaper of general circulation in said county or in a financial newspaper.

(6) The revenue bonds issued under this article shall be serially numbered and shall be paid off and retired in the order in which they were issued, but such order of payment shall not apply to warrants or bonds made callable for redemption prior to maturity in the inverse order of their

numbers.

(7) Subject to the payment provisions in this article specifically provided, said bonds and any interest coupons thereto attached shall be fully negotiable within the meaning of and for all purposes of article 8 of title 4, C.R.S., pertaining to investment securities, except as the governing body may otherwise provide; and each holder of each such security, by accepting such security, shall be conclusively deemed to have agreed that such security, except as otherwise provided, is fully negotiable within the meaning and for all purposes of article 8 of title 4, C.R.S., pertaining to investment securities.

(8) If lost or completely destroyed, any security authorized by this article may be reissued in the form and tenor of the lost or destroyed security upon the owner's furnishing, to the satisfaction of the governing body, the following: Proof of ownership; proof of loss or destruction; a surety bond in twice the face amount of the security, including any unmatured coupons appertaining thereto; and payment of the cost of preparing and issuing the new security.

(9) The resolution authorizing any bonds or other instrument appertaining thereto may contain any agreement or provision customarily contained in instruments securing revenue bonds.

41-5-103. Sinking fund - indebtedness. (1) The board of county commissioners of any county is authorized to set aside a special sinking fund in the office of the county treasurer for the payment of revenue bonds authorized by and issued under the provisions of this article and for the payment of interest due on such bonds, but the general income of the county shall not be pledged for the payment of the principal of the bonds and interest thereon. The county treasurer shall deposit in said sinking fund all rents, royalties, fees, rates, and charges derived from or rendered by the airport or airport facilities, and the board of county commissioners of any county may pledge any or all moneys in said sinking fund to the payment of bonds authorized under this article and the interest thereon.

(2) Revenue bonds issued under this article shall not constitute an indebtedness of the county within the meaning of any constitutional or statutory limitations. Each bond issued under this article shall recite in substance that said bond, including interest thereon, is payable solely from the revenues pledged to the payment thereof and that said bond does not constitute a debt of the county within the meaning of any constitutional or statutory limitations.

41-5-104. Signatures of county commissioners. The bonds and any coupons bearing the signatures of county commissioners in office on the date of the signing thereof shall be valid and binding obligations of the county, notwithstanding that, before the delivery thereof and payment thereof, any of the persons whose signatures appear thereon have ceased to be county commissioners of the county issuing the same.

41-5-105. Bonds - exempt from taxation. The bonds and the income therefrom shall be exempt from taxation, except inheritance, estate, and transfer taxes.

41-5-106. Rights of holders. (1) Any holder of any issue of bonds or any holder of bonds, subject to any contractual limitations therein, and for the equal benefit and protection of all holders of bonds similarly situated, has the following rights and powers:

(a) By mandamus or other suit, action, or proceeding at law or in equity, to enforce his and other such holders' rights against the county and its governing body to require and compel such county or governing body to perform and carry out its duties and obligations under this article and its covenants and agreements with the bondholders; and

(b) By action or suit in equity, to require the county and the governing body thereof to account as if they were the trustee of an express trust.

(2) No right or remedy conferred by this article upon any holder of bonds is intended to be exclusive of any other right or remedy, but each such right or remedy is cumulative and in addition to every other right or remedy and may be exercised without exhausting and without regard to any other remedy conferred by this article or by any other law.

41-5-107. Powers supplemental. The powers conferred by this article shall be in addition and supplemental to, and not in substitution for, any other law, and the limitations imposed by this article shall not affect any powers conferred by any other such law. Bonds may be issued under this article without regard to the provisions of any other law. The airport facilities may be acquired, purchased, constructed, reconstructed, improved, bettered, and extended, and bonds may be issued under this article for said purposes, notwithstanding that any law may provide for the acquisition, purchase, construction, reconstruction, improvement, betterment, and extension of an airport, and without regard to the requirements, restrictions, debt, or other limitations or other provisions contained in any other law, including, but not limited to, any requirement for any restriction or limitation on the incurring of indebtedness or the issuance of bonds. Insofar as the provisions of this article are inconsistent with the provisions of any other law, the provisions of this article shall be controlling.

41-5-108. Refunding. Revenue bonds issued pursuant to the provisions of this article may be refunded in the manner provided by the "Refunding Revenue Securities Law", as set forth in article 54 of title 11, C.R.S.

41-5-109. Citation to this article - incontestability of bonds. Any resolution authorizing any bonds under this article may provide that each bond therein authorized shall recite that it is issued under authority of this article. Such recital shall conclusively impart full compliance with all of the provisions of this article, and all bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

AEROSPACE

ARTICLE 6

Aerospace

41-6-101. Limited liability for spaceflight activities - definitions - agreement and warning. (1) As used in this article, unless the context otherwise requires:

(a) "Spaceflight activity" means launch services or reentry services as those terms are defined in 51 U.S.C. sec. 50902.

(b) "Spaceflight entity" means any public or private entity holding a United States federal aviation administration launch, reentry, operator, or launch site license for spaceflight activities. The term also includes any manufacturer or supplier of components, services, or vehicles, which manufacturer or supplier has been reviewed by the United States federal aviation administration as part of issuing such a license, permit, or authorization.

(c) "Spaceflight participant" means any spaceflight participant as that term is defined in 51 U.S.C. sec. 50902.

(2) (a) Except as otherwise provided in paragraph (b) of this subsection (2), a spaceflight entity is not liable for injury to or death of a spaceflight participant resulting from the inherent risks of spaceflight activities so long as the agreement and warning contained in paragraph (b) of subsection (3) of this section is distributed and signed as required. Except as provided for in paragraph (b) of this subsection (2), a spaceflight participant or his or her representative may not maintain an action against or recover from a spaceflight entity for any loss, damage, injury, or death of the spaceflight participant resulting exclusively from any of the inherent risks of spaceflight activities.

(b) Notwithstanding the provisions of paragraph (a) of this subsection (2) to the contrary, this subsection (2) does not limit liability if the spaceflight entity does one or more of the following:

(I) Commits an act or omission that constitutes gross negligence or willful or wanton disregard for the safety of the spaceflight participant and that act or omission proximately causes loss, damage, injury, or death to the spaceflight participant;

(II) Has actual knowledge or reasonably should have known of a dangerous condition on the land or in the facilities or equipment used in the spaceflight activities and the danger proximately causes injury, damage, or death to the spaceflight participant; or

(III) Intentionally injures the spaceflight participant.

(3) (a) Every spaceflight entity providing spaceflight activities to a spaceflight participant, whether such activities occur on or off the site of a facility capable of launching a suborbital flight, shall have each spaceflight participant sign the agreement and warning statement specified in paragraph (b) of this subsection (3).

(b) The agreement shall include the following language and any other language required by federal law:

AGREEMENT AND WARNING

Under Colorado law, there is no liability for any loss, damage, injury to, or death of a spaceflight participant in a spaceflight activity provided by a spaceflight entity if such loss, damage, injury, or death results from the inherent risks of the spaceflight activity to the spaceflight participant. Injuries caused by the inherent risks of spaceflight activities may include, among others, death or injury to person or property. I, the undersigned spaceflight participant, assume the inherent risk of participating in this spaceflight activity.

(signed)

(witnessed)

(c) Failure to comply with the warning statement requirements in this section prevents a spaceflight entity from invoking the privileges of immunity provided by this section.

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

As of Date: 11/30/2018

	Year to Date					Month Ending				
	11/30/2018	11/30/2018	11/30/2017	11/30/2018	11/30/2018	11/30/2018	11/30/2018	11/30/2017	11/30/2018	11/30/2018
	Budget	Actual	actual	Budget Diff	Budget % Var	Budget	Actual	actual	Budget Diff	Budget % Var
Operating revenue										
Aeronautical revenue										
Passenger airline revenue										
Passenger airline landing fees	478,100	504,175	487,116	26,075	5.45 %	42,400	44,192	39,520	1,792	4.22 %
Terminal rent	1,083,500	1,083,357	1,086,868	(143)	(0.01) %	98,500	98,487	98,487	(13)	(0.01) %
Other (boarding bridge)	95,400	104,313	94,624	8,913	9.34 %	13,800	8,700	7,924	(5,100)	(36.95) %
Total Passenger airline revenue	1,657,000	1,691,845	1,668,608	34,845	2.10 %	154,700	151,379	145,931	(3,321)	(2.14) %
Non-passenger airline revenue										
Non-passenger landing fees	116,600	169,151	133,184	52,551	45.06 %	7,700	8,415	11,444	715	9.28 %
Cargo and hangar rentals	47,300	47,840	46,886	540	1.14 %	4,300	4,373	4,287	73	1.68 %
Fuel tax & flowage fees	622,500	695,602	585,334	73,102	11.74 %	49,000	58,419	48,197	9,419	19.22 %
Other (ramp parking, rapid refuel)	1,100	5,310	2,400	4,210	382.72 %	100	540	210	440	440.00 %
Total Non-passenger airline revenue	787,500	917,903	767,804	130,403	16.55 %	61,100	71,747	64,138	10,647	17.42 %
Total Aeronautical revenue	2,444,500	2,609,748	2,436,412	165,248	6.75 %	215,800	223,126	210,069	7,326	3.39 %
Non-aeronautical revenue										
Land and building leases	518,181	546,397	522,459	28,216	5.44 %	46,100	49,627	45,886	3,527	7.65 %
Terminal - restaurant & retail	110,000	124,786	115,458	14,786	13.44 %	9,100	11,844	11,787	2,744	30.16 %
Terminal - other	174,900	184,218	234,254	9,318	5.32 %	15,900	15,042	21,296	(858)	(5.40) %
Rental cars	1,112,500	1,207,751	1,127,124	95,251	8.56 %	96,200	114,270	112,592	18,070	18.78 %
Parking and ground transportation	1,328,400	1,287,872	1,332,712	(40,528)	(3.05) %	152,200	147,650	149,284	(4,550)	(2.98) %
Other (security fee, overtime fee, etc)	46,200	66,187	64,964	19,987	43.26 %	4,200	7,172	4,317	2,972	70.75 %
Total Non-aeronautical revenue	3,290,181	3,417,211	3,396,971	127,030	3.86 %	323,700	345,605	345,162	21,905	6.76 %
Total Operating revenues	5,734,681	6,026,959	5,833,383	292,278	5.09 %	539,500	568,731	555,231	29,231	5.41 %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

As of Date: 11/30/2018

	Year to Date					Month Ending				
	11/30/2018	11/30/2018	11/30/2017	11/30/2018	11/30/2018	11/30/2018	11/30/2018	11/30/2017	11/30/2018	11/30/2018
	Budget	Actual	actual	Budget Diff	Budget % Var	Budget	Actual	actual	Budget Diff	Budget % Var
Operating expenses										
Personnel compensation and benefits	2,079,457	1,931,651	1,794,308	(147,805)	(7.10) %	174,667	167,717	158,714	(6,950)	(3.97) %
Communications and utilities	308,353	274,092	267,068	(34,261)	(11.11) %	31,073	26,193	19,687	(4,880)	(15.70) %
Supplies and materials	495,515	411,109	391,739	(84,406)	(17.03) %	25,070	35,786	39,245	10,717	42.74 %
Contract services	681,257	538,585	475,288	(142,672)	(20.94) %	34,367	67,160	21,317	32,792	95.41 %
Repairs & maintenance	358,615	311,230	240,770	(47,385)	(13.21) %	12,790	56,942	18,514	44,152	345.21 %
Insurance	85,295	85,431	85,950	135	0.15 %	7,555	7,553	7,994	(2)	(0.03) %
Other (travel, marketing, air service, etc)	309,800	220,259	253,408	(89,540)	(28.90) %	20,975	21,977	37,605	1,002	4.77 %
Total Operating expenses	4,318,292	3,772,357	3,508,531	(545,934)	(12.64) %	306,497	383,328	303,076	76,831	25.06 %
Net Operating Income (loss)	1,416,389	2,254,602	2,324,852	838,213	59.17 %	233,003	185,403	252,155	(47,600)	(20.42) %
Non-operating revenue (expenses)										
Passenger facility charges	821,800	842,265	819,440	20,465	2.49 %	77,400	80,881	76,137	3,481	4.49 %
Interest income	38,000	176,872	127,738	138,872	365.45 %	1,000	20,941	3,199	19,941	1,994.08 %
Interest expense	(772,218)	(772,197)	(1,128,736)	21	0.00 %	(69,816)	(69,816)	(73,918)	0	0.00 %
Customer facility charges	672,900	667,752	666,151	(5,148)	(0.76) %	76,900	76,396	78,712	(504)	(0.65) %
Capital contributions	11,701,730	2,831,367	4,258,751	(8,870,363)	(75.80) %	0	402,793	949,614	402,793	0.00 %
Capital expenditures	(22,810,421)	(6,673,219)	(4,904,606)	16,137,202	(70.74) %	0	(681,591)	(1,106,490)	(681,591)	0.00 %
Debt principal payments	(335,603)	(335,603)	(435,933)	0	0.00 %	0	0	(110,220)	0	0.00 %
Other (Legal Settlement)	0	0	(151,910)	0	0.00 %	0	0	0	0	0.00 %
Total Non-operating revenue (expenses)	(10,683,812)	(3,262,763)	(749,105)	7,421,049	(69.46) %	85,484	(170,396)	(182,966)	(255,880)	(299.33) %
Excess of revenue over (under) expense	(9,267,423)	(1,008,161)	1,575,747	8,259,262	(89.12) %	318,487	15,007	69,189	(303,480)	(95.28) %

Variance Explanations - 11/30/18 Financial Statements

The financial report discussion includes explanations for variances of current YTD or current month versus budget greater than \$10,000 and 10%.

Revenues:

Non-passenger landing fees – Non-passenger landing fees are up YTD related to the FedEx schedule changes not reflected in the budget. FedEx had 2 flights per day in the first half of the year, while the 2018 budget only assumed one flight per day. November landing fees were within \$100 of budget now that FedEx has returned to one flight a day.

Flowage fees – YTD Fuel Flowage is up about 20% from 2017, primarily due to 300K gallons more of fuel pumped in July and August 2018 compared to July and August 2017. This increase was primarily driven by the wild fire activities. The timing of State fuel tax disbursements are dependent on the timing of when fuel taxes are remitted to CDOT and can vary from month to month. Additionally, it is noted that fuel tax revenues will not necessarily correlate with flowage because of Non-taxable Government and military operations.

Restaurant & Retail – Restaurant revenue continued to out-perform budget. The largest increase was recognized in the third quarter related to increased diversion traffic.

Rental Cars – Rental car revenue for November (October rental activity) is \$17K ahead of monthly budget but is consistent with prior year. There were 18,538 car rental days in October, down 1,140 days from prior year. This reduction was offset by an increase in the daily rate of over \$3.00 from 2017.

Other (security fee, etc.) - Both security fees and other revenue are both over budget for the year. November's increase is a reflection of advertising being reverted to the airport from Lamar.

Interest income – Interest income for November and year to date remains over budget, because the budget anticipated \$9M would be spent on the terminal projects this year, beginning in the second quarter. We expect to start making bond draws the next couple of months as the terminal project invoices are starting to come in. Additionally, the scope changes for the terminal projects are expected to reduce the cost by about \$4M. As a result, interest income is anticipated to remain well above budget for the year.

Capital contributions – Capital contributions continues to be below budget due to the timing of the AIP work being completed. Capital grant reimbursements from the FAA are dependent on project submissions and capital expenditures which are also well below budget.

Expenses:

Communications and Utilities – YTD communications and utilities expenses are approximately \$34k below budget, however the expenses are above prior year actual expenses by \$7K. The difference is related to the conservative budget amount that allowed for fluctuating prices and usage.

Supplies and Materials – Per their lease, \$59K was budgeted to replace TSA's carpet. This scheduled replacement will be done January 2019. This category is forecasted to come in \$16K under budget for the year.

Contract services – Contract services continues to come in under budget, and our forecast indicates that will continue for the year. The increase in November expenses was due to billings from Airline Lease negotiations. The main drivers for the YTD variance are reduced legal and general engineering fees.

Repairs & Maintenance – November variances are well above prior year due to the painting of the boarding bridges (\$26K) and the replacement of water inlets in the public parking lot (\$9K), however, we are still projecting to be below budget for the year.

Other expenses – Other expenses includes marketing and air service development costs that were budgeted for earlier in the year. This is also where additional budget contingency (\$34K) is held.

Capital expenditures – The original budget projected that all AIP projects would be completed by the end of September, however, work is continuing on RTR, 27 1/4 Road, and Taxiway A into 2019 which is resulting in the large budget variance. Some of this work will be completed in Q4, but we have estimated that approximately \$3.5M of budgeted 2018 projects will actually be completed in 2019 and this has been included in the 2019 budget.