

GRAND JUNCTION REGIONAL AIRPORT



C O L O R A D O
AIRPORT of the YEAR

BOARD PACKET

May 16, 2023

Grand Junction Regional Airport Authority



Date: May 16, 2023

Location:

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

or

Electronic Meeting

Link: <https://us02web.zoom.us/j/82238253045?pwd=Tm41Y2g3RFVXWTNyRThhOU9MeHdmZz09>

Time: 11:30 AM

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 e-mail your comment to the Board Clerk (boardclerk@gjairport.com) 15 minutes prior to the meeting. Comments not related to specific agenda items will be addressed during the citizen comment section of the agenda. Citizen comments related to a specific action item will be addressed during the discussion of that action item. The Board Chair 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 Chair, 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

- A. April 18, 2023 Meeting Minutes _____ 1
 - Approve the April 18, 2023 Board Meeting Minutes.
- B. Airport Insurance Policy Renewal _____ 2
 - Approve the renewal of property and casualty insurance brokered by HUB

May 16, 2023

International for the period June 1, 2023 – May 31, 2024.

- C. CDOT Division of Aeronautics Grant 23-GJT-02 _____ 3
 - Approve CDOT Grant Agreement 23-GJT-02 for \$375,115 for Runway 12/30 Construction and/or Terminal Bipartisan Infrastructure Law and authorize the Executive Director to sign.
- D. Amended and Restated Ground Lease – RSI EnTech, LLC _____ 4
 - Authorize Executive Director to execute an amended and restated Ground Lease with RSI EnTech, LLC which provides RSI with an additional twenty-year term.
- E. First Amendment to FCI Agreement – Waiver of Subrogation Language _____ 5
 - Authorize Executive Director to execute a First Amendment to its agreement with FCI Constructors, Inc. to remove the Waiver of Subrogation language.

VII. Action

- A. Seventh Addendum to Use and Lease Agreement with Federal Express Corporation 6
 - Approve seventh addendum to Use and Lease Agreement with Federal Express Corporation and authorize Chair to sign.
- B. Officer and Committee Appointments _____ 7
 - Elect the Officers and appoint committees in accordance with the bylaws of the Authority.

VIII. Staff Reports

- A. Legal Update (Dan Reimer)
- B. Activity Report (Harrison Earl)
- C. Executive Director Report (Angela Padalecki)
- D. Finance Report (Travis Boyd) _____ 8
- E. Operations Report (Dylan Heberlein)
- F. Capital Improvement Plan Update (Colin Bible)

IX. Any other business which may come before the Board

X. Adjournment



Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
April 18, 2023

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 11:30 AM on April 18, 2023 in Grand Junction, Colorado and in the County of Mesa. The meeting was hosted in the 3rd floor conference room as well as electronically.

<p><u>Commissioners Present:</u></p> <p>Tom Benton (Chairman) Clay Tufly (Vice Chairman) Ron Velarde Thaddeus Shrader Randall Reitz</p> <p><u>Airport Staff:</u></p> <p>Travis Boyd Dan Reimer (Counsel) Dylan Heberlein Ben Peck Cameron Reece (Clerk) Jake Steele</p>	<p><u>Guests:</u></p> <p>Jeremy Lee, Mead and Hunt Colin Bible, Garver Rob Hunter, Tenant Austin Rankin, Mead and Hunt Jen Boehm, Mead and Hunt Harrison Earl, CMT</p>
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II. Pledge of Allegiance

III. Approval of Agenda

Commissioner Shrader made a motion to approve the April 18, 2023 Board Agenda. Commissioner Velarde seconded the motion. Voice Vote: All Ayes; motion carried.

IV. Commissioner Comments

Commissioner Benton thanked Commissioner Tufly for his years of service as a commissioner of the board and his time on the Finance & Audit committee as well as the Executive Committee. Commissioner Tufly thanked everyone for the opportunity to serve as well as the Executive Director Angela and staff for making it a great experience.

V. Citizen Comments

No Citizen Comments were made.

VI. Consent Agenda

A. March 21, 2023 Meeting Minutes

Approve the March 21, 2023 Board Meeting Minutes.

B. Runway/Taxiway Restriping

Authorize Executive Director or her designee to expend \$33,474 for the restriping from Straight Stripe of portions of Runway 11/29 and Taxiway A.

C. Runway Rubber Removal

Authorize Executive Director or her designee to expend \$22,250 for rubber removal from Straight Stripe for annual removal of rubber build-up of Runway 11/29.

D. Colorado Discretionary Aviation Grant Offer and Agreement, CDOT - Airport Operations and Administration Intern

Authorize the Board Chairman to execute a Grant Agreement with CDOT for funding in support of the Airport Internship Program.

Commissioner Tuffy made a motion to approve the Consent Agenda. Commissioner Shrader. Voice Vote: All Ayes; motion carried.

VII. Staff Reports

- A. Activity Report (Harrison Earl)
- B. Finance Report (Travis Boyd)
- C. Capital Improvement Plan Update (Colin Bible)

VIII. Any other business which may come before the Board

IX. Adjournment

The meeting adjourned at approximately 12:23pm

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:

Cameron Reece, Clerk to the Board

Grand Junction Regional Airport Authority

Agenda Item Summary:

TOPIC:	Airport Insurance Policy Renewal		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approve the 2023-2024 renewal of property and casualty insurance brokered by HUB International for a total renewal cost of \$159,504.32		
DISCUSSION:	<p>As our broker, HUB International requests bids from various insurance agencies on behalf of the Airport for our general liability, automobile, property, inland marine, and public officials' liability policies and recommends the carriers with the best pricing and coverage options. Based on (i) quotes obtained by HUB on our behalf, and (ii) based on staff evaluation of the deductible and insured value options, we are recommending renewal for the policy period from June 1, 2023-May 31, 2024 with estimated premiums and broker fees totaling \$159,504.32 The quotes received from the existing carriers represents an increase of \$11,888.61 (8.1%) in our total premiums for the year.</p> <p>The majority of the rate increase (\$7,903) was in property coverage due to an overall rate increase due to market pressure. As noted in the attachment, the covered value of property increased 3% from the 2022-2023 policy whereas the market rate for total insured values increased by 15%. We think the benefit of increasing the covered value justifies the proposed cost increase and it fits within the airport budget.</p> <p>The attached proposal from HUB includes our recommended renewal and additional supporting analysis on the changes in policies.</p>		
REVIEWED BY:	Executive Director and Finance Director		
FISCAL IMPACT:	Estimated 2023 Calendar Year Premium Costs: \$159,504.32 2023 Operating Budget \$151,000		
ATTACHMENTS:	HUB P&C Renewal Proposal		
STAFF CONTACT:	Travis Boyd 970-248-8581 tboyd@gjairport.com		



Property & Casualty Insurance Proposal





Policy Term: June 1st, 2023 to June 1st, 2024






The strength of an international
company, right where you do business.

2742 Crossroads Blvd, Grand Junction, CO 81506
TOLL FREE: 888-795-0300 | FAX: 866-243-0727











HUB Team

Name	Title	Responsibilities
Account Management		
Tim Blanchard 	HUB Colorado President	Chief Executive Officer for HUB Colorado Email: Timothy.blanchard@hubinternational.com Cell: (970) 250-5904
Jennifer Walker 	Diversified Practice Group Leader	Lead marketing and carrier relationship manager Email: Jennifer.walker@hubinternational.com Direct: (719) 546-6829 Cell: (719) 250-3241
Telisha Marshall 	Account Manager	Day-to-day service contact and manager Email: Telisha.Marshall@hubinternational.com Direct: (720) 207-2412
Chad Heller 	Executive Risk Practice Group Leader	Lead marketing and carrier relationship manager Email: Chad.Heller@hubinternational.com Direct: (719) 884-0729

2023 - 2024 Renewal Proposal

Name	Title	Responsibilities
Colorado Processing Unit (CPU)		Certificate and Endorsement Processing This team consists of four processors located throughout our state that focus on the processing of certificates and endorsement to ensure a timely response for our clients. Sw.cocerts@hubinternational.com
Specialty Services		
Rick Shassetz 	Senior Risk Consultant	Local risk services contact, specializing in compliance Email: Rick.shassetz@hubinternational.com Cell: (720) 281-5440
Gary Wetter 	Senior Claims Manager	Lead claims advocate and liaison Email: Gary.wetter@hubinternational.com Direct: (720) 207-2416 Cell: (303) 656-8927
Patti Speedy 	Claim Advocate	Day –to-day claim handling Email: Patti.speedy@hubinternational.com Direct: (720) 207-2384

Premium Summary





Coverage	2022-2023 Expiring		2023-2024 Renewal	
	Carrier	Premium	Carrier	Premium
Property	CHUBB®	\$43,212	CHUBB®	\$51,113
Inland Marine		\$3,030		\$1,776
Inland Marine-Fire Trucks Only		\$13,604		\$14,017
Airport Liability	CHUBB®	\$30,254	CHUBB®	\$31,799
Automobile		\$15,904.50		\$17,073
Public Officials Liability		\$31,679.71		\$31,872.32
Crime- 3 year policy (expires 2026)		\$1,854		\$1,854
Professional Services Fee		\$10,000		\$10,000
TOTAL	\$147,615.71		\$159,504.32	

* Includes applicable surplus lines taxes and fees

**Premium Indication – not the final renewal offer

Premiums noted above include terrorism/war coverage, if applicable

Historical Premium vs. Exposure Comparison

Line of Business	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
			CHUBB®	CHUBB®	CHUBB®	CHUBB®
Property	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures
◆ Exposure (Total Insured Values)	\$26,399,031	\$40,851,988	\$49,766,000	\$49,025,400	\$57,064,250	\$58,694,710
◆ Exposure - Year over Year Change (%)		55%	22%	-1%	16%	3%
◆ Rate (Per \$100 of TIV)	\$0.11	\$0.09	\$0.06	\$0.07	\$0.076	\$0.087
◆ Rate - Year over Year Change (%)		-18%	-29%	13%	5%	15%
Premium - Including Taxes & Fees (if applicable)	\$28,804	\$36,548	\$31,633	\$35,258	\$43,210	\$51,113
Renewal vs. Expiring - Year over Year Change (\$)		\$7,744	-\$4,915	\$3,625	\$7,952	\$7,903
Renewal vs. Expiring - Year over Year Change (%)		27%	-13%	11%	23%	18%
Airport Liability	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures
			CHUBB®	CHUBB®	CHUBB®	CHUBB®
◆ Exposure (Enplaned Passengers)	258,006	140,133	149,300	251,830	251,000	240,000
◆ Exposure - Year over Year Change (%)		-46%	7%	69%	0%	-4%
◆ Rate (Per \$1,000 of Passengers)	\$80.66	\$173.66	\$175.34	\$111.75	\$120.53	\$132.50
◆ Rate - Year over Year Change (%)		115%	1%	-36%	8%	10%
Premium - Including Taxes & Fees (if applicable)	\$20,812	\$24,336	\$26,179	\$28,142	\$30,254	\$31,799
Renewal vs. Expiring - Year over Year Change (\$)		\$3,524	\$1,843	\$1,963	\$2,112	\$1,545
Renewal vs. Expiring - Year over Year Change (%)		17%	8%	7%	8%	5%

2023 - 2024 Renewal Proposal



Business Auto	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures
◆ Exposure (Power Units)	10	12	12	14	14	15
◆ Exposure - Year over Year Change (%)		20%	0%	17%	0%	7%
◆ Rate (Per Unit)	\$810	\$758	\$987	\$943	\$999	\$1,138
◆ Rate - Year over Year Change (%)		-6%	30%	-4%	6%	14%
Premium - Including Taxes & Fees (if applicable)	\$8,100	\$9,092	\$11,846	\$13,200	\$13,982	\$17,073
Renewal vs. Expiring - Year over Year Change (\$)		\$992	\$2,754	\$1,354	\$782	\$3,091
Renewal vs. Expiring - Year over Year Change (%)		12%	30%	11%	6%	22%
Public Officials Liability	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures	Premium & Exposures
◆ Limits of Liability (Per Million)	\$1,000,000	\$1,000,000	\$2,000,000	\$3,000,000	\$3,000,000	\$3,000,000
◆ Limits of Liability - Year over Year Change (%)		0%	100%	50%	0%	0%
◆ Rate - Year over Year Change (%)		\$21,230.36	\$15,780.12	\$10,559.90	\$10,559.90	\$10,624.00
Premium - Including Taxes & Fees (if applicable)	\$19,856	\$21,230	\$31,560	\$31,680	\$31,680	\$31,872
Renewal vs. Expiring - Year over Year Change (\$)		\$1,374	\$10,330	\$119	\$0	\$192
Renewal vs. Expiring - Year over Year Change (%)		7%	0.01%	0.38%	0.00%	0.61%

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	CDOT Division of Aeronautics Grant 23-GJT-02												
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>										
RECOMMENDATION:	Approve CDOT Grant Agreement 23-GJT-02 for \$375,115 for Runway 12/30 Construction and/or Terminal Bipartisan Infrastructure Law and authorize the Executive Director to sign.												
SUMMARY:	<p>The grant from the Colorado Department of Transportation – Division of Aeronautics includes matching funds totaling \$250,000 towards the required local match on 2023 Runway 12/30 construction projects as well as a 5% match towards the 2023 Bipartisan Infrastructure Law (BIL) Entitlement Grant from the FAA totaling \$125,115.</p> <p>Historically, CDOT has provided a grant to help fund a portion of the 10% local match required on FAA projects. In 2020 and 2021, the local match required on FAA AIP projects was waived and funded through CRRSA so CDOT did not issue any matching grants. That program was reinstated in 2022, and also started a new program that funds a 5% match on the BIL entitlement program (leaving the Airport cover the other 5% of the 10% airport matching portion). The Colorado Aeronautics Board has only authorized BIL entitlement matches for 2022 and 2023, and it is uncertain whether they may offer similar assistance in the next three years of the five-year BIL entitlement grant program. \$125,115 represents half of the required match from GJRAA for the 2023 \$2.2 million BIL entitlement grant. The BIL entitlement grant will be awarded from the FAA once the Airport has qualifying construction documents available, which is expected in Q4.</p> <p>This agreement is between the Airport and CDOT only and therefore does not require co-sponsor approvals from the City and County.</p>												
REVIEWED BY:	Executive Director and CIP Manager												
FISCAL IMPACT:	<p>Total CDOT Grant Funding of \$375,115 anticipated to be applied to projects as follows:</p> <table><tr><td>AIP TBD RWY 12/30 Grading:</td><td>BIL Entitlement Project</td></tr><tr><td>• Federal - \$10,530,000</td><td>- Federal - \$2,252,087</td></tr><tr><td>• GJRAA - \$920,000</td><td>- GJRAA - \$125,117</td></tr><tr><td>• CDOT - \$250,000</td><td>- CDOT - \$125,115</td></tr><tr><td>• Total - \$11,700,000</td><td>- Total - \$2,502,319</td></tr></table>			AIP TBD RWY 12/30 Grading:	BIL Entitlement Project	• Federal - \$10,530,000	- Federal - \$2,252,087	• GJRAA - \$920,000	- GJRAA - \$125,117	• CDOT - \$250,000	- CDOT - \$125,115	• Total - \$11,700,000	- Total - \$2,502,319
AIP TBD RWY 12/30 Grading:	BIL Entitlement Project												
• Federal - \$10,530,000	- Federal - \$2,252,087												
• GJRAA - \$920,000	- GJRAA - \$125,117												
• CDOT - \$250,000	- CDOT - \$125,115												
• Total - \$11,700,000	- Total - \$2,502,319												
ATTACHMENTS:	CDOT Grant 23-GJT-02												
STAFFCONTACT:	Angela Padalecki apadalecki@gjairport.com Office: 970-248-8588												



Colorado Division of Aeronautics Discretionary Aviation Grant Resolution

RESOLUTION

WHEREAS:

The General Assembly of the State of Colorado declared in Title 43 of the Colorado Revised Statutes, Article 10, 1991 in CRS §43-10-101 (the Act) "... that there exists a need to promote the safe operations and accessibility of general aviation in this state; that improvements to general aviation transportation facilities will promote diversified economic development across the state; and that accessibility to airport facilities for residents of this state is crucial in the event of a medical or other type of emergency..."

The Act created the Colorado Aeronautical Board ("the Board") to establish policy and procedures for distribution of monies in the Aviation Fund and created the Division of Aeronautics ("the Division") to carry out the directives of the Board, including technical and planning assistance to airports and the administration of the state aviation system grant program. SEE CRS §43-10-103 and C.R.S. §43-10-105 and CRS §43-10-108.5 of the Act.

Any eligible entity operating an FAA-designated public-use airport in the state may file an application for and be recipient of a grant to be used solely for aviation purposes. The Division is authorized to assist such airports and request assistance by means of a Resolution passed by the applicant's duly-authorized governing body, which understands that all funds shall be used exclusively for aviation purposes and that it will comply with all grant procedures, grant assurances and requirements as defined in the Division's Programs and Procedures Manual, ("the Manual") and the Airport Sponsor Assurances for Colorado Discretionary Aviation Grant Funding ("Grant Assurances") attached hereto as **Exhibit B** for the project detailed in the Discretionary Aviation Grant Application ("Application") attached hereto as **Exhibit A** and in conjunction with CDOT's Small Dollar Grant Award Terms and Conditions attached hereto as **Exhibit C**.

NOW, THEREFORE, BE IT RESOLVED THAT:

The **Grand Junction Regional Airport Authority**, as a duly authorized governing body of the grant applicant, hereby formally requests assistance from the Colorado Aeronautical Board and the Division of Aeronautics in the form of a state aviation system grant. The **Grand Junction Regional Airport Authority** states that such grant shall be used solely for aviation purposes, as determined by the State, and as generally described in the Application.

By signing this Grant Resolution, the applicant commits to keep open and accessible for public use all grant funded facilities, improvements and services for their useful life, as determined by the Division and stated in the Grant Assurances.

FURTHER BE IT RESOLVED:

That the **Grand Junction Regional Airport Authority** hereby designates **Angela Padalecki** as the Project Director, as described in the Manual and authorizes the Project Director to act in all matters relating to the work project proposed in the Application, including execution of any amendments.

FURTHER:

The **Grand Junction Regional Airport Authority** has appropriated or will otherwise make available in a timely manner all funds, if any, that are required to be provided by the applicant as shown on the Application.

FINALLY:

The **Grand Junction Regional Airport Authority** hereby accepts all guidelines, procedures, standards, and requirements described in the Manual as applicable to the performance of the grant work and hereby approves this Grant Resolution, including all terms and conditions contained therein.

By: _____

Date: _____

Print Name and Title: _____

ATTEST (if needed)

By: _____

Print Name and Title: _____

EXHIBIT A



Colorado Division of Aeronautics Discretionary Aviation Grant Application

APPLICANT INFORMATION

APPLICANT SPONSOR: Grand Junction Regional Airport Authority	AIRPORT: Grand Junction Regional Airport	IDENTIFIER: GJT
PROJECT DIRECTOR: Angela Padalecki		
MAILING ADDRESS: 2828 Walker Field Drive, Ste 301, Grand Junction, CO 81506	EMAIL ADDRESS:	apadalecki@gjairport.com
	PHONE NUMBER:	(970) 852-1247

GRANT NAME AND TERMS

23-GJT-02	TERMS	
	Execution Date:	Expiration Date: June 30, 2026

FUNDING SUMMARY

Funding Source	Funding Amount
State Aviation Grant:	\$375,115.00
Local Cash:	\$1,045,117.00
Local In-Kind:	\$0.00
Federal Aviation Grant:	\$12,782,087.00
Total Project Funding:	\$14,202,319.00

PROJECT SCHEDULE & BUDGET

ELEMENT DESCRIPTION	STATE FUNDING		LOCAL FUNDING		FEDERAL FUNDING		TOTAL
A. A - Participate in Federally Funded Rwy Grading and Drainage	\$250,000.00	Up to 5.00%	\$920,000.00	7.86%	\$10,530,000.00	90.00%	\$11,700,000.00
B. B - BIL - Participate in Federally Funded Terminal Program Design	\$125,115.00	Up to 5.00%	\$125,117.00	5.00%	\$2,252,087.00	90.00%	\$2,502,319.00
TOTALS	\$375,115.00		\$1,045,117.00		\$12,782,087.00		\$14,202,319.00

EXHIBIT B, GRANT ASSURANCES

Airport Sponsor Assurances for Colorado Discretionary Aviation Grant Funding

Approved by CAB January 22, 2018

I. APPLICABILITY

- a. These assurances shall be complied with by Airport Sponsors in the performance of all projects at airports that receive Colorado Department of Transportation – Division of Aeronautics (Division) Colorado Discretionary Aviation Grant (CDAG) funding for projects including but not limited to: master planning, land acquisition, equipment acquisition or capital improvement projects (Project). It is not the intent of these Assurances to expand existing Federal Aviation Administration (FAA) Grant Assurances for airports included in the National Plan of Integrated Airport Systems (NPIAS); as similar assurances already exist for acceptance of FAA funding.
- b. Upon acceptance of this grant agreement these assurances are incorporated in and become a part thereof.

II. DURATION

- a. The terms, conditions and assurances of the grant agreement shall remain in full force and effect throughout the useful life of the Project as defined in Table 1 (Useful Life), or if the airport for which the Project is funded ceases to function as a public airport, for twenty (20) years from the date of Project completion, whichever period is greater. However, there shall be no limit on the duration of the assurances with respect to real property acquired with CDAG Project funds.

III. COMPLIANCE

- a. Should an Airport Sponsor be notified to be in non-compliance with any terms of this agreement, they may become ineligible for future Division funding until such non-compliance is cured.
- b. If any Project is not used for aviation purposes during its Useful Life, or if the airport for which the Project is funded ceases to function as a public airport, for twenty (20) years from the date of Project completion or at any time during the estimated useful life of the Project as defined in Table 1, whichever period is greater, the Airport Sponsor may be liable for repayment to the Division of any or all funds contributed by the Division under this agreement. If the airport at which the Project is constructed is abandoned for any reason, the Division may in its discretion discharge the Airport Sponsor from any repayment obligation upon written request by the Airport Sponsor.

IV. AIRPORT SPONSOR GRANT ASSURANCES

1. **Compatible Land Use.** Compatible land use and planning in and around airports benefits the state aviation system by providing opportunities for safe airport development, preservation of airport and aircraft operations, protection of airport approaches, reduced potential for litigation and compliance with appropriate airport design standards. The airport will take appropriate action, to the extent reasonable, to restrict the use of land adjacent to, in the immediate vicinity of, or on the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft.
2. **On-Airport Hazard Removal and Mitigation.** The airport will take appropriate action to protect aircraft operations to/from the airport and ensure paths are adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.
3. **Safe, Efficient Use, and Preservation of Navigable Airspace.** The airport shall comply with 14 CFR Part 77 for all future airport development and anytime an existing airport development is altered.
4. **Operation and Maintenance.** In regards to Projects that receive Division funding, the airport sponsor certifies that it has the financial or other resources that may be necessary for the preventive maintenance, maintenance, repair and operation of such projects during their Useful Life.

The airport and all facilities which are necessary to serve the aeronautical users of the airport shall be operated at all times in a safe and serviceable condition. The airport will also have in effect arrangements for:

- a. Operating the airport's aeronautical facilities whenever required;
 - b. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
 - c. Promptly notifying airmen of any condition affecting aeronautical use of the airport.
5. **Airport Revenues.** All revenues generated by the airport will be expended by it for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the owner or operator of the airport for aviation purposes.
6. **Airport Layout Plan (ALP).** Once accomplished and as otherwise may be required to develop, it will keep up-to-date a minimum of an ALP of the airport showing (1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto; (2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities; and (3) the location of all existing improvements thereon.
7. **Use for Aviation Purposes.** The Airport Sponsor shall not use runways, taxiways, aprons, seeded areas or any other appurtenance or facility constructed, repaired, renovated or maintained under the terms of this Agreement for activities other than aviation purposes unless otherwise exempted by the Division.

TABLE 1

Project Type	Useful Life
a. All construction projects (unless listed separately below)	20 years
b. All equipment and vehicles	10 years
c. Pavement rehabilitation (not reconstruction, which is 20 years)	10 years
d. Asphalt seal coat, slurry seal, and joint sealing	3 years
e. Concrete joint replacement	7 years
f. Airfield lighting and signage	10 years
g. Navigational Aids	15 years
h. Buildings	40 years
i. Land	Unlimited

STATE CONTROLLER

MODEL SMALL DOLLAR GRANT AWARDS AND CONTENT

This is a State Controller Contract, Grant, and Purchase Order Policy under the State Fiscal Rules. All Small Dollar Grant Awards shall use one of the approved models Small Dollar Grant Award or Grant Agreement forms described in Fiscal Rule 3-4 unless the State Agency or Institution of Higher Education (IHE) has obtained the prior written approval from the Office of the State Controller (OSC).

1) Available Model Small Dollar Grant Awards. The following model Small Dollar Grant Awards may be used by State Agencies and IHEs without additional approval from the OSC:

- a. Financial System Generated Small Dollar Grant Awards.** This model is the system-generated document resulting from a Colorado Operations Resource Engine (CORE) POGG1 encumbrance or through another approved state financial system, which also explicitly references a link to the State of Colorado Small Dollar Grant Award Terms and Conditions that are attached to this policy. This model does not include other documents with a similar or the same appearance as one of these documents that is not generated within the financial system
- b. Other Approved Forms.** A State Agency or IHE, at the discretion of the State Agency's or IHE's Procurement Official or State Controller delegate, may request other approved forms from the OSC.
- c. Backup Forms.** If CORE or the approved state financial system used by the State Agency or IHE is unavailable for an extended period of time when a Small Dollar Grant Award must be issued, the State Agency or IHE, with the prior approval of the OSC, may use a backup form with the same or substantially similar appearance as one of the documents described in §1)a.

2) Modifications of Model Small Dollar Grant Awards. A State Agency or Institution of Higher Education issuing a Small Dollar Grant Award may not modify the State of Colorado Small Dollar Grant Award Terms and Conditions attached to this policy, including Addendum 1: Additional Terms & Conditions for Information Technology ("Addendum"), in any way without prior written approval of the OSC.

- a. Exception.** The Office of Information Technology (OIT) may modify the provisions of Addendum for the State of Colorado Small Dollar Grant Awards specifically issued by OIT with the prior written approval of the Procurement Official of OIT or authorized delegate, without obtaining additional approval from OSC.
- b. Unauthorized Modifications.** Except as described in §2)a., the failure of a State Agency or IHE to obtain approval from the OSC prior to issuing a Small Dollar Grant Award with modified the State of Colorado Small Dollar Grant Award Terms and Conditions shall constitute a violation of Fiscal Rule 3-4, §§ 4.1.7. and 5.1.

3) Small Dollar Grant Award Exhibits and References. All Small Dollar Grant Awards shall either include or specifically reference the State of Colorado Small Dollar Grant Award Terms and Conditions by hyperlink or, if modified in accordance with §2), attach the modified State of Colorado Small Dollar Grant Award Terms and Conditions and shall clarify on the Small Dollar Grant Award that the attached modified State of Colorado Small Dollar Grant Award Terms and Conditions shall govern the Small Dollar Grant Award in lieu of the State of Colorado Small Dollar Grant Award Terms and Conditions referenced by hyperlink. Small Dollar Grant Awards shall also include any additional exhibits, based on the nature of the work performed under the Small Dollar Grant Award, as required by any other state

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and/or federal agency with authority over that type of work or by any entity providing funding for the Small Dollar Grant Award, including, but not limited to, the following:

- a. Additional information technology provisions required by OIT.
- b. Additional provisions required to comply with the Office of Management and Budget Uniform Guidance, or the Federal Funding Accountability and Transparency Act, or any other applicable federal terms and conditions.
- c. Any federally required attachments relating to confidential information, such as a Health Information Portability and Accountability Act (HIPAA) Business Associate Addendum or a Federal Tax Information Exhibit.



**Robert Jaros, CPA, MBA, JD State
Controller**

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State of Colorado Small Dollar Grant Award Terms and Conditions

1. Offer/Acceptance. This Small Dollar Grant Award, together with these terms and conditions (including, if applicable, Addendum 1: Additional Terms and Conditions for Information Technology below), and any other attachments, exhibits, specifications, or appendices, whether attached or incorporated by reference (collectively the "Agreement") shall represent the entire and exclusive agreement between the State of Colorado, by and through the agency identified on the face of the Small Dollar Grant Award ("State") and the Subrecipient identified on the face of the Small Dollar Grant Award ("Grantee"). If this Agreement refers to Grantee's bid or proposal, this Agreement is an ACCEPTANCE of Grantee's OFFER TO PERFORM in accordance with the terms and conditions of this Agreement. If a bid or proposal is not referenced, this Agreement is an OFFER TO ENTER INTO AGREEMENT, subject to Grantee's acceptance, demonstrated by Grantee's beginning performance or written acceptance of this Agreement. Any COUNTER-OFFER automatically CANCELS this Agreement, unless a change order is issued by the State accepting a counter-offer. Except as provided herein, the State shall not be responsible or liable for any Work performed prior to issuance of this Agreement. The State's financial obligations to the Grantee are limited by the amount of Grant Funds awarded as reflected on the face of the Small Dollar Grant Award.

2. Order of Precedence. In the event of a conflict or inconsistency within this Agreement, such conflict or inconsistency shall be resolved by giving preference to the documents in the following order of priority: **(1)** the Small dollar Grant Award document; **(2)** these terms and conditions (including, if applicable, Addendum 1 below); and **(3)** any attachments, exhibits, specifications, or appendices, whether attached or incorporated by reference. Notwithstanding the above, if this Agreement has been funded, in whole or in part, with a Federal Award, in the event of a conflict between the Federal Grant and this Agreement, the provisions of the Federal Grant shall control. Grantee shall comply with all applicable Federal provisions at all times during the term of this Agreement. Any terms and conditions included on Grantee's forms or invoices not included in this Agreement are void.

3. Changes. Once accepted in accordance with §1, this Agreement shall not be modified, superseded or otherwise altered, except in writing by the State and accepted by Grantee.

4. Definitions. The following terms shall be construed and interpreted as follows: **(a) "Award"** means an award by a Recipient to a Subrecipient; **(b) "Budget"** means the budget for the Work described in this Agreement; **(c) "Business Day"** means any day in which the State is open and conducting business, but shall not include Saturday, Sunday or any day on which the State observes one of the holidays listed in CRS §24-11-101(1); **(d) "UCC"** means the Uniform Commercial Code in CRS Title 4; **(e) "Effective Date"** means the date on which this Agreement is issued as shown on the face of the Small Dollar Grant Award; **(f) "Federal Award"** means an award of federal financial assistance or a cost-reimbursement contract, by a Federal Awarding Agency to the Recipient. "Federal Award" also means an agreement setting forth the terms and conditions of the Federal Award, which terms and conditions shall flow down to the Award unless such terms and conditions specifically indicate otherwise. The term does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program; **(g) "Federal Awarding Agency"** means a Federal agency providing a Federal Award to a Recipient; **(h) "Grant Funds"** means the funds that have been appropriated, designated, encumbered, or otherwise made available for payment by the State under this Agreement; **(i) "Matching Funds"** mean the funds provided by the Grantee to meet cost sharing requirements described in this Agreement; **(j) "Recipient"** means the State agency identified on the face of the Small Dollar Grant Award; **(k) "Subcontractor"** means third parties, if any, engaged by Grantee to aid in performance of the Work; **(l) "Subrecipient"** means a non-Federal entity that receives a sub-award from a Recipient to carry out part of a program, but does not include an individual that is a beneficiary of such program; **(m) "Uniform Guidance"** means the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, identified as the 2 C.F.R. (Code of Federal Regulations) Part 200, commonly known as the "Super Circular," which supersedes requirements from OMB Circulars A-21, A-87, A-110, A-122, A-89, A-102, and A-133, and the guidance in Circular a-50 on Single Audit Act follow-up; and **(n) "Work"** means the goods delivered or services, or both, performed pursuant to this Agreement and identified as Line Items on the face of the Small Dollar Grant Award.

5. Delivery. Grantee shall furnish the Work in strict accordance with the specifications and price set forth in this Agreement. The State shall have no liability to compensate Grantee for the performance of any Work not specifically set forth in the Agreement.

6. Rights to Materials. *[Not Applicable to Agreements issued either in whole in part for Information Technology, as defined in CRS § 24-37.5-102(2); in which case Addendum 1 §2 applies in lieu of this section.]* Unless specifically stated otherwise in this Agreement, all materials, including without limitation supplies, equipment, documents, content, information, or other material of any type, whether tangible or intangible (collectively "Materials"), furnished by the State to Grantee or delivered by Grantee to the State in performance of its obligations under this Agreement shall be the exclusive property the State. Grantee shall return or deliver all Materials to the State upon completion or termination of this Agreement.

7. Grantee Records. Grantee shall make, keep, maintain, and allow inspection and monitoring by the State of a complete file of all records, documents, communications, notes and other written materials, electronic media files, and communications, pertaining in any manner to the Work (including, but not limited to the operation of programs) performed under this Agreement (collectively "Grantee Records"). Unless otherwise specified by the State, the Grantee shall retain Grantee Records for a period (the "Record Retention Period") of three years following the date of submission to the State of the final expenditure report, or if this Award is renewed quarterly or annually, from the date of the submission of each quarterly or annual report, respectively. If any litigation, claim, or audit related to this Award starts before expiration of the Record Retention Period, the Record Retention Period shall extend until all litigation, claims or audit finding have been resolved and final action taken by the State or Federal Awarding Agency. The Federal Awarding Agency, a cognizant agency for audit, oversight, or indirect costs, and the State, may notify Grantee in writing that the Record Retention Period shall be extended. For records for real property and equipment, the Record Retention Period shall extend three years following final disposition of such property. Grantee shall permit the State, the federal government, and any other duly authorized agent of a governmental agency to audit, inspect, examine, excerpt, copy and transcribe Grantee Records during the Record Retention Period. Grantee shall make Grantee Records available during normal business hours at Grantee's office or place of business, or at other mutually agreed upon times or locations, upon no fewer than two Business Days' notice from the State, unless the State determines that a shorter period of notice, or no notice, is necessary to protect the interests of the State. The State, in its discretion, may monitor Grantee's performance of its obligations under this Agreement using procedures as determined by the State. The federal government and any other duly authorized agent of a governmental agency, in its discretion, Grantee shall allow the State to perform all monitoring required by the Uniform Guidance, based on the State's risk analysis of Grantee and this Agreement, and the State shall have the right, in its discretion, to change its monitoring procedures and requirements at any time during the term of this Agreement. The State will monitor Grantee's performance in a manner that does not unduly interfere with Grantee's performance of the Work. Grantee shall promptly submit to the State a copy of any final audit report of an audit performed

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on Grantee Records that relates to or affects this Agreement or the Work, whether the audit is conducted by Grantee, a State agency or the State's authorized representative, or a third party. If applicable, the Grantee may be required to perform a single audit under 2 CFR 200.501, *et seq.* Grantee shall submit a copy of the results of that audit to the State within the same timelines as the submission to the federal government.

8. Reporting. If Grantee is served with a pleading or other document in connection with an action before a court or other administrative decision making body, and such pleading or document relates to this Agreement or may affect Grantee's ability to perform its obligations under this Agreement, Grantee shall, within 10 days after being served, notify the State of such action and deliver copies of such pleading or document to the State. Grantee shall disclose, in a timely manner, in writing to the State and the Federal Awarding Agency, all violations of federal or State criminal law involving fraud, bribery, or gratuity violations potentially affecting the Award. The State or the Federal Awarding Agency may impose any penalties for noncompliance allowed under 2 CFR Part 180 and 31 U.S.C. 3321, which may include, without limitation, suspension or debarment.

9. Conflicts of Interest. Grantee acknowledges that with respect to this Agreement, even the appearance of a conflict of interest is harmful to the State's interests. Absent the State's prior written approval, Grantee shall refrain from any practices, activities, or relationships that reasonably may appear to be in conflict with the full performance of Grantee's obligations to the State under this Agreement. If a conflict or appearance of a conflict of interest exists, or if Grantee is uncertain as to such, Grantee shall submit to the State a disclosure statement setting forth the relevant details for the State's consideration. Failure to promptly submit a disclosure statement or to follow the State's direction in regard to the actual or apparent conflict constitutes a breach of this Agreement. Grantee certifies that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Agreement. Grantee has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Grantee's Services and Grantee shall not employ any person having such known interests.

10. Taxes. The State is exempt from federal excise taxes and from State and local sales and use taxes. The State shall not be liable for the payment of any excise, sales, or use taxes imposed on Grantee. A tax exemption certificate will be made available upon Grantee's request. Grantee shall be solely responsible for any exemptions from the collection of excise, sales or use taxes that Grantee may wish to have in place in connection with this Agreement.

11. Payment. Payments to Grantee are limited to the unpaid, obligated balance of the Grant Funds. The State shall not pay Grantee any amount under this Agreement that exceeds the Document Total shown on the face of the Small Dollar Grant Award. The State shall pay Grantee in the amounts and in accordance with the schedule and other conditions set forth in this Agreement. Grantee shall initiate payment requests by invoice to the State, in a form and manner approved by the State. The State shall pay Grantee for all amounts due within 45 days after receipt of an Awarding Agency's approved invoicing request, or in instances of reimbursement grant programs a request for reimbursement, compliant with Generally Accepted Accounting Principles (GAAP) and, if applicable Government Accounting Standards Board (GASB) of amount requested. Amounts not paid by the State within 45 days of the State's acceptance of the invoice shall bear interest on the unpaid balance beginning on the 45th day at the rate set forth in CRS §24-30-202(24) until paid in full. Interest shall not accrue if a good faith dispute exists as to the State's obligation to pay all or a portion of the amount due. Grantee shall invoice the State separately for interest on delinquent amounts due, referencing the delinquent payment, number of day's interest to be paid, and applicable interest rate. The acceptance of an invoice shall not constitute acceptance of any Work performed under this Agreement. Except as specifically agreed in this Agreement, Grantee shall be solely responsible for all costs, expenses, and other charges it incurs in connection with its performance under this Agreement.

12. Term. The parties' respective performances under this Agreement shall commence on the "Service From" date identified on the face of the Small Dollar Grant Award, unless otherwise specified, and shall terminate on the "Service To" date identified on the face of the Small Dollar Grant Award unless sooner terminated in accordance with the terms of this Agreement.

13. Payment Disputes. If Grantee disputes any calculation, determination or amount of any payment, Grantee shall notify the State in writing of its dispute within 30 days following the earlier to occur of Grantee's receipt of the payment or notification of the determination or calculation of the payment by the State. The State will review the information presented by Grantee and may make changes to its determination based on this review. The calculation, determination or payment amount that results from the State's review shall not be subject to additional dispute under this subsection. No payment subject to a dispute under this subsection shall be due until after the State has concluded its review, and the State shall not pay any interest on any amount during the period it is subject to dispute under this subsection.

14. Matching Funds. Grantee shall provide Matching Funds, if required by this Agreement. If permitted under the terms of the grant and per this Agreement, Grantee may be permitted to provide Matching Funds prior to or during the course of the project or the match will be an in-kind match. Grantee shall report to the State regarding the status of such funds upon request. Grantee's obligation to pay all or any part of any Matching Funds, whether direct or contingent, only extend to funds duly and lawfully appropriated for the purposes of this Agreement by the authorized representatives of Grantee and paid into Grantee's treasury or bank account. Grantee represents to the State that the amount designated "Grantee's Matching Funds" pursuant to this Agreement, has been legally appropriated for the purposes of this Agreement by its authorized representatives and paid into its treasury or bank account. Grantee does not by this Agreement irrevocably pledge present cash reserves for payments in future fiscal years, and this Agreement is not intended to create a multiple-fiscal year debt of Grantee. Grantee shall not pay or be liable for any claimed interest, late charges, fees, taxes or penalties of any nature, except as required by Grantee's laws or policies.

15. Reimbursement of Grantee Costs. If applicable, the State shall reimburse Grantee's allowable costs, not exceeding the maximum total amount described in this Agreement for all allowable costs described in the grant except that Grantee may adjust the amounts between each line item of the Budget without formal modification to this Agreement as long as the Grantee provides notice to, and received approval from the State of the change, the change does not modify the total maximum amount of this Agreement, and the change does not modify any requirements of the Work. If applicable, the State shall reimburse Grantee for the properly documented allowable costs related to the Work after review and approval thereof, subject to the provisions of this Agreement. However, any costs incurred by Grantee prior to the Effective Date shall not be reimbursed absent specific allowance of pre-award costs. Grantee's costs for Work performed after the "Service To" date identified on the face of the Small Dollar Grant Award, or after any phase performance period end date for a respective phase of the Work, shall not be reimbursable. The State shall only reimburse allowable costs described in this Agreement and shown in the Budget if those costs are (a) reasonable and necessary to accomplish the Work, and (b) equal to the actual net cost to Grantee (i.e. the price paid minus any items of value received by Grantee that reduce the costs actually incurred).

16. Close-Out. Grantee shall close out this Award within 45 days after the "Service To" date identified on the face of the Small Dollar Grant Award, including any modifications. To complete close-out, Grantee shall submit to the State all deliverables (including documentation) as defined

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in this Agreement and Grantee's final reimbursement request or invoice. In accordance with the Agreement, the State may withhold a percentage of allowable costs until all final documentation has been submitted and accepted by the State as substantially complete.

17. Assignment. Grantee's rights and obligations under this Agreement may not be transferred or assigned without the prior, written consent of the State and execution of a new agreement. Any attempt at assignment or transfer without such consent and new agreement shall be void. Any assignment or transfer of Grantee's rights and obligations approved by the State shall be subject to the provisions of this Agreement.

18. Subcontracts. Grantee shall not enter into any subcontract in connection with its obligations under this Agreement without the prior, written approval of the State. Grantee shall submit to the State a copy of each subcontract upon request by the State. All subcontracts entered into by Grantee in connection with this Agreement shall comply with all applicable federal and state laws and regulations, shall provide that they are governed by the laws of the State of Colorado, and shall be subject to all provisions of this Agreement.

19. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations in accordance with the intent of the Agreement.

20. Survival of Certain Agreement Terms. Any provision of this Agreement that imposes an obligation on a party after termination or expiration of the Agreement shall survive the termination or expiration of the Agreement and shall be enforceable by the other party.

21. Third Party Beneficiaries. Except for the parties' respective successors and assigns, this Agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the parties. Any services or benefits which third parties receive as a result of this Agreement are incidental to the Agreement, and do not create any rights for such third parties.

22. Waiver. A party's failure or delay in exercising any right, power, or privilege under this Agreement, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.

23. Indemnification. [Not Applicable to Inter-governmental agreements] Grantee shall indemnify, save, and hold harmless the State, its employees, agents and assignees (the "Indemnified Parties"), against any and all costs, expenses, claims, damages, liabilities, court awards and other amounts (including attorneys' fees and related costs) incurred by any of the Indemnified Parties in relation to any act or omission by Grantee, or its employees, agents, Subcontractors, or assignees in connection with this Agreement. This shall include, without limitation, any and all costs, expenses, claims, damages, liabilities, court awards and other amounts incurred by the Indemnified Parties in relation to any claim that any work infringes a patent, copyright, trademark, trade secret, or any other intellectual property right or any claim for loss or improper disclosure of any confidential information or personally identifiable information. If Grantee is a public agency prohibited by applicable law from indemnifying any party, then this section shall not apply.

24. Notice. All notices given under this Agreement shall be in writing, and shall be delivered to the contacts for each party listed on the face of the Small Dollar Grant Award. Either party may change its contact or contact information by notice submitted in accordance with this section without a formal modification to this Agreement.

25. Insurance. Except as otherwise specifically stated in this Agreement or any attachment or exhibit to this Agreement, Grantee shall obtain and maintain insurance as specified in this section at all times during the term of the Agreement: (a) workers' compensation insurance as required by state statute, and employers' liability insurance covering all Grantee employees acting within the course and scope of their employment, (b) Commercial general liability insurance written on an Insurance Services Office occurrence form, covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows: \$1,000,000 each occurrence; \$1,000,000 general aggregate; \$1,000,000 products and completed operations aggregate; and \$50,000 any one fire, and (c) Automobile liability insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit. If Grantee will or may have access to any protected information, then Grantee shall also obtain and maintain insurance covering loss and disclosure of protected information and claims based on alleged violations of privacy right through improper use and disclosure of protected information with limits of \$1,000,000 each occurrence and \$1,000,000 general aggregate at all times during the term of the Small Dollar Grant Award. Additional insurance may be required as provided elsewhere in this Agreement or any attachment or exhibit to this Agreement. All insurance policies required by this Agreement shall be issued by insurance companies with an AM Best rating of A-VIII or better. If Grantee is a public agency within the meaning of the Colorado Governmental Immunity Act, then this section shall not apply and Grantee shall instead comply with the Colorado Governmental Immunity Act.

26. Termination Prior to Grantee Acceptance. If Grantee has not begun performance under this Agreement, the State may cancel this Agreement by providing written notice to the Grantee.

27. Termination for Cause. If Grantee refuses or fails to timely and properly perform any of its obligations under this Agreement with such diligence as will ensure its completion within the time specified in this Agreement, the State may notify Grantee in writing of non-performance and, if not corrected by Grantee within the time specified in the notice, terminate Grantee's right to proceed with the Agreement or such part thereof as to which there has been delay or a failure. Grantee shall continue performance of this Agreement to the extent not terminated. Grantee shall be liable for excess costs incurred by the State in procuring similar Work and the State may withhold such amounts, as the State deems necessary. If after rejection, revocation, or other termination of Grantee's right to proceed under the Colorado Uniform Commercial Code (CUCC) or this clause, the State determines for any reason that Grantee was not in default or the delay was excusable, the rights and obligations of the State and Grantee shall be the same as if the notice of termination had been issued pursuant to termination under **\$28**.

28. Termination in Public Interest. The State is entering into this Agreement for the purpose of carrying out the public interest of the State, as determined by its Governor, General Assembly, Courts, or Federal Awarding Agency. If this Agreement ceases to further the public interest of the State as determined by its Governor, General Assembly, Courts, or Federal Awarding Agency, the State, in its sole discretion, may terminate this Agreement in whole or in part and such termination shall not be deemed to be a breach of the State's obligations hereunder. This section shall not apply to a termination for cause, which shall be governed by **\$27**. A determination that this Small Dollar Grant Award should be terminated in the public interest shall not be equivalent to a State right to terminate for convenience. The State shall give written notice of termination to Grantee specifying the part of the Agreement terminated and when termination becomes effective. Upon receipt of notice of termination, Grantee shall not incur further obligations except as necessary to mitigate costs of performance. The State shall pay the Agreement price or rate for Work performed

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and accepted by State prior to the effective date of the notice of termination. The State's termination liability under this section shall not exceed the total Agreement price.

29. Termination for Funds Availability. The State is prohibited by law from making commitments beyond the term of the current State Fiscal Year. Payment to Grantee beyond the current State Fiscal Year is contingent on the appropriation and continuing availability of Grant Funds in any subsequent year (as provided in the Colorado Special Provisions). If federal funds or funds from any other non-State funds constitute all or some of the Grant Funds, the State's obligation to pay Grantee shall be contingent upon such non-State funding continuing to be made available for payment. Payments to be made pursuant to this Agreement shall be made only from Grant Funds, and the State's liability for such payments shall be limited to the amount remaining of such Grant Funds. If State, federal or other funds are not appropriated, or otherwise become unavailable to fund this Agreement, the State may, upon written notice, terminate this Agreement, in whole or in part, without incurring further liability. The State shall, however, remain obligated to pay for Work performed and accepted prior to the effective date of notice of termination, and this termination shall otherwise be treated as if this Agreement were terminated in the public interest as described in §28.

30. Grantee's Termination Under Federal Requirements. If the Grant Funds include any federal funds, then Grantee may request termination of this Grant by sending notice to the State, or to the Federal Awarding Agency with a copy to the State, which includes the reasons for the termination and the effective date of the termination. If this Grant is terminated in this manner, then Grantee shall return any advanced payments made for Work that will not be performed prior to the effective date of the termination.

31. Governmental Immunity. Liability for claims for injuries to persons or property arising from the negligence of the State, its departments, boards, commissions committees, bureaus, offices, employees and officials shall be controlled and limited by the provisions of the Colorado Governmental Immunity Act, CRS §24-10-101, *et seq.*, the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b), and the State's risk management statutes, CRS §§24-30-1501, *et seq.* 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, contained in these statutes.

32. Grant Recipient. Grantee shall perform its duties hereunder as a grant recipient and not as an employee. Neither Grantee nor any agent or employee of Grantee shall be deemed to be an agent or employee of the State. Grantee shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. **Grantee and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Grantee or any of its agents or employees. Grantee shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Agreement. Grantee shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.**

33. Compliance with Law. Grantee shall comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

34. Choice of Law, Jurisdiction and Venue. [Not Applicable to Inter-governmental agreements] Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Agreement. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. All suits or actions related to this Agreement shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver. Any provision incorporated herein by reference which purports to negate this or any other provision in this Agreement in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision or for any other reason shall not invalidate the remainder of this Agreement, to the extent capable of execution. Grantee shall exhaust administrative remedies in CRS §24-109-106, prior to commencing any judicial action against the State regardless of whether the Colorado Procurement Code applies to this Agreement.

35. Prohibited Terms. Nothing in this Agreement shall be construed as a waiver of any provision of CRS §24-106-109. Any term included in this Agreement that requires the State to indemnify or hold Grantee harmless; requires the State to agree to binding arbitration; limits Grantee's liability for damages resulting from death, bodily injury, or damage to tangible property; or that conflicts with that statute in any way shall be void ab initio.

36. Public Contracts for Services. [Not Applicable to offer, issuance, or sale of securities, investment advisory services, fund management services, sponsored projects, intergovernmental grant agreements, or information technology services or products and services] Grantee certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Agreement, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c). Grantee shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into a contract or agreement with a Subcontractor that fails to certify to Grantee that the Subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement. Grantee shall (a) not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants during performance of this Agreement, (b) notify Subcontractor and the State within three days if Grantee has actual knowledge that Subcontractor is employing or contracting with an illegal alien for work under this Agreement, (c) terminate the subcontract if Subcontractor does not stop employing or contracting with the illegal alien within three days of receiving notice, and (d) comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Grantee participates in the Department program, Grantee shall deliver to the State a written, notarized affirmation that Grantee has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Grantee fails to comply with any requirement of this provision or CRS §8-17.5-101 *et seq.*, the State may terminate this Agreement for breach and, if so terminated, Grantee shall be liable for damages.

37. Public Contracts with Natural Persons. Grantee, if a natural person 18 years of age or older, hereby swears and affirms under penalty of perjury that the person (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 *et seq.*, and (c) has produced a form of identification required by CRS §24-76.5-103 prior to the date Grantee begins Work under terms of the Agreement.

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ADDENDUM 1:

Additional Terms & Conditions for Information Technology

IF ANY PART OF THE SUBJECT MATTER OF THIS AGREEMENT IS INFORMATION TECHNOLOGY, AS DEFINED IN CRS § 24-37.5-102 (2), THE FOLLOWING PROVISIONS ALSO APPLY TO THIS AGREEMENT.

A. Definitions. The following terms shall be construed and interpreted as follows: (a) **"CJI"** means criminal justice information collected by criminal justice agencies needed for the performance of their authorized functions, including, without limitation, all information defined as criminal justice information by the U.S. Department of Justice, Federal Bureau of Investigation, Criminal Justice Information Services Security Policy, as amended, and all Criminal Justice Records as defined under CRS §24-72-302; (b) **"Incident"** means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of any communications or information resources of the State, pursuant to CRS §§24-37.5-401 *et seq.*; (c) **"PCI"** means payment card information including any data related to credit card holders' names, credit card numbers, or the other credit card information as may be protected by state or federal law; (d) **"PHI"** means any protected health information, including, without limitation any information whether oral or recorded in any form or medium that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual including, without limitation, any information defined as Individually Identifiable Health Information by the federal Health Insurance Portability and Accountability Act; (e) **"PII"** means personally identifiable information including, without limitation, any information maintained by the State about an individual that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records, including, without limitation, all information defined as personally identifiable information in CRS §24-72-501; (f) **"State Confidential Information"** means any and all State data, information, and records not subject to disclosure under the Colorado Open Records Act and includes, without limitation, PII, PHI, PCI, Tax Information, CJI, and State personnel records not subject to disclosure under the Colorado Open Records Act; (g) **"State Fiscal Rules"** means those fiscal rules promulgated by the Colorado State Controller pursuant to CRS §24-30-202(13)(a); (h) **"State Fiscal Year"** means a 12 month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year; (i) **"State Records"** means any and all State data, information, and records, regardless of physical form; (j) **"Tax Information"** means federal and State of Colorado tax information including, without limitation, federal and State tax returns, return information, and such other tax-related information as may be protected by federal and State law and regulation, including, without limitation all information defined as federal tax information in Internal Revenue Service Publication 1075; and (k) **"Work Product"** means the tangible and intangible results of the delivery of goods and performance of services, whether finished or unfinished, including drafts. Work Product includes, but is not limited to, documents, text, software (including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, materials, ideas, concepts, know-how, information, and any other results of the Work, but does not include any material that was developed prior to the Effective Date that is used, without modification, in the performance of the Work.

B. Intellectual Property. Except to the extent specifically provided elsewhere in this Agreement, any State information, including without limitation pre-existing State software, research, reports, studies, data, photographs, negatives or other documents, drawings, models, materials; or Work Product prepared by Grantee in the performance of its obligations under this Agreement shall be the exclusive property of the State (collectively, "State Materials"). All State Materials shall be delivered to the State by Grantee upon completion or termination of this Agreement. The State's exclusive rights in any Work Product prepared by Grantee shall include, but not be limited to, the right to copy, publish, display, transfer, and prepare derivative works. Grantee shall not use, willingly allow, cause or permit any State Materials to be used for any purpose other than the performance of Grantee's obligations hereunder without the prior written consent of the State. The State shall maintain complete and accurate records relating to (a) its use of all Grantee and third party software licenses and rights to use any Grantee or third party software granted under this Agreement and its attachments to which the State is a party and (b) all amounts payable to Grantee pursuant to this Agreement and its attachments and the State's obligations under this Agreement or any amounts payable to Grantee in relation to this Agreement, which records shall contain sufficient information to permit Grantee to confirm the State's compliance with the use restrictions and payment obligations under this Agreement or to any third party use restrictions to which the State is a party. Grantee retains the exclusive rights, title and ownership to any and all pre-existing materials owned or licensed to Grantee including, but not limited to all pre-existing software, licensed products, associated source code, machine code, text images, audio, video, and third party materials, delivered by Grantee under the Agreement, whether incorporated in a deliverable or necessary to use a deliverable (collectively, "Grantee Property"). Grantee Property shall be licensed to the State as set forth in a State-approved license agreement (a) entered into as exhibits or attachments to this Agreement, (b) obtained by the State from the applicable third party Grantee, or (c) in the case of open source software, the license terms set forth in the applicable open source license agreement. Notwithstanding anything to the contrary herein, the State shall not be subject to any provision incorporated in any exhibit or attachment attached hereto, any provision incorporated in any terms and conditions appearing on any website, any provision incorporated into any click through or online agreements, or any provision incorporated into any other document or agreement between the parties that (a) requires the State or the State to indemnify Grantee or any other party, (b) is in violation of State laws, regulations, rules, State Fiscal Rules, policies, or other State requirements as deemed solely by the State, or (c) is contrary to this Agreement.

C. Information Confidentiality. Grantee shall keep confidential, and cause all Subcontractors to keep confidential, all State Records, unless those State Records are publicly available. Grantee shall not, without prior written approval of the State, use, publish, copy, disclose to any third party, or permit the use by any third party of any State Records, except as otherwise stated in this Agreement, permitted by law, or approved in writing by the State. If Grantee will or may have access to any State Confidential Information or any other protected information, Grantee shall provide for the security of all State Confidential Information in accordance with all applicable laws, rules, policies, publications, and guidelines. Grantee shall comply with all Colorado Office of Information Security ("OIS") policies and procedures which OIS has issued pursuant to CRS §§24-37.5-401 through 406 and 8 CCR §1501-5 and posted at <http://oit.state.co.us/ois>, all information security and privacy obligations imposed by any federal, state, or local statute or regulation, or by any industry standards or guidelines, as applicable based on the classification of the data relevant to Grantee's performance under this Agreement. Such obligations may arise from: Health Information Portability and Accountability Act (HIPAA); IRS Publication 1075; Payment Card Industry Data Security Standard (PCI-DSS); FBI Criminal Justice Information Service Security Addendum; Centers for Medicare & Medicaid Services (CMS) Minimum Acceptable Risk Standards for Exchanges; and Electronic Information Exchange

STATE CONTROLLER

Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with The Social Security Administration. Grantee shall immediately forward any request or demand for State Records to the State's principal representative.

D. Other Entity Access and Nondisclosure Agreements. Grantee may provide State Records to its agents, employees, assigns and Subcontractors as necessary to perform the work, but shall restrict access to State Confidential Information to those agents, employees, assigns, and Subcontractors who require access to perform their obligations under this Agreement. Grantee shall ensure all such agents, employees, assigns, and Subcontractors sign agreements containing nondisclosure provisions at least as protective as those in this Agreement, and that the nondisclosure provisions are in force at all times the agent, employee, assign, or Subcontractors has access to any State Confidential Information. Grantee shall provide copies of those signed nondisclosure provisions to the State upon execution of the nondisclosure provisions if requested by the State.

E. Use, Security, and Retention. Grantee shall use, hold, and maintain State Confidential Information in compliance with any and all applicable laws and regulations only in facilities located within the United States, and shall maintain a secure environment that ensures confidentiality of all State Confidential Information. Grantee shall provide the State with access, subject to Grantee's reasonable security requirements, for purposes of inspecting and monitoring access and use of State Confidential Information and evaluating security control effectiveness. Upon the expiration or termination of this Agreement, Grantee shall return State Records provided to Grantee or destroy such State Records and certify to the State that it has done so, as directed by the State. If Grantee is prevented by law or regulation from returning or destroying State Confidential Information, Grantee warrants it will guarantee the confidentiality of, and cease to use, such State Confidential Information.

F. Incident Notice and Remediation. If Grantee becomes aware of any Incident, it shall notify the State immediately and cooperate with the State regarding recovery, remediation, and the necessity to involve law enforcement, as determined by the State. Unless Grantee can establish none of Grantee or any of its agents, employees, assigns or Subcontractors are the cause or source of the Incident, Grantee shall be responsible for the cost of notifying each person who may have been impacted by the Incident. After an Incident, Grantee shall take steps to reduce the risk of incurring a similar type of Incident in the future as directed by the State, which may include, but is not limited to, developing and implementing a remediation plan that is approved by the State at no additional cost to the State. The State may adjust or direct modifications to this plan, in its sole discretion and Grantee shall make all modifications as directed by the State. If Grantee cannot produce its analysis and plan within the allotted time, the State, in its sole discretion, may perform such analysis and produce a remediation plan, and Grantee shall reimburse the State for the reasonable actual costs thereof.

G. Data Protection and Handling. Grantee shall ensure that all State Records and Work Product in the possession of Grantee or any Subcontractors are protected and handled in accordance with the requirements of this Agreement at all times. Upon request by the State made any time prior to 60 days following the termination of this Agreement for any reason, whether or not this Agreement is expiring or terminating, Grantee shall make available to the State a complete and secure download file of all data that is encrypted and appropriately authenticated. This download file shall be made available to the State within 10 Business Days following the State's request, and shall contain, without limitation, all State Records, Work Product, and any other information belonging to the State. Upon the termination of Grantee's services under this Agreement, Grantee shall, as directed by the State, return all State Records provided by the State to Grantee, and the copies thereof, to the State or destroy all such State Records and certify to the State that it has done so. If legal obligations imposed upon Grantee prevent Grantee from returning or destroying all or part of the State Records provided by the State, Grantee shall guarantee the confidentiality of all State Records in Grantee's possession and will not actively process such data. The State retains the right to use the established operational services to access and retrieve State Records stored on Grantee's infrastructure at its sole discretion and at any time.

H. Compliance. If applicable, Grantee shall review, on a semi-annual basis, all OIS policies and procedures which OIS has promulgated pursuant to CRS §§ 24-37.5-401 through 406 and 8 CCR § 1501-5 and posted at <http://oit.state.co.us/ois>, to ensure compliance with the standards and guidelines published therein. Grantee shall cooperate, and shall cause its Subcontractors to cooperate, with the performance of security audit and penetration tests by OIS or its designee.

I. Safeguarding PII. If Grantee or any of its Subcontractors will or may receive PII under this Agreement, Grantee shall provide for the security of such PII, in a manner and form acceptable to the State, including, without limitation, all State requirements relating to non-disclosure, use of appropriate technology, security practices, computer access security, data access security, data storage encryption, data transmission encryption, security inspections, and audits. Grantee shall take full responsibility for the security of all PII in its possession or in the possession of its Subcontractors, and shall hold the State harmless for any damages or liabilities resulting from the unauthorized disclosure or loss thereof. Grantee shall be a "Third-Party Service Provider" as defined in CRS §24-73-103(1)(i) and shall maintain security procedures and practices consistent with CRS §§24-73-101 *et seq.*

J. Software Piracy Prohibition. The State or other public funds payable under this Agreement shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Grantee hereby certifies and warrants that, during the term of this Agreement and any extensions, Grantee has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Grantee is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Agreement, including, without limitation, immediate termination of this Agreement and any remedy consistent with federal copyright laws or applicable licensing restrictions.

K. Information Technology. To the extent that Grantee provides physical or logical storage of State Records; Grantee creates, uses, processes, discloses, transmits, or disposes of State Records; or Grantee is otherwise given physical or logical access to State Records in order to perform Grantee's obligations under this Agreement, the following terms shall apply. Grantee shall, and shall cause its Subcontractors, to: Provide physical and logical protection for all hardware, software, applications, and data that meets or exceeds industry standards and the requirements of this Agreement; Maintain network, system, and application security, which includes, but is not limited to, network firewalls, intrusion detection (host and network), annual security testing, and improvements or enhancements consistent with evolving industry standards; Comply with State and federal rules and regulations related to overall security, privacy, confidentiality, integrity, availability, and auditing; Provide that security is not compromised by unauthorized access to workspaces, computers, networks, software, databases, or other physical or electronic environments; Promptly report all Incidents, including Incidents that do not result in unauthorized disclosure or loss of data integrity, to a designated representative of the OIS; Comply with all rules, policies, procedures, and standards issued by the Governor's Office of Information Technology (OIT), including project lifecycle methodology and governance, technical standards, documentation, and other requirements posted at www.oit.state.co.us/about/policies. Grantee shall not allow remote access to State Records from outside the United States, including access by

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Grantee's employees or agents, without the prior express written consent of OIS. Grantee shall communicate any request regarding non-U.S. access to State Records to the State. The State, acting by and through OIS, shall have sole discretion to grant or deny any such request.

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Amended and Restated Ground Lease – RSI EnTech, LLC		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Authorize Executive Director to execute an amended and restated Ground Lease with RSI EnTech, LLC which provides RSI with an additional twenty-year term.		
SUMMARY:	<p>This lease amends and restates the existing Ground Lease between GJRAA and RSI, a contractor of the United States Department of Energy Office of Legacy Management, for the operation and maintenance of KUT calibration pads located on the Airport. The original lease was executed in 2008 and assigned to RSI in 2021. The purpose of amending and restating the Lease is to 1) increase the lease term by twenty years, and 2) modernize the lease terms consistent with GJRAA's standard form Aeronautical Use Ground Lease. Pursuant to the Lease, RSI will continue to operate and maintain the KUT calibration pads which are located west of the Terminal between the Twin Otter and BLM leaseholds.</p> <p>This leased area contains five 30' by 40' by 1.5' concrete monolithic pads that contain a known and uniform amount of naturally occurring radioactive materials. Constructed in 1976 and rehabilitated in 2017, these pads are used to calibrate airborne gamma spectrometer systems made for monitoring environmental radiation from aircraft. Grand Junction Regional Airport is one of two sites that have these types of pads in North America, the other being in Canada.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	\$3,501.59 revenue annually		
ATTACHMENTS:	Amended and Restated Ground Lease – RSI EnTech, LLC		
STAFF CONTACT:	Travis Boyd Office: 970.248.8581 Email: tboyd@gjairport.com		

**AMENDED AND RESTATED
AERONAUTICAL USE GROUND LEASE**

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

Between

**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY
2828 Walker Field Drive, Suite 301
Grand Junction, CO 81506
("GJRAA")**

And

**RSI EnTech, LLC
2597 Legacy Way
Grand Junction, CO 81503
("Lessee")**

Dated: June 1, 2023

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**AMENDED AND RESTATED
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"), 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 (the "Airport") and is authorized to enter into this Lease pursuant to C.R.S. § 41-3-101, *et seq.*;

B. WHEREAS, on or about June 1, 2008, GJRAA and S.M. Stoller Corporation ("Stoller") entered into a Ground Lease Agreement by which Stoller agreed to lease certain real property from GJRAA for the installation and use of KUT calibration pads, as amended by the First Addendum to Lease Agreement dated November 13, 2013 (the Ground Lease Agreement and First Addendum are collectively referred to herein as the "Original Lease");

C. WHEREAS, the Original Lease was assigned to Navarro Research & Engineering, Inc., pursuant to the September 15, 2015 Assignment of Ground Lease and Consent to Assignment, further amended pursuant to the May 24, 2018 Second Addendum to Ground Lease Agreement, and further assigned to Lessee pursuant to the April 1, 2021 Assignment of Ground Lease and Consent to Assignment; and

D. WHEREAS, the GJRAA desires to continue leasing ground at the Airport to Lessee and Lessee desires to continue leasing ground and using the Airport under the terms and conditions of this Lease and for the purposes set forth herein.

NOW, THEREFORE, for and in 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:

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 Lessee.

RSI EnTech, LLC, a Tennessee corporation authorized to conduct business in the State of Colorado, as contractor to the United States Department of Energy Office of Legacy Management.

1.2 Lessee's Trade Name.

N/A

1.3 Lessee's Address and Telephone Number.

2597 Legacy Way, Grand Junction, CO 81503; [970-248-6000]

1.4 GJRAA'S Address and Telephone Number.

2828 Walker Field Drive, Suite 301, Grand Junction, Colorado 81506; (970) 244-9100.

1.5 Airport:

The Grand Junction Regional Airport, which is located in Grand Junction, Mesa County, Colorado.

1.6 Commencement Date.

June 1, 2023

1.7 Expiration Date.

May 31, 2043

1.8 Initial Minimum Insurance Coverage Amount.

Minimum insurance requirements are addressed in Section 8.1.1.

1.9 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.

1.10 Annual Ground Rent.

Beginning on and after the Commencement Date, the Annual Ground Rent shall be \$3,501.59 per year. The rent shall be calculated as follows: \$0.2504 per square foot x 13,984 square feet = \$3,501.59.

1.11 Permitted Uses.

Tenant may utilize the Premises to calibrate radiometric instrumentation carried by aircraft and ground transportation vehicles owned or operated by Lessee, or its designated contractors and permittees, on the KUT (potassium, uranium, and thorium) calibration pads previously constructed on the Premises.

1.12 Premises.

The property shown on the attached **Exhibits A and B** and any Improvements existing thereon when Lessee first took possession.

1.13 Premises Square Footage.

The Premises consist of a total of 13,984 square feet.

1.14 Date to Complete Improvements.

N/A

1.15 Additional Provisions.

N/A

1.16 Additional Improvements.

N/A

1.17 Minimum Standards.

"Minimum Standards" shall mean the most current and up-to-date version of the General Aviation Minimum Standards, as amended from time to time.

ARTICLE 2: LEASE OF PREMISES & AIRPORT; QUIET ENJOYMENT

2.1 Use of Premises.

2.1.1 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, Section 1.12 of this Agreement, and GJRAA's Grant Assurances to the Federal Aviation Administration ("FAA"). 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.

2.1.2 Lessee understands and agrees that it shall not allow or permit the stationing or storage of any aircraft or vehicles on the Premises for any period of time longer than required to calibrate the instrumentation involved, nor shall Lessee provide, or allow to be provided, fueling or other services or maintenance to the aircraft or vehicles involved from the Premises. Lessee further understands and agrees that it may not conduct any other

aeronautical or non-aeronautical activities from the Premises, other than the calibration services authorized above, unless and until Lessee has agreement in a form and for a rental amount satisfactory to GJRAA, authorizing Lessee to perform said additional activities.

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 conduct 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, 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 the Premises 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, provided, however, that GJRAA will provide reasonable notice of its intent to exercise this right and will further not exercise this right or allow another Lessee to exercise this right if doing so will impede Lessee's ability to conduct the Permitted Uses.

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.

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 Execution 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 five (5) 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 one (1) additional option to extend the term of this Lease for five (5) years (an "Additional Option"). However, the total of the Primary Term and all option terms of this Lease shall not exceed 30 years. The GJRAA shall offer an Additional Option to Lessee if, and only if:

3.3.1 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, 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 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,

(b) Lessee is not in default under this Lease,

(c) Lessee is not in default in any other financial obligation to the GJRAA, and/or

(d) 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 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 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 Existing 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.

ARTICLE 4: RENT & OTHER FEES

4.1 Annual Ground Rent.

The Annual 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 account for such difference according to standard GJRAA procedure.

4.2 CPI Adjustment.

The Annual 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 Annual 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 by Lessee, or by Lessee's successors, assigns, and/or sublessees.

4.4 Manner of Payment.

Payment of Lessee's Annual Ground Rent shall be made in advance, on or before the first day of June every year 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 Annual 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 Annual 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 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.

4.7 New Federal or State 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.

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 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.

ARTICLE 6: MAINTENANCE; UTILITIES; DAMAGE; AND STORAGE

6.1 Maintenance of Premises.

6.1.1 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.

6.1.2 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, through, or under Lessee's direction and control.

6.1.3 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.

6.1.4 Lessee shall maintain the pavement on the Premises, including but not limited to the KUT calibration pads, in good operating condition and physical repair, free from foreign objects or debris, such that the condition of the pavement does not interfere with the experience of other Airport users.

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, (b) if not timely or satisfactorily made by Lessee, then 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.

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.

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, \$1,000,000 per occurrence. 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 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).

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. Any assignment or transfer in violation of this section shall be void. Notwithstanding the foregoing, Lessee shall have the right to (i) assign the Agreement to any subsidiary or affiliate of Lessee (however, Lessee shall provide written notice thereof along with a true and complete copy of the assignment document no later than ten (10) days prior to the effective date of such assignment) and/or (ii) assign the Agreement in the event of contract change in which Lessee is no longer a contractor with the United States Department of Energy Office of Legacy Management. The new contractor may be assigned this Lease, and in any event shall notify GJRAA in writing within ten (10) days prior to the effective date of such assignment. For the purposes hereof, "affiliate" shall mean an entity that controls, is controlled by or is under the common control with, Lessee. Lessee shall remain liable under the terms of this Agreement if Lessee exercises its rights under this Section 9.1, but if Lessee is not the surviving entity in any merger or acquisition, the surviving entity shall be bound as Lessee hereunder.

9.2 Subletting.

Lessee shall 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. 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.

ARTICLE 10: COMPLIANCE WITH APPLICABLE LAW; ENVIRONMENTAL COVENANTS

10.1 Compliance with Law and 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, and all rules, regulations, and procedures promulgated by 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 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.

10.4 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.

10.5 Hazardous Materials.

10.5.1 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 this Paragraph 10.6 shall survive the termination of this Lease.

10.5.2 As used in Paragraph 5.6.1, 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.

10.5.3 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.

ARTICLE 11: NONDISCRIMINATION

11.1 Non-Discrimination

Lessee shall comply with the following FAA required provisions as interpreted from time to time by the United States Department of Transportation ("USDOT") or the FAA. The terms "Contractor", "Offeror", "Applicant" and "Successful Bidder" as used in this Section 11.3 shall refer to the Lessee. In the event of conflict between the terms and conditions of Section 11.3 and any other provision of this Sublease, the term and conditions of this Section 11.3 shall control. In the event the FAA changes any of the Federal Contract Provisions, the Parties shall incorporate the change in an amendment hereto.

11.1.1 Civil Rights – General. In its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. This provision binds the Contractor and Subcontractors from the bid solicitation period through the completion of the contract.

11.1.2 Civil Rights – Title VI Assurances – Compliance with Nondiscrimination Requirements. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

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

(b) **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and

retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

(c) **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

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

(e) **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- i. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
- ii. Cancelling, terminating, or suspending a contract, in whole or in part.

(f) **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

11.1.3 During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

(a) Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

(b) 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

(c) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

(d) Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

(e) The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);

(f) Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

(g) The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

(h) Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq.*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

(i) The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

(j) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures

nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);

(k) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

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

ARTICLE 12: EMINENT DOMAIN; SUBSTITUTION OF PREMISES

12.1 Eminent Domain.

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, Existing Improvements, 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 Easements and Rights of Way.

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 Substitution of Premises.

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 Leasehold Condemnation Rights.

Nothing in Subparagraph 6.3, 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 6.3, 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 6.3 shall not apply.

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, 14 C.F.R. 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.

ARTICLE 14: COOPERATION WITH GJRAA IN COLLECTING FEES

14.1 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.

14.2 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.

14.3 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.

ARTICLE 15: EXPIRATION AND TERMINATION

15.1 Upon the expiration or earlier termination of this Lease, Lessee shall, within sixty (60) days of such expiration or termination and at its expense, deactivate and remove the KUT calibration pads on the Premises, returning the Premises to a flat and level condition, re-paving the Premises to the same depth and specifications as it existed prior to the expiration or termination of the Lease. Such removal shall be coordinated in advance with the GJRAA and subject to all necessary approvals.

15.2 Upon removal the of the KUT calibration pads, Lessee shall peaceably surrender to the GJRAA possession of the Premises in as good a condition as the Premises, 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 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 7.1 above. Additionally, at the expiration or earlier termination of this Lease, title to the Improvements shall vest in the GJRAA, free and clear of all liens and encumbrances.

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 8.1, 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.

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 Section 1.4 and 1.5, 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.

17.2.1 This Lease is and shall be subordinate to the provision of existing and future agreements between GJRAA and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of federal funds for the benefit of the Airport. Should GJRAA receive a determination or order from the Federal Aviation Administration or a court of competent jurisdiction concluding that any provision of this Lease is inconsistent with any such agreement between GJRAA and the United States, the parties shall amend this Lease as necessary to resolve the inconsistency. If the parties are unable to agree on the required amendments, GJRAA shall have the right to unilaterally amend this Lease to resolve the inconsistency. The GJRAA shall also be excused from its obligations to pay Lessee eminent domain compensation under Article 12 or to provide substitute leasehold premises pursuant to Article 12 unless the payment of compensation or provision of substitute premises is specifically directed by the contract, statute, rule, regulation or directive involved.

17.2.2 This Agreement and all rights under this Lease shall be subordinate to any bond ordinance, indenture or covenant made by GJRAA with respect to the Airport during the Primary or Extended Term(s) and, in the event of a conflict, the requirements of the ordinance, indenture or covenant shall control.

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 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.

17.5 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.

17.6 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.

17.7 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.

17.8 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.

17.9 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.

17.10 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.

17.11 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.

17.12 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.

17.13 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.

17.14 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.

17.15 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.

17.16 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.

17.17 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.

17.18 Non-Exclusive Right.

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.

[END OF LEASE; SIGNATURES AND EXHIBITS FOLLOW]

Done and entered into on the date first above written.

GRAND JUNCTION REGIONAL AIRPORT AUTHORITY

By: _____

Its: Executive Director

LESSEE:

By: Rachel Meredith

Its: Prime Contracts Manager

EXHIBIT A
Description of the Premises

EXHIBIT "A"

Department of Energy Lease Description

A parcel of land located in a portion of Section 25, Township 1 North, Range 1 West, Ute P.M., being more particularly described as follows.

Commencing at the Northeast corner of the Southeast Quarter of the Southeast Quarter of said Section 25, whence the Southeast corner of Section 25 bears South 00°01'27" West with all bearings contained herein relative thereto, thence North 36°19'07" West 1186.95 feet to the southerly line of an existing Timberline Aviation lease, thence North 54°50'22" West 416.90 feet along the southerly line of said existing Timberline Aviation lease, thence North 07°10'08" West 144.87 feet to the POINT OF BEGINNING.

Thence	North 54°48'37" West 40.00 feet;
thence	North 35°11'23" East 349.59 feet;
thence	South 54°48'37" East 40.00 feet;
thence	South 35°11'23" West 349.59 feet to the POINT OF BEGINNING.

Containing 13,984 Square Feet, 0.32 acres, more or less.

TOGETHER WITH:

An Ingress Egress Easement located in a portion of Section 25, Township 1 North, Range 1 West, Ute P.M., Being 12.00 feet in width, 6 feet each side of the following described Centerline.

Commencing at the Northeast corner of the Southeast Quarter of the Southeast Quarter of said Section 25, whence the Southeast corner of Section 25 bears South 00°01'27" West with all bearings contained herein relative thereto, thence North 36°19'07" West 1186.95 feet to the southerly line of an existing Timberline Aviation lease, thence North 54°50'22" West 416.90 feet along the southerly line of said existing Timberline Aviation lease, thence North 54°50'22" West 117.61 feet to the POINT OF BEGINNING.

Thence North 35°11'23" East 107.11 feet to the Southerly line of a Department of Energy lease.

Easement containing 1,285 Square Feet, 0.03 acres, more or less.

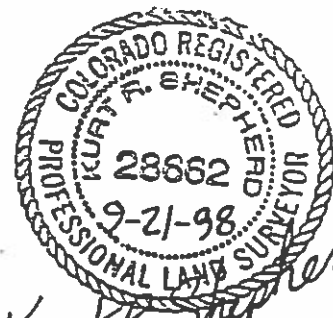
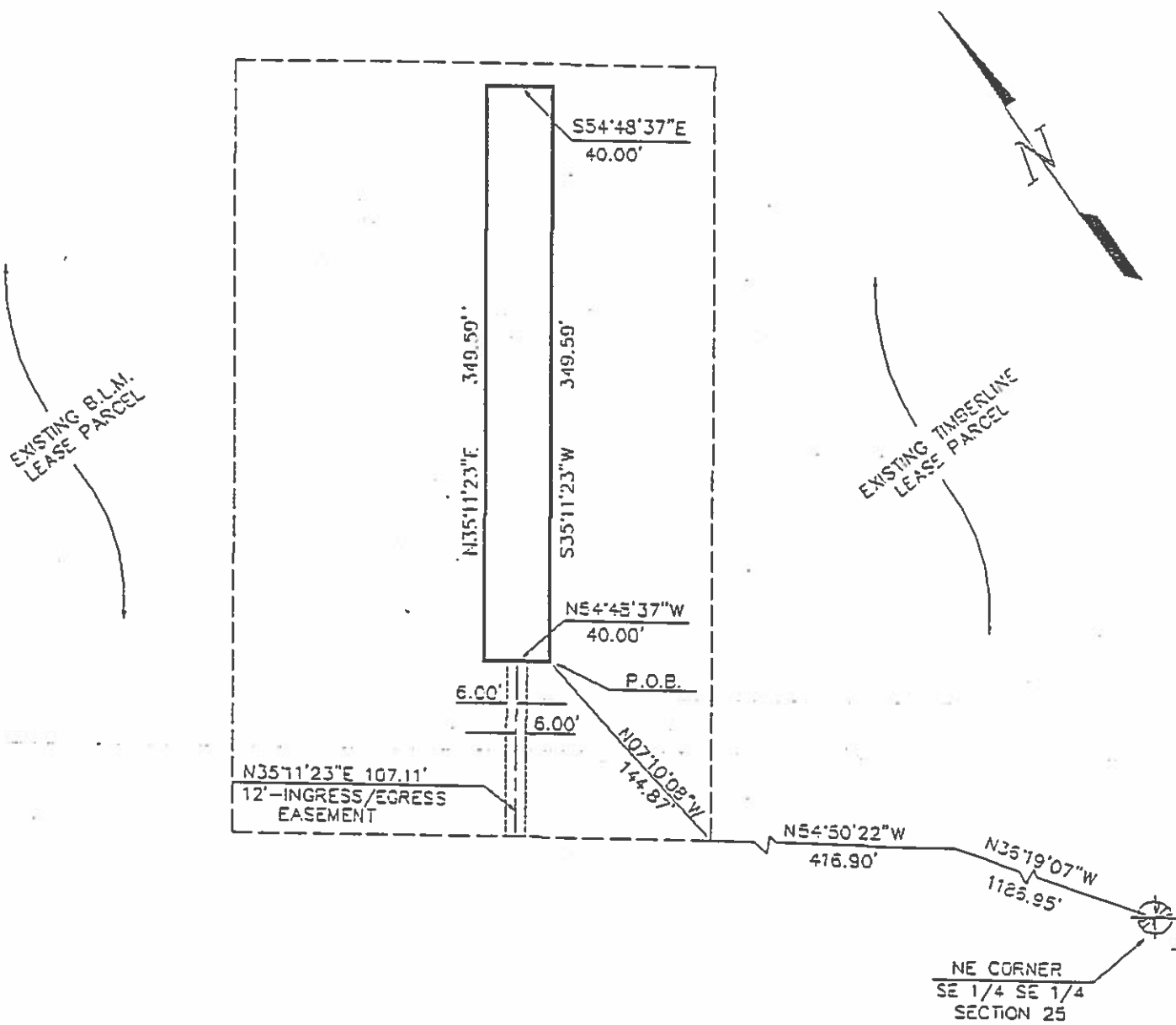


EXHIBIT B
Survey Including Common and Particular Description of the Premises

EXHIBIT "B"

DEPARTMENT OF ENERGY WALKER FIELD AIRPORT LAND LEASE PARCEL

-----TAXIWAY-----



0 50 0 100 200

SCALE 1" = 100'

PREPARED BY:

KS PROFESSIONAL SURVEYING, INC.

4189 U.S. HIGHWAY 50
WHITEWATER, CO 81527

PHONE & Fax (970) 257-7146

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	First Amendment to FCI Agreement – Waiver of Subrogation Language		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Authorize Executive Director to execute a First Amendment to its agreement with FCI Constructors, Inc. to remove the Waiver of Subrogation language.		
SUMMARY:	<p>In February 2023, the Board authorized staff to contract with FCI to repair the retaining wall near passenger boarding gate 6. That repair work is scheduled to begin in late spring. In the meantime, staff has been engaged in general discussions with the Authority's insurance broker regarding policies covering various activities at the Airport. As part of those discussions, it was determined that for projects such as the wall repair, where the Authority carries the builders risk insurance, the Authority should retain its subrogation rights.</p> <p>Because the agreement with FCI contained a mutual waiver of subrogation provision, the parties have agreed to remove that waiver consistent with the carrier's recommendation. This First Amendment removes the waiver of subrogation language from the Agreement.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	N/A		
ATTACHMENTS:	First Amendment to FCI Agreement		
STAFF CONTACT:	Travis Boyd Office: 970.248.8581 Email: tboyd@gjairport.com		

FIRST AMENDMENT TO CONSTRUCTION AGREEMENT

THIS FIRST AMENDMENT TO THE AGREEMENT BETWEEN OWNER AND CONSTRUCTION MANAGER AS CONSTRUCTOR (AIA A133-2019) (the "First Amendment") is made and entered as of the date indicated on the signature page below, by and between the GRAND JUNCTION REGIONAL AIRPORT AUTHORITY (the "Owner"), a political subdivision of the State of Colorado, having an address of 2828 Walker Field Drive, Suite 301, Grand Junction, Colorado 81506, and FCI CONSTRUCTORS, INC., a Colorado corporation ("Construction Manager") (collectively referred to herein as the "Parties").

WITNESSETH

WHEREAS, the Owner and Construction Manager entered into an Agreement between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, dated February 23, 2023 (the "Agreement"), for the repair of concrete twin tees in the Grand Junction Regional Airport terminal; and

WHEREAS, the Parties desire to revise the waivers of subrogation therein;

NOW THEREFORE, in consideration of the mutual agreements herein contained, and subject to the terms and conditions herein stated, the Parties agree as follows:

1. Paragraph 11.3 "Waivers of Subrogation" of the General Conditions of the Contract for Construction (AIA A201-2017) is hereby deleted in its entirety.
2. Except as expressly amended or modified herein, the Agreement shall remain unmodified and in full force and effect.
3. The undersigned signatory for Construction Manager and represents that he/she is an officer or agent of Construction Manager authorized to execute this First Amendment on behalf of Construction Manager, and, by his/her execution below, Construction Manager shall be bound to this First Amendment.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment this __ day of May, 2023.

[END OF FIRST AMENDMENT; SIGNATURES FOLLOW]

**GRAND JUNCTION REGIONAL AIRPORT
AUTHORITY**

By: _____

Its: _____

FCI CONSTRUCTORS, INC.

By:  _____

Its: Brian Kewen Up of GT ops
5/11/23

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Seventh Addendum to Use and Lease Agreement with Federal Express Corporation		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approve seventh addendum to Use and Lease Agreement with Federal Express Corporation and authorize Chair to sign.		
SUMMARY:	<p>FedEx leases a roughly 5,000 square foot hangar (known historically as the “Wegner Hangar”), and surrounding paved and unpaved areas (total leased area is roughly 3.25 acres). The lease was executed in 1998 and amended six times, principally to extend the term and escalate rent. The sixth (and last) amendment was effective January 1, 2013, and intended to expire on December 31, 2013. FedEx has continued to occupy the premises under the holdover provision of the lease.</p> <p>To provide both parties with greater certainty about FedEx’s continued presence at the Airport, we have negotiated the attached Seventh Addendum to Use and Lease Agreement. The Seventh Addendum would: (i) extend the term through March 31, 2028, (ii) provide FedEx with a 5-year option to further extend the term, (iii) fix the ground rent and hangar rent for the period April 2023 to March 2024, and provide for escalation thereafter; and (iv) retain all other terms and conditions of the lease.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	\$63,403 revenue for the period April 2023 through March 2024		
ATTACHMENTS:	Seventh Addendum to Use and Lease Agreement		
STAFF CONTACT:	Travis Boyd Office: 970.248.8581 Email: tboyd@gjairport.com		

SEVENTH ADDENDUM TO USE AND LEASE AGREEMENT

This Seventh Addendum to Use and Lease Agreement (“Seventh Addendum”) between GRAND JUNCTION REGIONAL AIRPORT AUTHORITY (“Authority”), a political subdivision of the State of Colorado, and FEDERAL EXPRESS CORPORATION (“FedEx”) is effective as of April 1, 2023.

WHEREAS, on or about August 18, 1998, Authority and FedEx entered into a Use and Lease Agreement (“Agreement”) by which FedEx agreed to lease certain real property and improvements at the Grand Junction Regional Airport (“Airport”);

WHEREAS, the parties entered into the following Addenda to the Agreement: First Addendum (effective August 18, 1998), Second Addendum (effective September 1, 2003), Third Addendum (effective September 1, 2008), Fourth Addendum (effective January 1, 2011), Fifth Addendum (effective January 1, 2012), and Sixth Addendum (January 1, 2013) (together “the Addenda”).

WHEREAS, the property and improvements currently leased by FedEx are as described and depicted at Exhibit A and Exhibit B, respectively, of the Sixth Addendum (“Leased Premises”);

WHEREAS, by the Addenda, the parties extended the term of the Agreement through December 31, 2013;

WHEREAS, from January 1, 2014, through the present, FedEx has been occupying the Leased Premises on a month-to-month basis in accordance with the provisions of Article XXXX (Holding Over) of the Agreement;

WHEREAS, from January 1, 2014, through the present, Authority has recalculated the Hangar Rent and Ground Rent in the manner set forth in Section VII(B) of the Agreement, beginning April 1 of each year;

WHEREAS, FedEx seeks to continue to occupy the Leased Premises, and Authority is prepared to permit FedEx to do so; and

WHEREAS, the Authority presently is negotiating with the airlines operating at the Airport on a new Air Carrier Use and Lease Agreement, and the parties intend, at some point during the term of the Agreement, for FedEx to execute the new Air Carrier Use and Lease Agreement and/or to further amend the Agreement to harmonize the two documents.

NOW, THEREFORE, Authority and FedEx agree as follows:

1. Term. Notwithstanding any provisions of Article V (Term) of the Agreement or any other provisions of the Agreement or the Addenda to the contrary, the Agreement shall expire on March 31, 2028, unless terminated earlier in accordance with its terms; provided, however, FedEx has the option to renew the Agreement for one (1) term of five (5) years, on the same terms and conditions as set forth in the Agreement, by providing the

Authority with not less than sixty (60) days prior written notice of FedEx's exercise of such option.

2. Leased Premises. FedEx shall have the continuing right to exclusive use and possession of the area as described and depicted at Exhibit A and Exhibit B, respectively, of the Sixth Addendum, including the structure located thereon known as the GJRAA Hangar.
3. Ground Rent. Notwithstanding any provisions of the Agreement or the Addenda to the contrary, Ground Rent for the Leased Premises shall be as follows:
 - a. For the period April 1, 2023, through March 31, 2024, Ground Rent shall be \$2,672.27 per month (143,221 square feet multiplied by .2239 per square foot annually divided by 12 months).
 - b. For the remainder of the term as set forth herein, the Ground Rent shall be adjusted, as of April 1 of each year, in the manner set forth at Section VII(B) of the Agreement.
4. Hangar Rent. Notwithstanding any provisions of the Agreement or the Addenda to the contrary, Hangar Rent shall be as follows:
 - a. For the period April 1, 2023, through March 31, 2024, Hangar Rent shall be \$2,611.29 (4,880 square feet multiplied by \$6.4212 per square foot annually divided by 12 months).
 - b. For the remainder of the term as set forth herein, the Hangar Rent shall be adjusted, as of April 1 of each year, in the manner set forth in Section VII(B) of the Agreement.
5. Other Fees. Notwithstanding any provisions of the Agreement or the Addenda to the contrary, FedEx shall be responsible for paying the landing fee and other fees for use of the Airport as are commonly imposed upon Signatory Airlines at the Airport.
6. Agreement Still in Effect. All terms used in this Seventh Addendum shall have the same meanings as that set forth in the Agreement and, except as they are specifically modified herein, all provisions of the Agreement and the Addenda will remain in full force and effect. This Seventh Addendum to the Agreement shall be effective as of 12:00 A.M. local time on April 1, 2023.
7. Counterparts and Electronic Signatures. This Seventh Addendum may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute only one and the same agreement. It may also be executed and delivered by an electronic, digital or encrypted signature (each for purposes of this provision an "Electronic Signature"), or by e-mailing a signed scanned document, and the parties agree that such Electronic Signature or email delivery of a signed, scanned document shall have the same force and effect as delivery of an original document with an ink-to-paper signature (a "Wet Signature"), and that each party may use such Electronic Signatures or email delivery of a signed, scanned document as evidence of the

execution and delivery of this Seventh Addendum by all parties to the same extent that a Wet Signature could be used. For the avoidance of doubt, if a party requires documents with Wet Signatures for record purposes, these documents will be provided for replication purposes only (of the executed e-mail document) and will not constitute a new agreement. Neither party is obligated to use an Electronic Signature to execute this Seventh Addendum and may so choose to use a Wet Signature.

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Addendum.

**GRAND JUNCTION REGIONAL
AIRPORT AUTHORITY**

Chairperson

Printed Name

Date

Secretary

FEDERAL EXPRESS CORPORATION

R. Scott Peterson

Signature

R. Scott Peterson

Printed Name

04/29/2023

Date

MD Properties

Title

Approved by Legal: cjm 04/26/2023

[FedEx Doc. No. 1854489]

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Officer & Committee Appointments		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Elect the Officers and appoint committees in accordance with the bylaws of the Authority.		
SUMMARY:	Bylaws and Rules of the Grand Junction Regional Airport Authority ARTICLE IV: Officers and Committees 4.1. <u>OFFICERS</u> . The officers of the Authority shall be the Chairman, Vice Chairman, Clerk and Treasurer. The same person may not hold two (2) offices. 4.1.1 <u>CHAIRMAN</u> . The Chairman shall preside over all meetings of the Board and shall exercise such authority as is duly conferred upon him or her, from time to time, by the Board. He or she shall sign, either by manual or facsimile signature, together with the Clerk, any leases, deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, provided however, that the Board may delegate the Chairman's authority over certain routine matters to the Executive Director, to the extent not prohibited by law. 4.1.2. <u>VICE CHAIRMAN</u> . In the absence of the Chairman or in the event of his or her inability to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting, shall have all of the powers of the Chairman. 4.1.3. <u>TREASURER</u> . The Treasurer shall perform all duties incidental to the office and all duties as may be assigned by the Board. 4.1.4. <u>CLERK</u> . The Clerk shall keep the minutes of the meetings of the Board; maintain a book of resolutions and inform the Board of any resolutions that are set to expire; be custodian of the corporate records and the Seal of the Authority; affix the Seal of the Authority to documents where the Seal is required; and perform all other duties incident to the office. 4.2 <u>ELECTION OR APPOINTMENT AND TERM</u> . 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. The Clerk and Treasurer need not be members of the Board, and such positions shall continue in office at the pleasure of the Board. 4.3. <u>REMOVAL</u> . Any officer may be removed by an affirmative vote of a majority of Directors. 4.4. <u>VACANCY</u> . A vacancy in any office may be filled by the Board for the unexpired portion of the term.		

Position: Currently Held by: Nomination:

Chairman	Tom Benton	
Vice Chairman	VACANT	
Treasurer	Travis Boyd	
Clerk	Cameron Reece	

4.5. COMMITTEES OF THE BOARD. There shall be the following Standing Committees: (i) the Executive Committee, consisting of the Chairman and Vice Chairman; and (ii) the Finance and Audit Committee, consisting of such Commissioners and other persons as shall be determined by the Chairman. The Board shall adopt a charter for each Standing Committee. 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 Commissioners and/or non-Commissioners as the Board deems advisable. All committees shall report directly to the Board.

The Chairman shall appoint a Committee Chair for each committee. Meetings of any committee are to be called by the Committee Chair.

Executive Committee:

Position: Currently Held by: Nomination:

Chairman	Tom Benton	
Vice Chairman	VACANT	

Finance and Audit Committee:

Position: Currently Held by: Nomination:

Chairman	Clay Tufly	
Commissioner	Ron Velarde	
Member	Drew Armstrong	
Member	Sarah Menge	

Commissioner	Appointing Authority	Term Exp.	Term Limit
Tom Benton	Mesa County	4/3/2025	0 Terms Remaining
Chris West	City of GJ	5/31/2027	1 Term Remaining
Randall Reitz	City of GJ (Council)	1/4/2024	1 Term Remaining
Linde Marshall	At-Large	2/1/2025	1 Term Remaining
Cody Davis	Mesa County	5/31/2027	1 Term Remaining
Thaddeus Shrader	City of GJ	6/30/2025	0 Terms Remaining
Ron Velarde	Mesa County	4/18/2024	1 Term Remaining

REVIEWED BY: Executive Director and Legal Counsel

FISCAL IMPACT: N/A

ATTACHMENTS: N/A

STAFF CONTACT: Angela Padalecki
970-248-8588

apadalecki@gjairport.com



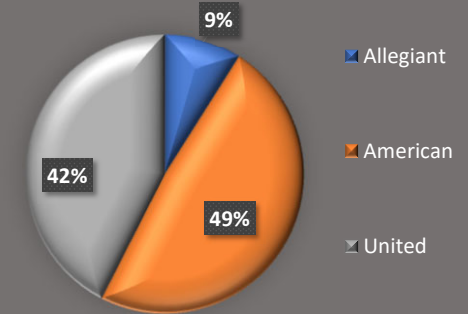
GRAND JUNCTION REGIONAL AIRPORT

March 2023
DATA & STATISTICS

Total Passenger Enplanements



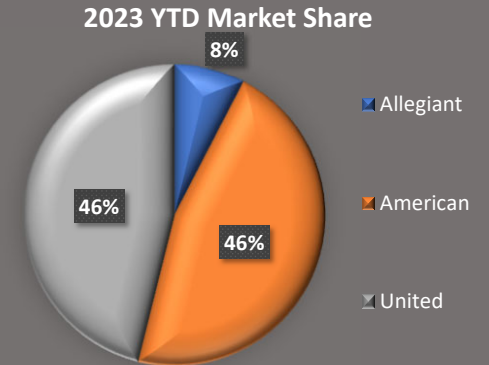
2023 YTD Market Share



2023	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Delta (SLC)	Frontier (DEN)	United (DEN)	Charters	Total	Annual Inc/Dec
JAN	932	8,545	0	0	7,110	0	16,587	↑ 13.0%
FEB	1,507	9,479	0	0	7,394	108	18,488	↑ 22.8%
MAR	2,512	8,687	0	0	8,886	0	20,085	↑ 10.6%
APR							0	
MAY							0	
JUN							0	
JUL							0	
AUG							0	
SEP							0	
OCT							0	
NOV							0	
DEC							0	
TOTAL	4,951	26,711	-	-	23,390	108	55,160	
Market Share	8.98%	48.42%	0.00%	0.00%	42.40%	0.20%	100.00%	

2022	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Delta (SLC)	Frontier (DEN)	United (DEN)	Charters	Total
JAN	2,180	7,420	975	88	4,013	0	14,676
FEB	2,220	7,199	0	0	5,637	0	15,056
MAR	2,327	7,540	0	0	8,108	177	18,152
APR	1,240	9,790	0	131	8,083	0	19,244
MAY	1,142	9,582	0	435	9,064	94	20,317
JUN	1,764	9,237	0	369	7,980	0	19,350
JUL	2,710	9,019	0	560	8,302	0	20,591
AUG	1,764	9,669	0	246	8,421	0	20,100
SEP	1,185	10,932	0	0	9,860	0	21,977
OCT	1,206	11,578	0	0	10,743	0	23,527
NOV	1,039	10,744	0	0	7,483	0	19,266
DEC	1,034	8,335	0	0	7,157	0	16,526
TOTAL	19,811	111,045	975	1,829	94,851	271	228,782
Market Share	8.66%	48.54%	0.43%	0.80%	41.46%	0.12%	100.00%

Total Passenger Deplanements



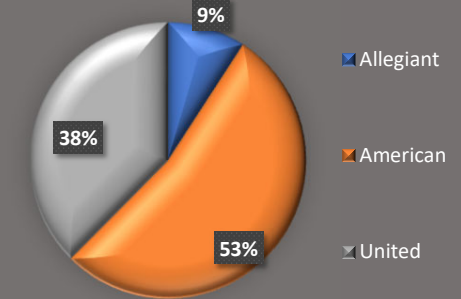
2023	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Delta (SLC)	Frontier (DEN)	United (DEN)	Charters	Total	Annual Inc/Dec
JAN	900	8,617	131	0	9,461	0	19,109	↑ 25.4%
FEB	1,529	9,723	0	0	8,164	110	19,526	↑ 10.8%
MAR	2,259	10,202	202	0	10,820	0	23,483	↑ 23.1%
APR							0	
MAY							0	
JUN							0	
JUL							0	
AUG							0	
SEP							0	
OCT							0	
NOV							0	
DEC							0	
TOTAL	4,688	28,542	333	-	28,445	110	62,118	
Market Share	7.55%	45.95%	0.54%	0.00%	45.79%	0.18%	100.00%	

2022	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Delta (SLC)	Frontier (DEN)	United (DEN)	Charters	Total
JAN	2,141	7,474	874	69	4,682	0	15,240
FEB	2,066	7,829	147	0	7,404	181	17,627
MAR	2,135	7,527	81	0	9,341	0	19,084
APR	1,270	9,715	0	133	7,823	0	18,941
MAY	1,154	9,654	0	423	8,790	67	20,088
JUN	1,727	8,858	0	407	8,145	0	19,137
JUL	2,633	8,617	0	624	8,136	0	20,010
AUG	1,763	9,173	0	242	8,414	0	19,592
SEP	1,083	10,525	0	0	10,147	0	21,755
OCT	1,165	10,457	0	0	10,702	0	22,324
NOV	1,071	10,341	0	0	7,724	0	19,136
DEC	989	9,205	0	0	8,132	0	18,326
TOTAL	19,197	109,375	1,102	1,898	99,440	248	231,260
Market Share	8.30%	47.30%	0.48%	0.82%	43.00%	0.11%	100.00%

Scheduled Capacity



2023 YTD Market Share



2023	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Delta (SLC)	Frontier (DEN)	United (DEN)	Charters	Total	Annual Inc/Dec
JAN	1,446	11,096	0	0	8,230	0	20,772	↑ 1.9%
FEB	2,112	13,749	0	0	8,262	0	24,123	↑ 29.1%
MAR	3,102	13,908	0	0	10,846	0	27,856	↑ 34.6%
APR							0	
MAY							0	
JUN							0	
JUL							0	
AUG							0	
SEP							0	
OCT							0	
NOV							0	
DEC							0	
TOTAL	6,660	38,753	-	-	27,338	-	72,751	
Market Share	9.15%	53.27%	0.00%	-	37.58%	0.00%	100.00%	

2022	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Delta (SLC)	Frontier (DEN)	United (DEN)	Charters	Total
JAN	4,599	9,896	1,300	180	4,416	0	20,391
FEB	3,246	8,848	0	0	6,592	0	18,686
MAR	2,862	8,044	0	0	9,598	186	20,690
APR	1,779	10,999	0	558	8,790	0	22,126
MAY	1,434	10,571	0	1,488	10,206	186	23,885
JUN	2,202	10,468	0	1,116	8,490	0	22,276
JUL	3,078	10,693	0	1,488	9,498	0	24,757
AUG	2,274	11,980	0	558	10,158	0	24,970
SEP	1,425	12,677	0	0	12,676	0	26,778
OCT	1,545	12,762	0	0	11,562	0	25,869
NOV	1,362	13,717	0	0	10,266	0	25,345
DEC	1,494	12,587	0	0	10,770	0	24,851
TOTAL	27,300	133,242	1,300	5,388	113,022	372	280,624
Market Share	9.73%	47.48%	0.46%		40.28%	0.13%	98.08%

Load Factor

*Includes Scheduled Flights ONLY



2023	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Delta (SLC)	Frontier (DEN)	United (DEN)	Total	Annual Inc/Dec
JAN	64%	77%	0%	0%	86%	80%	↑ 8%
FEB	71%	69%	0%	0%	89%	76%	↓ -4%
MAR	81%	62%	0%	0%	82%	72%	↓ -16%
APR							
MAY							
JUN							
JUL							
AUG							
SEP							
OCT							
NOV							
DEC							
TOTAL	74%	69%	0%	0%	85%	76%	

2022	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Delta (SLC)	Frontier (DEN)	United (DEN)	Total
JAN	47%	79%	75%	49%	91%	72%
FEB	68%	81%	0%	0%	85%	81%
MAR	81%	88%	0%	0%	84%	88%
APR	70%	89%	0%	23%	92%	87%
MAY	80%	91%	0%	29%	89%	85%
JUN	80%	87%	0%	33%	84%	87%
JUL	88%	84%	0%	38%	87%	83%
AUG	78%	79%	0%	44%	83%	80%
SEP	83%	86%	0%	0%	86%	82%
OCT	78%	91%	0%	0%	93%	91%
NOV	76%	78%	0%	0%	86%	76%
DEC	69%	66%	0%	0%	83%	67%
TOTAL	73%	83%	73%	83%	84%	82%

2023 Enplaned and Deplaned Airfreight - Lbs

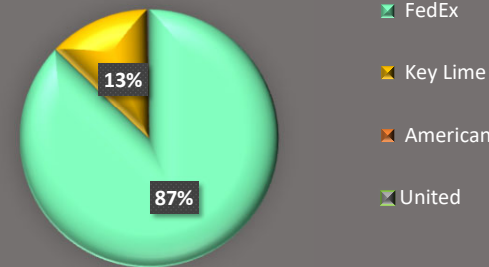
2023 YTD

Enplaned Freight	838,275
Deplaned Freight	1,396,840

2022 YTD

Enplaned Freight	916,411
Deplaned Freight	1,477,963

2023 Market Share



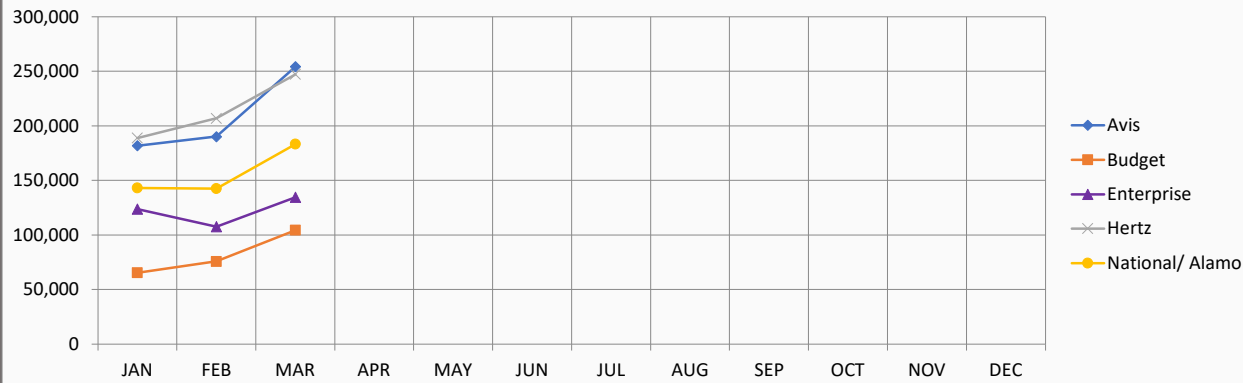
Enplaned	FedEx	Key Lime	American	United	Total	YTD Total	Annual Inc/Dec
JAN	250,575	25,894	-	55	276,524	276,524	↓ -9.1%
FEB	220,287	16,565	84	14	236,950	513,474	↓ -16.6%
MAR	298,243	26,558	-	-	324,801	838,275	↓ -1.0%
APR					-		
MAY					-		
JUN					-		
JUL					-		
AUG					-		
SEP					-		
OCT					-		
NOV					-		
DEC					-		
TOTAL	769,105	69,017	84	69	838,275	838,275	
Market Share	91.75%	8.23%	0.01%	0.01%	100.00%		

Deplaned	FedEx	Key Lime	American	United	Total	YTD Total	Month over Month Inc/Dec
JAN	380,660	64,871	2,732	105	448,368	448,368	↑ 27.2%
FEB	362,156	67,111	927	119	430,313	878,681	↓ -7.2%
MAR	435,946	80,510	1,568	135	518,159	1,396,840	↓ -21.7%
APR					-		
MAY					-		
JUN					-		
JUL					-		
AUG					-		
SEP					-		
OCT					-		
NOV					-		
DEC					-		
TOTAL	1,178,762	212,492	5,227	359	1,396,840	1,396,840	
Market Share	84.39%	15.21%	0.37%	0.03%	100.00%		

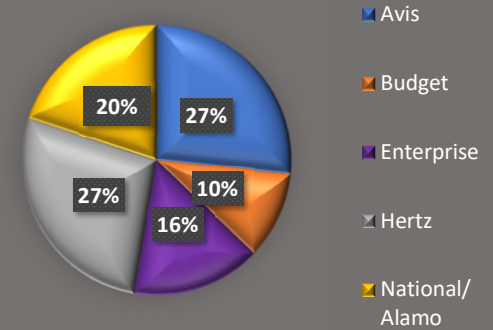
2023 Aircraft Operations

Itinerant						LOCAL			
2023	Air Carrier	Air Taxi	General Aviation	Military	TOTAL ITINERANT	Local Civilian	Local Military	TOTAL LOCAL	TOTAL
JAN	625	647	1,410	74	2,756	1,278	20	1,298	4,054
FEB	552	476	1,411	128	2,567	820	70	890	3,457
MAR	619	721	1,608	132	3,080	1,222	88	1,310	4,390
APR					0			0	0
MAY					0			0	0
JUN					0			0	0
JUL					0			0	0
AUG					0			0	0
SEP					0			0	0
OCT					0			0	0
NOV					0			0	0
DEC					0			0	0
TOTAL	1,796	1,844	4,429	334	8,403	3,320	178	3,498	11,901
Historical Data	2018	2019	2020	2021	2022	2023	2022-2023 Inc/Dec		
JAN	3,320	3,425	3,713	4,904	4,477	4,054	↓ -9.45%		
FEB	2,945	3,473	4,378	4,195	4,672	3,457	↓ -26.01%		
MAR	3,931	4,119	3,241	4,710	4,636	4,390	↓ -5.31%		
APR	3,670	3,378	2,436	4,238	4,357	-			
MAY	3,908	4,075	3,826	4,514	5,235	-			
JUN	4,287	4,293	4,588	5,000	4,785	-			
JUL	5,195	4,348	4,784	5,014	4,039	-			
AUG	5,139	4,256	5,436	4,858	4,983	-			
SEP	4,161	3,941	4,777	5,355	4,890	-			
OCT	4,600	4,004	5,216	5,095	5,171	-			
NOV	4,092	3,811	4,612	4,841	3,974	-			
DEC	3,612	4,216	4,532	4,269	3,746	-			
TOTAL	48,860	47,339	51,539	56,993	54,965	11,901			

2023 Rental Car Revenues



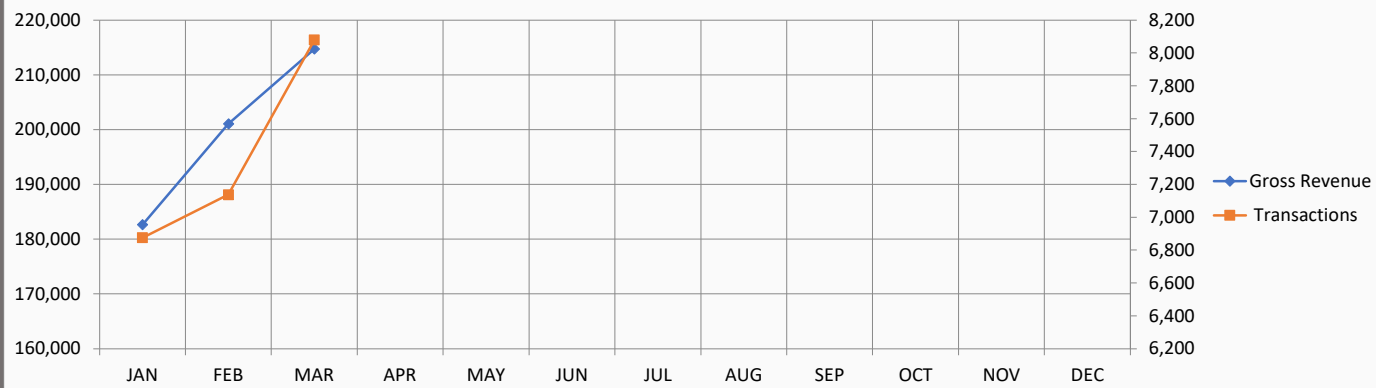
2023 Market Share



2023	Avis	Budget	Enterprise	Hertz	National/ Alamo	Total	YTD Total	Annual YTD Inc/Dec	
JAN	181,827	65,487	123,652	188,798	143,046	702,810	702,810	↑	2.0%
FEB	190,145	75,821	107,590	206,867	142,539	722,962	1,425,772	↑	8.8%
MAR	254,342	104,412	134,608	247,316	183,427	924,105	2,349,877	↑	6.5%
APR						0			
MAY						0			
JUN						0			
JUL						0			
AUG						0			
SEP						0			
OCT						0			
NOV						0			
DEC						0			
TOTAL	626,314	245,721	365,850	642,981	469,012	2,349,877	2,349,877		
Market Share	26.65%	10.46%	15.57%	27.36%	19.96%	100.00%			

2022	Avis	Budget	Enterprise	Hertz	National/ Alamo	Total	YTD Total
JAN	176,166	89,345	95,880	224,219	103,471	689,081	689,081
FEB	143,863	96,759	72,822	214,043	93,316	620,803	1,309,884
MAR	240,024	122,561	88,755	319,526	126,531	897,398	2,207,282
APR	227,825	135,356	118,265	321,883	149,140	952,468	3,159,751
MAY	253,564	154,634	139,193	388,020	159,108	1,094,518	4,254,269
JUN	307,601	188,738	141,273	410,136	176,650	1,224,398	5,478,667
JUL	291,685	163,564	133,813	412,711	162,717	1,164,489	6,643,157
AUG	272,047	144,127	119,251	386,339	141,719	1,063,483	7,706,640
SEP	279,133	162,152	169,651	350,376	165,881	1,127,193	8,833,832
OCT	305,409	150,280	206,331	378,976	227,963	1,268,961	10,102,793
NOV	163,151	72,511	148,808	253,682	143,677	781,830	10,884,623
DEC	125,971	54,498	132,123	193,037	127,754	633,383	11,518,006
TOTAL	2,786,439	1,534,525	1,566,164	3,852,949	1,777,929	11,518,006	
Market Share	24.19%	13.32%	13.60%	33.45%	15.44%	100.00%	

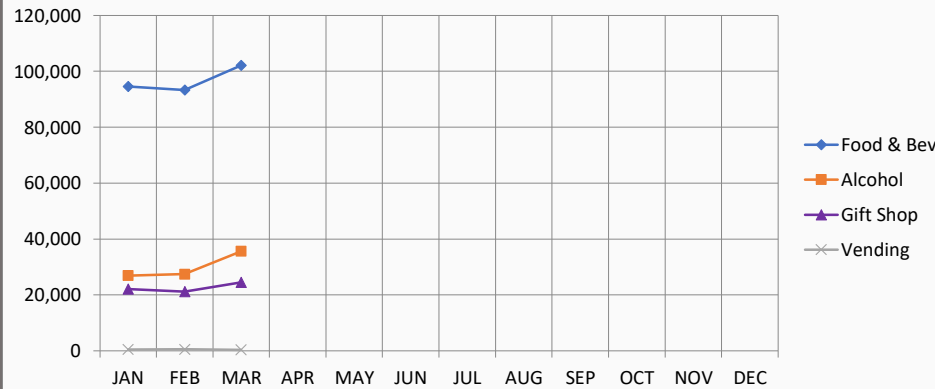
2023 Parking Revenues



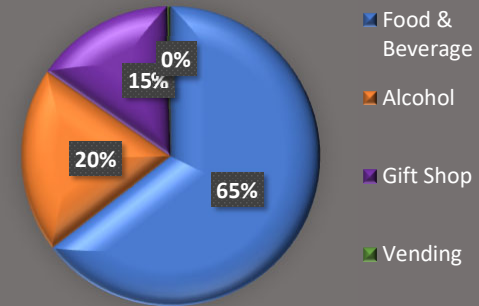
2023	Gross Revenue	Transactions	YTD Gross Revenue	YTD Transactions	Revenue per Transaction	Annual YTD Inc/Dec
JAN	182,662	6,875	182,662	6,875	\$ 26.57	↑ 31.1%
FEB	201,062	7,137	383,724	14,012	\$ 28.17	↑ 34.3%
MAR	214,738	8,079	598,462	22,091	\$ 26.58	↑ 38.2%
APR						
MAY						
JUN						
JUL						
AUG						
SEP						
OCT						
NOV						
DEC						
TOTAL	598,462	22,091	598,462	22,091	\$ 27.09	

2022	Gross Revenue	Transactions	YTD Gross Revenue	YTD Transactions	Revenue per Transaction	
JAN	121,929	6,017	121,929	6,017	\$ 20.26	
FEB	122,490	5,838	244,419	11,855	\$ 20.98	
MAR	132,255	6,876	376,674	18,731	\$ 19.23	
APR	144,445	7,116	521,119	25,847	\$ 20.30	
MAY	156,412	7,935	677,531	33,782	\$ 19.71	
JUN	123,087	7,568	800,618	41,350	\$ 16.26	
JUL	137,341	8,201	937,959	49,551	\$ 16.75	
AUG	145,288	8,109	1,083,247	57,660	\$ 17.92	
SEP	153,041	8,447	1,236,288	66,107	\$ 18.12	
OCT	178,323	8,716	1,414,611	74,823	\$ 20.46	
NOV	202,956	7,939	1,617,567	82,762	\$ 25.56	
DEC	166,129	7,221	1,783,696	89,983	\$ 23.01	
TOTAL	1,783,696	89,983	1,783,696	89,983	\$ 19.82	

2023 Terminal Concessions Revenues



2023 Market Share



2023	Food & Beverage	Alcohol	Gift Shop	Vending	Total	Annual Inc/Dec
JAN	94,581	27,001	22,149	542	\$ 144,273	↑ 63.8%
FEB	93,333	27,432	21,176	525	\$ 142,465	↑ 40.5%
MAR	102,174	35,647	24,536	433	\$ 162,790	↑ 41.2%
APR						
MAY						
JUN						
JUL						
AUG						
SEP						
OCT						
NOV						
DEC						
TOTAL	290,088	90,080	67,861	1,499	449,528	-71%

2022	Food & Beverage	Alcohol	Gift Shop	Vending	Total
JAN	51,472	20,758	12,776	3,070	\$ 88,076
FEB	58,525	24,891	15,427	2,525	\$ 101,369
MAR	65,297	28,772	18,980	2,206	\$ 115,255
APR	60,875	34,303	21,927	2,208	\$ 119,314
MAY	58,830	32,478	25,633	2,317	\$ 119,257
JUN	58,144	27,597	24,343	2,305	\$ 112,388
JUL	63,414	31,535	27,593	2,331	\$ 124,872
AUG	83,768	29,995	30,164	1,900	\$ 145,826
SEP	92,577	34,068	30,497	1,791	\$ 158,933
OCT	101,481	35,545	31,633	1,115	\$ 169,773
NOV	89,651	32,333	25,552	577	\$ 148,112
DEC	81,532	27,861	23,943	543	\$ 133,878
TOTAL	865,567	360,134	288,467	22,886	1,537,054
Market Share	56%	23%	19%	1%	100%

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

03/31/2023

		Month			Budget Variance		Prior Year Variance	
		03/31/2023	03/31/2023	03/31/2022				
		Budget	Actual	PY Actual	Budget \$ Var	Budget % Var	PY \$ Var	PY % Var
Operating revenue								
Aeronautical revenue								
Passenger airline revenue								
1	Passenger airline landing fees	52,000	67,007	43,190	15,007	28.86 %	23,817	55.14 %
2	Terminal rent	116,417	116,967	97,828	550	0.47 %	19,139	19.56 %
3	Other (boarding bridge)	2,383	5,440	2,250	3,057	128.28 %	3,190	141.78 %
	Total Passenger airline revenue	170,800	189,414	143,268	18,614	10.90 %	46,146	32.21 %
Non-passenger airline revenue								
4	Non-passenger landing fees	9,700	11,189	9,950	1,489	15.35 %	1,239	12.45 %
5	Cargo and hangar rentals	4,904	4,903	4,616	(1)	(0.02) %	287	6.22 %
6	Fuel tax	17,552	40,249	27,916	22,697	129.31 %	12,333	44.18 %
7	Fuel Flowage Fees and Sales	50,900	50,648	46,131	(252)	(0.50) %	4,517	9.79 %
8	Other (ramp parking, rapid refuel)	667	1,965	1,290	1,298	194.60 %	675	52.33 %
	Total Non-passenger airline revenue	83,723	108,954	89,903	25,231	30.14 %	19,051	21.19 %
	Total Aeronautical revenue	254,523	298,368	233,171	43,845	17.23 %	65,197	27.96 %
Non-aeronautical revenue								
9	Land and building leases	51,563	51,706	48,722	143	0.28 %	2,984	6.12 %
10	Terminal - restaurant & retail	14,000	23,443	16,403	9,443	67.45 %	7,040	42.92 %
11	Terminal - other	15,116	15,406	15,369	290	1.92 %	37	0.24 %
12	Rental cars	127,866	131,799	119,575	3,933	3.08 %	12,224	10.22 %
13	Parking	137,929	190,039	115,940	52,110	37.78 %	74,099	63.91 %
14	Ground Transportation	4,715	5,949	4,807	1,234	26.17 %	1,142	23.76 %
15	Other (advertising, security fee, vending, etc)	6,384	2,718	2,238	(3,666)	(57.42) %	480	21.45 %
	Total Non-aeronautical revenue	357,573	421,060	323,054	63,487	17.75 %	98,006	30.34 %
	Total Operating revenues	612,096	719,428	556,225	107,332	17.54 %	163,203	29.34 %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

			Year to Date			Budget Variance		Prior Year Variance	
			03/31/2023	03/31/2023	03/31/2022				
			Budget	Actual	PY Actual	Budget \$ Var	Budget % Var	PY \$ Var	PY % Var
Operating revenue									
Aeronautical revenue									
Passenger airline revenue									
1	Passenger airline landing fees		\$ 144,000	\$ 174,948	\$ 118,062	\$ 30,948	21.49 %	\$ 56,886	48.18 %
2	Terminal rent		349,251	350,901	287,615	1,650	0.47 %	63,286	22.00 %
3	Other (boarding bridge)		5,850	15,332	7,390	9,482	162.09 %	7,942	107.47 %
	<i>Total Passenger airline revenue</i>		<i>499,101</i>	<i>541,181</i>	<i>413,067</i>	<i>42,080</i>	<i>8.43 %</i>	<i>128,114</i>	<i>31.02 %</i>
Non-passenger airline revenue									
4	Non-passenger landing fees		27,100	29,193	27,572	2,093	7.72 %	1,621	5.88 %
5	Cargo and hangar rentals		14,712	14,711	13,848	(1)	(0.01) %	863	6.23 %
6	Fuel tax		52,657	122,814	91,187	70,157	133.23 %	31,627	34.68 %
7	Fuel Flowage Fees and Sales		119,100	134,417	117,591	15,317	12.86 %	16,826	14.31 %
8	Other (ramp parking, rapid refuel)		2,001	4,223	2,730	2,222	111.04 %	1,493	54.69 %
	<i>Total Non-passenger airline revenue</i>		<i>215,570</i>	<i>305,358</i>	<i>252,928</i>	<i>89,788</i>	<i>41.65 %</i>	<i>52,430</i>	<i>20.73 %</i>
	<i>Total Aeronautical revenue</i>		<i>714,671</i>	<i>846,539</i>	<i>665,995</i>	<i>131,868</i>	<i>18.45 %</i>	<i>180,544</i>	<i>27.11 %</i>
Non-aeronautical revenue									
9	Land and building leases		154,689	155,118	146,273	429	0.28 %	8,845	6.05 %
10	Terminal - restaurant & retail		37,000	62,529	43,054	25,529	69.00 %	19,475	45.23 %
11	Terminal - other		45,348	46,218	46,107	870	1.92 %	111	0.24 %
12	Rental cars		350,988	336,187	301,856	(14,801)	(4.22) %	34,331	11.37 %
13	Parking		367,999	529,890	329,304	161,891	43.99 %	200,586	60.91 %
14	Ground Transportation		12,580	16,780	12,138	4,200	33.39 %	4,642	38.24 %
15	Other (advertising, security fee, etc.)		15,548	11,548	6,679	(4,000)	(25.73) %	4,869	72.90 %
	<i>Total Non-aeronautical revenue</i>		<i>984,152</i>	<i>1,158,270</i>	<i>885,411</i>	<i>174,118</i>	<i>17.69 %</i>	<i>272,859</i>	<i>30.82 %</i>
	Total Operating Revenues		\$ 1,698,823	\$ 2,004,809	\$ 1,551,406	\$ 305,986	18.01 %	\$ 453,403	29.23 %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		Year to Date			Budget Variance		Prior Year Variance	
		03/31/2023	03/31/2023	03/31/2022				
		Budget	Actual	PY Actual	Budget \$ Var	Budget % Var	PY \$ Var	PY % Var
Operating expenses								
16	Personnel compensation and benefits	\$ 754,525	\$ 639,053	\$ 631,937	(115,472)	(15.30) %	7,116	1.13 %
17	Communications and utilities	125,239	120,222	96,063	(5,017)	(4.01) %	24,159	25.15 %
18	Supplies and materials	163,428	202,950	124,138	39,522	24.18 %	78,812	63.49 %
19	Contract services	206,998	96,107	141,793	(110,891)	(53.57) %	(45,686)	(32.22) %
20	Repairs & maintenance	168,626	105,801	84,328	(62,825)	(37.26) %	21,473	25.46 %
21	Insurance	37,749	36,590	31,522	(1,159)	(3.07) %	5,068	16.08 %
22	Training, Travel, & Air Service Development	43,674	44,202	47,997	528	1.21 %	(3,795)	(7.91) %
23	Other Expense (marketing, professional dues, etc)	29,094	15,103	10,757	(13,991)	(48.09) %	4,346	40.40 %
24	Contingency Expense	-	-	-	-	0.00 %	-	0.00 %
<i>Total Operating expenses</i>		1,529,333	1,260,028	1,168,535	(269,305)	(17.61) %	91,493	7.83 %
Excess of Operating revenue over (under) expense		\$ 169,490	\$ 744,781	\$ 382,871	575,291	339.42 %	361,910	94.53 %
Non-operating revenue (expenses)								
25	Passenger facility charges	212,900	263,106	237,930	50,206	23.58 %	25,176	10.58 %
26	Interest income	8,250	166,901	8,368	158,651	1,923.04 %	158,533	1,894.51 %
27	Interest expense	(177,252)	(176,962)	(184,613)	290	0.16 %	7,651	4.14 %
28	Customer facility charges	132,472	116,720	118,276	(15,752)	(11.89) %	(1,556)	(1.32) %
29	Capital contributions	34,843,823	3,818,471	444,461	(31,025,352)	(89.04) %	3,374,010	759.12 %
29	Capital expenditures	(40,764,795)	(3,955,147)	(852,003)	36,809,648	90.30 %	(3,103,144)	(364.22) %
30	Non-Capital Contributions	17,751	5,662	15,107	(12,089)	(68.10) %	(9,445)	(62.52) %
31	Debt principal payments	-	-	-	-	0.00 %	-	0.00 %
32	Other	-	-	-	-	0.00 %	-	0.00 %
<i>Total Non-operating revenue (expenses)</i>		(5,726,851)	238,751	(212,474)	5,965,602	104.17 %	451,225	212.37 %
Excess of revenue over (under) expense		\$ (5,557,361)	\$ 983,532	\$ 170,397	6,540,893	117.70 %	813,135	477.20 %

Variance Explanations - March 2023 Revenue Compared to Budget - Preliminary Financial Statements

	Mar-23	Mar-23	Mar-22	Budget Variance	PY Variance
	Budget	Actual	Actual		
Capacity	24,552	27,856	20,690	3,304	13%
Passenger Landed Weight	24,291,383	25,988,153	20,462,527	1,696,770	7%
Enplanements	19,646	20,085	18,152	439	2%
Load Factor	80%	72%	88%		-8%

Note that expenses have not been presented and compared on a monthly basis, because the timing of incurring expenses are more difficult to estimate and the YTD variances are more meaningful. Variance explanations and account explanations have been provided below for revenue accounts that have a forecast-to-actual variance of more than 5% and where the revenue account makes up at least 5% of the monthly budgeted operating revenue for March (\$30,000).

Operating Revenues:

- 1 **Passenger airline landing fees** - Passenger landing fees were 29% higher than budget driven by more scheduled flights on larger aircraft and sixty diversions.
- 6 **Fuel tax revenue** – The budget variance was driven by higher fuel prices and higher fuel sales.
- 13 **Parking** - Parking revenues exceeded budget by over \$52,000 (38%). The variance is attributable to 2% more enplanements than budgeted, a larger percentage of passengers parking, a longer average length of stay, and conservatism incorporating the November 1, 2022 parking rate adjustments into the 2023 budget.

Variance Explanations - March 31, 2023 Preliminary Financial Statements

Below are variance explanations for revenue and expense accounts with a budget variance of more than 5% and when the revenue or expense category makes up at least 5% of the YTD operating budget of \$84,000 for revenue and \$94,000 for all non-capital expenses and non-operating revenues.

	YTD March-23 Budget	YTD March -23 Actual	YTD March -22 Actual	Budget Variance		PY Variance	
Seat Capacity	68,393	72,751	59,767	4,358	6%	12,984	22%
Passenger Landed Weight	67,572,199	69,232,455	58,448,487	1,660,256	2%	10,783,968	18%
Enplanements	52,417	55,092	47,884	2,675	5%	7,208	15%
Load Factor	77%	76%	80%	-1%		-4%	

Operating Revenues: Operating revenues were \$306K (18%) ahead of Budget through March 2023. Parking, fuel tax, terminal restaurant sales, and passenger airline landing fees were the main revenue streams contributing to this increase.

- 1 Passenger airline landing fees - More scheduled and diversion landings drove higher landing fees than budgeted.
- 7 Fuel flowage fees and fuel sales – Fuel flowage fees are collected from non-commercial fueling at the airport and therefore are driven by GA operations. General Aviation activity exceeded our expectations and this drove this increase from the budget.
- 13 Parking - Parking revenue was \$162,000 (44%) above budget. The variance is attributable to 5% more enplanements than budgeted, a larger percentage of passengers parking, a longer average length of stay, and conservatism incorporating the November 1, 2022 parking rate adjustments into the 2023 budget.

Operating Expenses: Operating expenses were \$269K below budget through March due to underspending in most categories and partially offset by higher-than-budgeted Supplies & Materials expenditures.

- 16 Personnel Compensation & Benefits – Expenses were below budget due to higher-than-anticipated position vacancy rates.
- 18 Supplies & Materials – Expenditures were above budget due to higher-than-anticipated fuel prices and bulk purchases of supplies. We are anticipating this to be over budget throughout the year but will fluctuate monthly due to sanitary supplies purchases. Higher fuel costs are directly offset by higher fuel revenues.
- 19 Contract Services – Expenditures were below budget driven by higher-than-expected AIP eligibility for planning and engineering services and the timing of contracted IT expenditures.
- 20 Repairs & Maintenance – The monthly budget reflects expenses for Repairs & Maintenance spread throughout the year. Actual expenses are incurred on an as-needed basis. This spending category is under budget through March, but we anticipate the full annual budget will be spent.

Non-Operating Revenues and Expenses:

- 25 **PFC Revenue** – PFC revenue was \$50K (24%) above budget through March, driven by higher-than-budgeted enplanements and higher capacity in the months ahead. PFC revenues are remitted by the airlines based on ticket sales/refunds, and as a result the timing of revenues are hard to estimate and often don't match enplanement trends in a given month or quarter.
- 28 **CFC Revenue** – This revenue was lower than budgeted due to fewer rental days than budgeted.
- 29 **Capital Contributions & Expenditures** – The differences to budgeted amounts in these accounts were attributed to construction activity. The construction work is budgeted in total for the entire year. These expenditures are largely driven by the phase of construction to be completed in the reporting period.

Grand Junction Regional Airport Authority
Statement of Financial Position - Unaudited, subject to change

		Month Ending 03/31/2023	Month Ending 02/28/2023	Variance
Assets				
Current Assets				
	Cash and Cash Equivalents - Unrestricted	\$ 20,837,901	\$ 21,567,914	\$ (730,013)
	Cash and Cash Equivalents - Restricted	2,749,439	2,764,145	(14,707)
1	<i>Total Cash and Cash Equivalents</i>	<u>23,587,339</u>	<u>24,332,060</u>	<u>(744,720)</u>
Accounts Receivable				
	Accounts Receivable - Ops, net of allowance of \$24,000	1,530,799	1,504,708	26,090
	Accounts Receivable - Capital	6,467,829	5,642,311	825,518
2	<i>Total Accounts Receivable, Net</i>	<u>7,998,628</u>	<u>7,147,019</u>	<u>851,608</u>
3	Prepaid Expenses	56,167	71,993	(15,826)
	<i>Total Current Assets</i>	<u>31,642,134</u>	<u>31,551,072</u>	<u>91,062</u>
Non-Current Assets				
Capital Assets				
	Capital Assets not subject to depreciation	31,780,573	31,780,573	-
	Capital Assets subject to depreciation, net	51,438,963	51,848,311	(409,349)
4	<i>Total Capital Assets, Net</i>	<u>83,219,535</u>	<u>83,628,884</u>	<u>(409,349)</u>
5	Bond Project Fund	425,527	424,083	1,444
	<i>Total Non-Current Assets</i>	<u>83,645,062</u>	<u>84,052,967</u>	<u>(407,905)</u>
	Total Assets	<u>115,287,196</u>	<u>115,604,039</u>	<u>(316,843)</u>
6	Deferred Outflows of Resources - Pension Plan	<u>625,066</u>	<u>625,066</u>	<u>-</u>
Liabilities				
Current Liabilities				
7	Accounts Payable - Ops	182,653	286,046	(103,393)
7	Accounts Payable - Capital	2,584,890	2,832,153	(247,263)
8	Accrued Expenses	269,509	247,344	22,166
9	Lease Deposits	151,054	151,054	-
10	Deferred Revenue	25,067	25,067	-
11	Current portion of capital lease and bonds payable	1,206,074	1,147,086	58,988
	<i>Total Current Liabilities</i>	<u>4,419,246</u>	<u>4,688,750</u>	<u>(269,503)</u>
Long Term Liabilities				
	Bond and capital lease payable	15,507,711	15,507,711	-
	Deferred Revenue	338,400	340,489	(2,089)
	Net Pension and OPEB Liability	1,395,594	1,395,594	-
12	<i>Total Long Term Liabilities</i>	<u>17,241,705</u>	<u>17,243,794</u>	<u>(2,089)</u>
	<i>Total Liabilities</i>	<u>21,660,952</u>	<u>21,932,544</u>	<u>(271,592)</u>
13	Deferred Inflows of Resources - Pension Plan	<u>1,425,215</u>	<u>1,425,215</u>	<u>-</u>
	Total Net Position	<u>\$ 92,826,096</u>	<u>\$ 92,871,346</u>	<u>\$ (45,251)</u>

Variance Explanations - March 2023 Statement of Financial Position

Assets: Unrestricted cash decreased slightly from last month attributed to expenditures related to capital projects.

- 1 **Cash** – Unrestricted cash decreased by \$730K due to payments made on capital projects.
- 2 **Accounts Receivable** – Total receivables increased by \$851k due to AIP construction expenditures.
- 3 **Prepaid Expenses** – Prepaid expenses are primarily related to insurance contracts and software subscriptions that we pay annually, or in advance, that we will receive benefit for over a period of time. As we use these services over the policy or contract period, the amount is recognized as an expense, rather than expensing the entire annual cost in the month that it is paid. The decrease in this account is the monthly amortization or use of these services.
- 4 **Capital Assets, Net** – Historically, the airport has not capitalized equipment throughout the year as it is purchased, but instead, expenses all purchases as part of capital expenditures and then capitalizes assets at year end. This allows us to track spending for budget purposes. Therefore, the only change in the fixed assets accounts that will be seen on a monthly basis is the regular monthly depreciation of assets in service as of December 31, 2022.
- 5 **Bond Project Fund** – The remaining bond project fund balance represents interest earnings that were accumulated on the project funds. The accumulated interest is still restricted in purpose, but is available to cover debt service.

Deferred Outflows of Resources:

- 6 **Deferred Outflows of Resources - Pension Plan** – The deferred outflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. The pension liability is only re-valued annually so there is no change from month to month. The change in these accounts represent accounting estimates and non-cash transactions. These amounts will only change once per year when the calculation is updated.

Liabilities: Total Liabilities decreased 272K from February 2023 to March 2023 largely driven by amounts paid to vendors performing AIP construction.

- 7 **Accounts Payable** – Similar to accounts receivable, the majority of the balance and the variance from month to month is caused by the capital expenses payable to contractors and engineers associated with our capital projects. The capital accounts payable increase was due to progress made on the Airport Development Plan, Runway 12/30 Schedule 1-3 Construction, Runway 12/30 Schedule 4 Construction, and Runway 12/30 Schedule 4-7 Infrastructure Design.
- 8 **Accrued Expenses** – This category is primarily made up of liabilities for un-used Paid Time Off (approximately \$180,000) and payroll accruals to recognize payroll expenses in the periods that the employees have worked. Changes in this account month to month are almost entirely related to changes in the payroll accruals.
- 9 **Lease Deposits** – Lease deposits are primarily made up of General Aviation Lease deposits that were required in the standard ground lease based on a number of month's rent. We also hold deposits for parking passes held by airport tenant employees. These amounts are payable back to tenants at the end of the lease, or as parking passes are returned. The balance of deposits typically does not change materially from period to period as activity is limited.
- 10 **Deferred Revenue** – This liability represents rent received in advance and is primarily made up of a pre-payment received by the BLM in 2017. Prepaid rent is a liability because we have not provided our tenant with the space for the period of time that they paid us for.
- 11 **Current Portion of capital lease and bonds payable** – This balance represents principal and interest due on the outstanding revenue bond in the current calendar year. We have semi-annual payments due June 1 and December 1 for the bonds. The change from the prior month is the monthly bond interest.
- 12 **Long-Term Liabilities** – The long-term bond payable and capital payable balance is updated annually in December to reflect the remaining portion due beyond one year, therefore there is no change from the prior month. The net Pension liability is also only calculated annually, so there will be no change in this amount. This is the actuarial estimate of the airports portion of the unfunded Pension liability for PERA. Long-term deferred revenue represents pre-paid revenues for periods farther out than 12 months.

Deferred Inflows of Resources:

- 13 **Deferred Inflows of Resources - Pension Plan** – Similar to deferred outflows described above, the deferred inflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. Deferred Inflows of resources actually represent increases to the pension liability that will be recognized in future years, primarily related to changes in actuarial assumptions. These will only be calculated annually, and therefore no changes will be seen month to month.

GJRAA - Breakdown of Capital Expenditure Costs Year-to-Date through March 31, 2023

2023 GRANT FUNDED CAPITAL EXPENDITURES INCURRED AND GRANT REVENUE RECOGNIZED

Grant Number	Project/Grant Description	2023 Project Costs Incurred	Grant Revenue Recognized in 2023	2023 GJRAA Local Share
AIP 69	Airport Development Plan	53,361	53,361	-
AIP 72	Taxiway A and RWY 11-29 Construction	2,716,442	2,716,442	-
AIP 75	Runway Design -Schedule 4-7 Utility Infrastructure	14,531	13,078	1,453
AIP 76	RWY 11-29 Construction Schedule 4	856,866	794,400	62,466
AIP 77	NAVAIDs and Schedule 4a Grading and Drainage	258,819	232,937	25,882
AIP TBD	RWY 12-30 Pavement Design	2,930		2,930
CDOT	RWY 4-22 Rehab Construction	9,172	8,254	916
CDOT	RWY 4-22 Rehab Design	18,699		18,699
Total Grant Projects		\$ 3,930,818	\$ 3,818,472	\$ 112,346

2023 NON-AIP CAPITAL EXPENDITURES INCURRED

Project Description	2023 Costs Incurred
Employee Parking Lot Expansion	18,818
Taxilane C1A Rehabilitation Design	3,949
2022 Eagle Drive Landscaping -East	1,563
Total Non-AIP Projects	\$ 24,330

Total Capital Expenditures YTD \$ 3,955,148