

BOARD PACKET

GRAND JUNCTION REGIONAL AIRPORT AUTHORITY

JANUARY 19, 2021



Grand Junction Regional Airport Authority



Date: January 19, 2021

Location:
Electronic Meeting

Link: <https://us02web.zoom.us/j/89835604267>

Time: 5:15 PM

REGULAR MEETING AGENDA

I. Call to Order

II. National Anthem

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 (jburtard@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. December 15, 2020 Meeting Minutes _____ 1
 - Approval of December 15, 2020 Board Meeting Minutes
- B. Sublease and Commercial Operator Permit for Crestone Aviation _____ 2
 - Consent to sublease and approval of commercial operator permit for Crestone Aviation, LLC under the Wild Blue Hangar, LLC leasehold.

VII. Action Items

- A. Wrench Worx Sublease and Commercial Operator Permit _____ 3

January 19, 2021

- Consent to sublease and approval of commercial operator permit for Wrench Worx GSE/Wings under the Wild Blue Hangar, LLC leasehold.	
B. Resolution 2021-001 Proposed 2021 Posting of Notices of Meetings _____	4
- Adopt Resolution 2021-001 posting of notice of meetings, as mandated by Colorado Revised Statute Section 24-6-402(2)(C) and Section 41-3-105(5)(a).	
C. 2021 Officer and Committee Appointments _____	5
- Approval of 2021 Officer and Committee Appointments.	
VIII. Discussion	
A. Commercial Airline Operating Permit _____	6
- Discuss draft commercial airline operating permit to be used for airlines who may operate at the airport but do not have a lease agreement.	
IX. Staff Reports	
A. Executive Director Report (Angela Padalecki)	
B. Finance and Activity Report (Sarah Menge) _____	7
C. External Affairs Report (Joe Burtard)	
D. Operations Director Report (Dylan Heberlein)	
E. Facilities Report (Ben Peck)	
F. CIP Update (Colin Bible)	
X. Any other business which may come before the Board	
XI. Executive Session	
Executive session pursuant to CRS Section 24-6-402(4)(f) (I) to discuss personnel matters not involving any specific personnel that have requested the matter be discussed in an open meeting more specifically to discuss the Airport Director's annual review.	
XII. Adjournment	



Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
December 15, 2020

REGULAR BOARD MEETING

I. Call to Order

Mr. Tom Benton, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:15 PM on December 15, 2020 in Grand Junction, Colorado and in the County of Mesa. The meeting was hosted electronically.

Commissioners Present:

Tom Benton (Chairman)
Erling Brabaek
Linde Marshall
Chuck McDaniel
Thaddeus Shrader
Clay Tufly
Ron Velarde

Airport Staff:

Angela Padalecki (Executive Director)
Dan Reimer (Counsel)
Joseph Burtard (Clerk)
Sarah Menge
Cameron Reece
Shelagh Flesch
Ben Peck
Dylan Heberlein

Guests:

Brad Rolf, Mead and Hunt
Jeremy Lee, Mead & Hunt
Colin Bible, Garver
Shannon Kinslow, Twin Otter
Jen Boehm, Mead & Hunt

II. National Anthem

III. Approval of Agenda

Commissioner McDaniel made a motion to approve the December 15, 2020 Board Agenda. Commissioner Marshall second the motion. Roll Call Vote: Commissioner Benton, yes; Commissioner Brabaek, yes; Commissioner Marshall, yes; Commissioner McDaniel, yes; Commissioner Shrader, yes; Commissioner Tufly, yes, and Commissioner Velarde, yes. The motion carries.

IV. Commissioner Comments

No commissioner comments were made.

V. Citizen Comments

No citizen comments were made.

VII. Consent Agenda

November 17, 2020 Meeting Minutes

Approval of November 17, 2020 Board Meeting Minutes.

Daniel S Reimer, LLC Professional Services Agreement

Approve proposed professional services agreement for Daniel S Reimer, LLC to provide professional legal services on governance, operation, management, development, and improvement of the Airport.

Karp, Neu, Hanlon Engagement Agreement

Approve proposed engagement agreement for Karp, Neu, Hanlon to provide representation on employment related matters and other general airport matters as needed.

Employee Handbook Revisions

Approve employee handbook revisions which primarily involve Paid Time Off and Sick Leave policies in anticipation of the Healthy Families and Workplaces Act that is effective January 1, 2021.

Lenel Security System Software Upgrade

Authorize staff to accept the quote from Sequent Information Systems for \$12,386.61 to complete upgrades to the security system.

Veoci Software Services Agreement Proposal

Approve the Veoci software and services agreement and authorize the Executive Director to sign the Agreement and approve renewal options included in the contract. The estimated annual cost for 2021 is \$14,256.00.

Renew National Naval Aviation Museum Agreement

Approve the renewal of the National Naval Aviation Museum Aircraft Loan Agreement to keep the aircraft static displays at Aviators Memorial Park for a contract period of five years and authorize the Executive Director to sign the agreement.

Commissioner Shrader made a motion to approve the Consent Agenda. Commissioner Velarde second the motion. Roll Call Vote: Commissioner Benton, yes; Commissioner Brabaek, yes; Commissioner Marshall, yes; Commissioner McDaniel, yes; Commissioner Shrader, yes; Commissioner Tuffy, yes; and Commissioner Velarde, yes. The motion carries.

VIII. Action Items

Air Service Incentive Program

Commissioner Marshall made a motion to adopt the proposed air service incentive program to be offered to airlines for establishing or expanding air service at GJT. Commissioner Tufly seconded the motion. Roll Call Vote: Commissioner Benton, yes; Commissioner Brabaek, yes; Commissioner Marshall, yes; Commissioner McDaniel, yes; Commissioner Shrader, yes; Commissioner Tufly, yes; and Commissioner Velarde, yes. The motion carries.

2021 FAA Grant Application

Commissioner Tufly made a motion to authorize the Executive Director to sign the grant application for submittal to the FAA for the 2021 Runway 11/29 grading & drainage design work. Commissioner Velarde seconded the motion. Roll Call Vote: Commissioner Benton, yes; Commissioner Brabaek, yes; Commissioner Marshall, yes; Commissioner McDaniel, yes; Commissioner Shrader, yes; Commissioner Tufly, yes; and Commissioner Velarde, yes. The motion carries.

Mead & Hunt Scope of Work

Commissioner McDaniel made a motion to approve Mead & Hunt Task Order 2021-01 to develop the scope of services, fee estimate, and schedule for design and construction activities for FY 2021 and authorize the Executive Director to sign the Task Order. Commissioner Marshall seconded the motion. Roll Call Vote: Commissioner Benton, yes; Commissioner Brabaek, yes; Commissioner Marshall, yes; Commissioner McDaniel, yes; Commissioner Shrader, yes; Commissioner Tufly, yes; and Commissioner Velarde, yes. The motion carries.

Garver Scope of Work

Commissioner Velarde made a motion to approve Garver Task Order 03 to support the runway replacement program and the review and analyze the 60% design documents, define program constraints and scheduling for the runway program, perform program optimization tasks, and 2021 runway design coordination and authorize the Executive Director to sign the Task Order. Commissioner Shrader seconded the motion. Roll Call Vote: Commissioner Benton, yes; Commissioner Brabaek, yes; Commissioner Marshall, yes; Commissioner McDaniel, yes; Commissioner Shrader, yes; Commissioner Tufly, yes; and Commissioner Velarde, yes. The motion carries.

IX. Discussion

Upcoming At-Large Airport Commissioner Appointment

The term for the at-large commissioner seat currently filled by Linde Marshall expires February 1, 2021. Staff to present to Board the process for when terms expire.

X. Staff Reports

- A. Executive Director Report (Angela Padalecki)
- B. Operations Report (Dylan Herberlein)
- C. Finance and Activity Report (Sarah Menge)
- D. External Affairs Report (Joseph Burtard)
- E. Facilities Report (Ben Peck)

XI. Any other business which may come before the Board

XII. Adjournment

The meeting adjourned at approximately 7:07pm.

*Audio recording of the complete meeting can be found at
https://gjairport.com/Board_Meetings*

Tom Benton, Board Chairman

ATTEST:

Joseph Burtard, Clerk to the Board

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Sublease and Commercial Operator Permit for Crestone Aviation		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board authorize the Executive Director to execute the Consent to Sublease and Commercial Operator Permit for Crestone Aviation.		
SUMMARY:	<p>Crestone Aviation is seeking approval of sublease and commercial operator permit to conduct aircraft management operations. Crestone Aviation will operate from the Wild Blue Hangars, LLC leasehold that is owned by Kayenta Properties, LLC, recently transferred from Parkerson Hangars, LLC.</p> <p>Staff has reviewed the commercial operator permit and has verified that all applicable minimum standards have been adhered to.</p>		
REVIEWED BY:	Executive Director and Chief Financial Officer		
FISCAL IMPACT:	None		
ATTACHMENTS:	Consent to Sublease. Sublease agreement between Crestone Aviation and Kayenta, LLC. Diagram of subleased premises. Crestone Aviation commercial operator permit.		
STAFF CONTACT:	Dylan Heberlein dheberlein@gjairport.com (970) 248-8586		

Consent to Sublease

The GRAND JUNCTION REGIONAL AIRPORT AUTHORITY ("GJRAA") hereby acknowledges and consents to the sublease agreement by and between KAYENTA PROPERTIES LLC and CRESTONE AVIATION LLC, dated November 11, 2019.

Nothing in this consent shall be construed to expand or extend any term or condition of the primary tenant's lease with the GJRAA or waive performance of any term or condition of the primary tenant's lease.

The GJRAA's consent is expressly conditioned on subtenant's compliance with the *Sublease Terms Required by Grand Junction Regional Airport Authority* which shall be appended to the sublease agreement and made a material part thereof.

The GJRAA's consent further is expressly conditioned on subtenant's compliance with the *General Aviation Minimum Standards for the Grand Junction Regional Airport*, dated October 16, 2018.

Grand Junction Regional Airport Authority

By: _____
Angela Padalecki, Executive Director

Date: _____

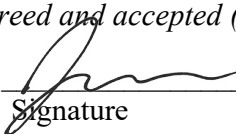
The Permittee agrees to the following:

- **FEE PAYMENT:** The Permittee agrees to pay all applicable rents, fees, and other charges when due and payable without offset of any kind whatsoever. The Permittee also agrees to pay any late fees, interest, penalties, and related charges.
- **PERMIT LIMITATIONS:** This Permit may not be assigned or transferred and is limited to engaging in the approved Activity in the location designated and only for the time specified in this Permit.
- **INFORMATION CHANGES:** The Permittee shall notify the Grand Junction Regional Airport Authority (Authority) in writing within 21 calendar days of any change to the information submitted in the Permittee's Application.
- **INSURANCE:** The Permittee shall maintain all required insurance coverages pursuant to the Airport's Minimum Standards and applicable Legal Requirements.
- **INDEMNIFICATION:** The Permittee shall indemnify the Authority pursuant to the Airport's Minimum Standards.
- **COMPLIANCE WITH LEGAL REQUIREMENTS:** The Permittee shall comply with applicable Legal Requirements, including the Airport's Minimum Standards, all as may be developed or amended from time to time.

If, at any time, the Permittee does not comply with all the terms and conditions of this Permit, this Permit shall be invalid (null and void) and terminated. However, Permittee's obligations shall survive termination until all rents, fees, and other charges (such as late fees, interest, penalties, etc.) are paid in full and any other liabilities are resolved to the satisfaction of the Authority.

The undersigned representative of the Permittee certifies that he/she is authorized to sign for (on behalf of) the Permittee and agrees to abide by all of the terms and conditions under which this Permit is being granted.

Agreed and accepted (Permittee):



Signature

Name: Jon Labrum Title: Manager Date: 9 / 24 / 2020

Approved (Authority):

Signature

Name: _____ Title: _____ Date: ____ / ____ / ____

***** Authority Administration Use Only *****

Documents provided to the Permittee:

☐ Minimum Standards ☐ Other: _____

Copies of documents provided by Permittee (attached):

☐ Lease/Sublease Agreement ☐ Certificates of Insurance ☐ Business License
☐ FAA Certificates ☐ Other: _____

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "Lease") is made and entered into this 11/28/2019 by and between **Kayenta Properties LLC**, a Colorado limited liability company, 2536 Rimrock Ave, Suite 400-387, Grand Junction, Colorado 81505 (hereinafter referred to as "Lessor") and Crestone Aviation LLC, a Colorado LLC (hereinafter referred to as "Lessee") (collectively referred to as the "parties").

RECITALS

WHEREAS, Lessor is a Colorado limited liability company in good standing and authorized to transact business in the State of Colorado;

WHEREAS, Lessee is a LLC in good standing and authorized to transact business in the State of Colorado;

WHEREAS, Lessee desires to lease the following described premises: 2862 Navigators Way - Suite 1, Grand Junction, CO 81506 ("Leased Premises") from Lessor pursuant to the terms and conditions set forth in this Lease;

WHEREAS, Lessee acknowledges and agrees he has had an opportunity to examine the leased premises and hereby accepts the conditions and faults in the leased premises and accepts the leased premises in "As Is" condition;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. LEASED PREMISES AND TERM

a. In consideration of the payment of the rent hereinafter provided for and the keeping and performance of the covenants and agreements of Lessee, Lessor hereby leases to the Lessee the leased premises situated at **Leased Premises**.

b. Lessee may have and hold the leased premises for a term of 10 years **commencing** 12/1/2019, and continuing until 12/31/2029, unless terminated at an earlier date as provided herein. Lessor, upon payment of the rent herein and the performance of the other covenants of the lease by the Lessee, guarantees the peaceful and quiet enjoyment of the leased premises during the full term of this lease by the Lessee.

2. RENT

a. Lessee shall pay to the Lessor as rent for the leased premises the sum of one thousand dollars (\$ 1000.00) per month for the term of this Lease.

b. The relationship of the parties during the term of this lease shall at all times be that of Lessor and Lessee. Neither the Lessor nor the Lessee shall be deemed to be a partner or engaged in a joint venture with or an associate of the other in the conduct of its business, nor shall the Lessee or the Lessor be liable for any debts incurred by the other in the conduct of its business, nor shall anything contained herein be deemed or construed to confer upon the Lessor or the Lessee any interest in the business of the other.

c. Lessee shall pay all rental payments and other charges to Lessor, or to such other person or corporation and at such other place as shall be designated by the Lessor in writing at least ten (10) days prior to the next ensuing rental payment date. Rental payments shall be made payable to: **Kayenta Properties LLC**, or such other persons or entity that the Lessor may designate.

d. Throughout the term of the lease or any extension thereof, monthly payments due under the lease shall be due on the first (1st) day of each month. First month's rent is due and payable by Lessee concurrently with the execution of this Lease.

e. If the Lessee makes a rental payment with a check which does not clear the bank on which it is overdrawn when it is submitted, (i) the rent for that month shall continue to be deemed unpaid until Lessee delivers to Lessor the amount of such rent (together with any additional rent which may have accrued) in the form of cash, a cashier's check or certified funds, and (ii) after a second rent payment with a check that does not clear the bank on which it is drawn the second time it is submitted, and throughout the remainder of the term of this lease, a business check shall be an unacceptable method of paying rent hereunder and all of Lessee's subsequent rental payments must be in the form of cash, a cashier's check or certified funds.

3. **ADDITIONAL RENT FOR LATE PAYMENT OF RENT**

a. If the Lessee fails to pay a monthly installment of rent comprised of:
i. the gross rent per paragraph 2(a); by the fifth (5th) day of the month in which it is due, Lessee shall add five percent (5%) of the combined rental amount to that monthly installment as additional rent.

b. Lessor need not give any notice to be entitled to these payments, and such additional rents shall in no way be construed to limit the Lessor's remedies in the event of such default, which remedies shall in all cases hereunder be deemed to be cumulative.

c. In the event all or part of the gross rent as described in paragraph 4(a) of this Section is delinquent beyond the thirtieth (30th) day of the month in which it is due, the delinquent amount (plus the related late payment additional rent) shall bear interest at the rate of one and one-half percent (1.5%) per month.

d. If Lessee's check is returned due to insufficient funds, Lessee will be charged a \$50.00 returned check fee. In addition, if the returned check causes the rent to be paid after the

fifth (5th) day of the month, Lessee will also be charged a late fee in accordance with paragraph 4(a) above.

e. If Lessee's delinquency in rent payment requires issuance of a Notice to Quit, Lessee shall be charged \$500.00 per issuance.

4. BUSINESS USE

Lessee shall utilize the leased premises for the purpose of aircraft management, and for no other business use without Lessor's written consent. Any change to the business use shall be at the Lessor's sole discretion.

5. POSSESSION - PARTIES' FINISH OBLIGATIONS

a. The parties agree that the Lessee accepts the premises "As Is

b. Lessee agrees not to make alterations or changes, in, upon or about the leased premises without first obtaining written consent from Lessor, which approval shall be at the Lessor's sole discretion. Lessee shall provide the Lessor with the exact nature of the alterations or changes contemplated, the anticipated cost thereof, the names and addresses of anticipated suppliers of materials and labor, and plans for alterations or changes proposed. No alterations or changes shall be undertaken until such time as the Lessor has approved the proposed plans in writing. Lessee agrees to indemnify and hold the Lessor harmless from any and all costs associated with such improvements.

c. All improvements, additions or alterations shall be constructed, installed and made in good and workmanlike manner in full conformity with applicable codes and regulations. All materials and fixtures used in the alterations undertaken by Lessee shall be of good quality. It is further agreed that any and all improvements made by Lessee to the leased premises that are made a permanent part of the building shall remain as the property of the Lessor after termination of the lease, or shall be removed by Lessee, at the sole discretion of the Lessor. Lessee shall be responsible for applying for and obtaining any necessary permits or licenses required for any improvement, addition or alteration contemplated by this lease at Lessee's expense.

d. By occupying the premises after the delivery of possession to install fixtures, facilities, or equipment, or to perform finishing work, Lessee shall be deemed to have accepted the same and to have acknowledged that the premises are in the condition required by this lease.

6. LESSEE'S OBLIGATIONS

a. Lessee accepts the Leased Premises in present condition and shall keep the leased premises and any improvements that may be installed thereon in good repair at the expense of the Lessee and at the expiration of the lease to surrender and deliver up said premises in as good condition as they were in at the time Lessee accepted and entered into possession of same, ordinary

wear excepted.

b. Lessee will not cause the leased premises, or the walls or the floors thereof, to be endangered by overloading, nor said leased premises to be used for any purpose which would render the insurance thereon void or the insurance risk more hazardous.

c. Lessee agrees that the premises shall be used and occupied in a careful, safe and proper manner for the purpose of operating their business as described above; that no trade or occupation which is known in the insurance business as extra hazardous, nor any disorderly conduct, excessive or unreasonable noise, or any nuisance be permitted therein or thereon and that no waste shall be suffered or permitted upon said leased premises. Lessee shall not permit any noxious or offensive odors to exist in and around the Leased Premises. A breach of this obligation by Lessee shall constitute a material breach of this Lease.

d. Lessee agrees to abide by all applicable building codes and ordinances and to pay all applicable sales tax, personal property tax, and other taxes assessed to the Lessee.

e. Lessee shall comply with the terms, conditions, rules and regulations set forth herein (or hereafter promulgated by the Lessor) relating to the use, operation and maintenance of the common facilities and related matters. The Lessee shall also comply with all rules and regulations of the Lessor in effect at the time of the execution of this lease or at any time and from time to time promulgated by the Lessor, which the Lessor in its sole discretion shall deem necessary in connection with the leased premises or the building of which the leased premises are a part, including the installation of such fire extinguishers and other safety equipment as the Lessor may require; and comply with the recommendations of the Lessor's insurance carriers and their rate-making bodies. No rules or regulations will be imposed without at least thirty (30) days prior notice to the Lessee so that the Lessee may make comments on the proposed rules before they become effective.

f. Lessee agrees that it shall not do any of the following without the written consent of the Lessor:

(i) Use or operate any machinery that, in the Lessor's opinion, is harmful to the building or disturbing to other tenants in the building of which the premises are a part or use any loudspeakers, televisions, phonographs, radios, or other devices in a manner so as to be heard or seen outside of the leased premises, or display merchandise on the exterior of the leased premises either for sale or for promotional purposes. Lessee shall not, without the prior written approval of Lessor, operate or permit on the premises any heavy machinery or equipment.

(ii) Attach any awning, antenna, or other projection to the roof or the outside walls of the leased premises or the building without prior written approval of Lessor.

(iii) Commit or cause to be committed by any person, any waste upon the leased premises or any nuisance or other act which may disturb the quiet enjoyment of any other tenant in the building.

7. LESSOR'S OBLIGATIONS AND COVENANTS

a. Lessor, upon payment of the rent herein reserved and the performance of the other covenants of the lease by the Lessee, guarantees the peaceful and quiet enjoyment of the leased premises during the full term of this lease by the Lessee.

b. Lessor shall be responsible for maintaining the structural aspects of the leased premises and the roof, and the electrical and mechanical aspects of the building located outside of the leased premises.

8. UTILITIES

Lessee shall be responsible for payment of all utilities except for internet access, refuse service and gas.

Lessor shall not be liable to the Lessee for any damages should the furnishing of any utilities by Lessor be interrupted or required to be terminated, because of necessary repairs or improvements or any cause beyond the reasonable control of Lessor. Nor shall any such interruption or cessation relieve Lessee from the performance of any of Lessee's covenants hereunder.

9. REPAIRS

Lessor shall keep the roof and the exterior walls of the premises, excepting any work done by the Lessee or any glass or doors, in proper repair, provided that in each case, the Lessee shall have given the Lessor prior written notice of the necessity of such repairs; and provided, further, that if any such repair is required by reason of the Lessee's negligence or the negligence of any of its agents, employees, or customers, or other person using the premises with the Lessee's consent, express or implied, the Lessor may make such repair and add the cost thereof, as additional rent pursuant to the provisions of this lease, to the first installment of minimum rent which shall thereafter become due. Lessee shall surrender the premises at the expiration or earlier termination of this lease in as good condition as when received, excepting only deterioration caused by ordinary wear and tear and damage by fire or other casualty of the kind insured against in standard policies of fire insurance with extended coverage. Except as hereinabove provided, the Lessor shall have no obligation to repair, maintain, alter, replace, or modify the premises or any part thereof, or any electrical, plumbing, heating, air conditioning, or other mechanical installation therein.

10. COVENANTS OF LESSEE

Throughout the entire term of this lease, Lessee agrees to keep and maintain the leased premises and each and every aspect thereof, including without limitation non-structural elements and improvements, interior walls, floors, ceilings, utility systems and components, glass, doors, fixtures, leasehold improvements, and other equipment, in a clean, safe and attractive condition and in good working order and repair (including reasonable periodic painting as determined by the

Lessor), at Lessee's sole cost and expense. Lessee agrees that any repairs or replacements to or of properties of any kind within or upon the leased premises shall be at least equal in quality to the original properties repaired or replaced. In the event Lessee fails or refuses to perform any of such covenants within the ten (10) day period following written notice of the need from Lessor to Lessee, Lessee shall be in default under this lease, and Lessor shall have the right but never the obligation to perform such maintenance or repair and to add the cost thereof as additional rent to the next installment of fixed rent which becomes due hereunder. Upon the expiration or other termination of this lease, Lessee shall deliver up the leased premises to the Lessor in good order and condition, broom clean, wear and tear from the reasonable use thereof excepted.

Lessee covenants that it shall:

a. Comply with the terms of any state or federal statute or local ordinance or regulation applicable to the Lessee or its use of the premises, and defend, indemnify and hold the Lessor harmless from penalties, fines, costs, expenses, or damages resulting from its failure to do so.

b. Comply with the terms, conditions, rules and regulations set forth herein (or hereafter promulgated by the Lessor) relating to the use, operation, and maintenance of the common facilities.

c. Keep the premises sufficiently heated to prevent freezing of water in pipes and fixtures.

d. Not burn, place, or permit any rubbish, obstructions, or merchandise in such areas.

e. Comply with all rules and regulations of the Lessor in effect at the time of the execution of this lease or at any time and from time to time promulgated by the Lessor, which the Lessor in its sole discretion shall deem necessary in connection with the premises or the building of which the premises are a part, including the installation of such fire extinguishers and other safety equipment as the Lessor may require; and comply with the recommendations of the Lessor's insurance carriers and their rate-making bodies.

f. Do all things necessary to prevent the filing of any mechanic's or other liens against the premises or any part thereof by reason of work, labor, services, or materials supplied or claimed to have been supplied to the Lessee, or anyone holding the premises, or any part thereof, through or under the Lessee. In the event any mechanic's lien occurs as a result of any improvement or alteration facilitated by the Lessee, the Lessee shall defend, indemnify and hold the Lessor harmless against any claim connected to or associated with any mechanic's lien.

h. Lessee represents and warrants to Lessor that Lessee is currently in compliance with and shall at all times during the term of this lease (including any further extensions or renewals) remain in compliance with the regulations of the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action

relating thereto.

11. INDEMNITY

Lessee shall indemnify and hold harmless the Lessor against all expenses, liabilities, and claims of every kind, including reasonable attorney's fees, by or on behalf of any person or entity arising out of:

- a. Any injury, damage, wrongful death, property damage, or related claims happening on or about the leased premises;
- b. Failure to comply with any law, ordinance, or resolution of any governmental entity;
- c. Any mechanic's lien or security interest filed against the leased premises for alterations, fixtures, or improvements thereon, or for any other reason arising out of work done by or on behalf of the Lessee.
- d. Any tax lien filed against the leased premises as a result of Lessee's failure to timely remit any tax obligation, including, but not limited to New Mexico's excise tax, withholding tax, sales tax, or use tax.
- e. Any failure by Lessee to perform any of the terms and conditions of this lease.

12. TAXES

- a. Lessee is responsible for and shall pay before delinquency all municipal, county or state taxes assessed during the term of this lease, or any renewal or extension thereof, against any leasehold interest or personal property of any kind, owned by or placed in, upon or about the leased premises by the Lessee.
- b. Lessee shall pay all taxes which are assessed as a result of the Lessee's activities undertaken in connection with the leased premises, including, but not limited to New Mexico's excise tax, withholding tax, sales tax, and use tax.

13. INSURANCE

- a. Without limiting the indemnity referred to in paragraph 13 above, during the term of this lease, Lessee shall, at its own expense:
 - i. Be responsible for obtaining fire insurance in an amount sufficient to fully cover Lessee's improvements, fixtures and property in the leased premise which are not owned by Lessor and Lessor shall have no responsibility to obtain such insurance; and
 - ii. Liability insurance with Lessor named as an additional insured, against claims for death, personal injury and property damage in or about the leased

premise, in an amount not less than \$1,000,000.00 for death, illness or injury to one or more persons, and \$1,000,000.00 for property damage, in respect of each occurrence.

b. Policies for such insurance shall be in a form and with an insurer reasonably acceptable to Lessor, shall require at least 15 days written notice to Lessor of termination or material alteration during the term of this lease, and shall waive any right of subrogation against Lessor and all individuals and entities for who Lessor is responsible in law. Lessee shall deliver to Lessor, on the commencement date of the term of this lease and on each anniversary thereof, certified copies or other evidence of such policies, or other evidence satisfactory to Lessor that all premiums thereof have been paid and that the policies are in full force and effect.

c. If at any time the Lessee fails to purchase and maintain insurance hereunder, the Lessor, in addition to all other remedies available to the Lessor, may purchase such insurance and assess the cost thereof to the Lessee as additional rent which shall be payable immediately upon demand of the Lessor, or Lessor may demand Lessee purchase such insurance as required herein or be in default of the lease.

d. Lessee shall at all times during the term of this lease maintain, at its own expense, workers compensation insurance coverage as required by New Mexico law.

e. General liability insurance and general fire, casualty, and extended coverage insurance on the building, improvements, and grounds shall be maintained by the Lessor as a common expense.

14. DAMAGE AND DESTRUCTION

a. In the event the leased premises are damaged or destroyed during the term of this lease by fire, flood, storm, civil commotion or other unavoidable consequence, the Lessor shall, except as provided below, diligently repair or rebuild those portions damaged, which are covered by insurance purchased as a common area expense, to substantially the same condition as at the commencement of this lease. Lessee shall be responsible for repair or replacement of contents and any fixtures, furniture, improvements, alterations and repairs Lessee furnished or installed which are not covered by insurance purchased as a common area expense.

b. During the period of repairing the building and premises after said damage, Lessee shall continue paying all rents due hereunder for a period of time not to exceed sixty (60) days if repairs are still underway.

c. If the leased premises are damaged or destroyed to the extent that it appears in the sole judgment of the Lessor that the leased premises cannot be reasonably or substantially or fully repaired or restored by the Lessor within sixty (60) days after the damage or destruction, either party shall have the option to terminate this lease in writing by giving written notice to the other party within thirty (30) days after the date of such damage or destruction.

d. Upon written demand by the Lessee following such damage or destruction, the

Lessor shall promptly deliver to the Lessee a written notice of Lessor's decision as to whether or not the leased premises are capable of being repaired as outlined immediately above.

e. In the event the lease is terminated pursuant to the terms of this section, Lessee shall promptly surrender the leased premises to Lessor and shall pay rent only to the date of such surrender. Lessor's obligation hereunder shall in no way be construed to include maintaining fire and casualty insurance on Lessee's leasehold improvements or property located on the premises.

15. LIEN RIGHTS

Lessee hereby pledges and assigns to Lessor all furniture, inventory, equipment, fixtures and miscellaneous chattels owned by said Lessee, which shall and may be brought or put on said premises as security for the payment of rent herein reserved, and the Lessee agrees that the said lien may be enforced in event of default as defined in paragraph 26(a) hereof, in any foreclosure action brought by Lessor in accordance with New Mexico law, and Lessee does hereby agree to pay reasonable attorney's fees, together with all costs and charges incurred or paid by Lessor in connection with collection. Lessee agrees to sign documents necessary for Lessor to perfect this lien, however, at Lessor's sole option, Lessor may execute a Landlord's Waiver of Lien for the benefit of Lessee.

16. ASSIGNING, MORTGAGING, SUBLETTING

Lessee shall not assign, create a security interest in, pledge, or encumber this lease, in whole or in part, or sublet the whole or any part of the leased premises, or permit the use of the whole or any part thereof by any licensee or concessionaire, without first obtaining the written consent of Lessor, which consent will be at the sole discretion of the Lessor. Any such assignment, subletting, or creation of security interest or encumbrance in violation hereof shall be void. In the event of any such permitted assignment, subletting, licensing, or granting of a concession, Lessee shall nevertheless remain liable for the performance of all of the terms, conditions, and covenants of this lease. Lessor reserves the right to assign its interest and obligations under this lease to another entity or person. In the event of such assignment, Lessor will provide written notification to Lessee within thirty (30) days of the assignment.

17. EMINENT DOMAIN

In the event that the leased premises are taken in whole or in part by condemnation proceedings or eminent domain, or in the event that Lessor (and Lessee if necessary) shall convey all or a part of the leased premises in avoidance or in settlement of such condemnation proceedings or threat thereof (either of which is referred to hereinafter as "the taking"), Lessor and Lessee herein agree as follows: If such taking shall render the remainder of the leased premises unsuitable for the use to which it has been put immediately prior to such taking, then at Lessee's option, this lease shall terminate. Such option must be exercised by written notice of termination given to Lessor no later than thirty (30) days after the date physical possession is taken by the condemning authority, failing which this lease shall continue in full force and effect as to the remainder of the leased premises. All compensation awarded for any taking (or the proceeds of any private sale in lieu thereof) of the building or the appurtenant real property or any part thereof (including the

leased premises and/or any common areas) shall be the sole property of Lessor, and Lessee hereby assigns its interest in any such award to Lessor. Provided, however, that Lessor shall have no interest in any separate award made to Lessee for loss of business, for relocation, or for any taking of Lessee's leasehold improvements and trade fixtures and other personal property.

18. SURRENDER OF PREMISES: TREATMENT OF LESSEE'S ALTERATIONS AT EXPIRATION OR TERMINATION OF LEASE

All alterations, additions, improvements, partitions, flooring, carpeting or fixtures, including, but not limited to light fixtures, electrical fixtures, and plumbing fixtures, which may be made or installed by either of the parties hereto upon the leased premises and which in any manner are attached to the floors, walls, windows, or ceilings shall be the property of the Lessor upon the expiration of or other termination of this lease, unless Lessor shall elect otherwise. Lessor shall make such election by giving notice in writing to Lessee prior to the expiration or other termination of this lease, or any renewal or extension thereof. In the event the Lessor shall so elect, such alterations, installations, additions or improvements made by Lessee upon the leased premises as the Lessor shall so elect shall be removed by the Lessee and the Lessee shall restore the leased premises to their original condition at the commencement hereof, normal wear and tear excepted, at its own cost and expense prior to the expiration or termination of the term hereof; of if the Lessee fails to do so, Lessor, in addition to all of its other rights and remedies hereunder, may do so at the Lessee's expense. Also, at the expiration or other termination of the lease term, Lessee shall remove all of its movable trade fixtures which shall not be the property of the Lessor under the foregoing provisions of this paragraph. Lessee's obligations to perform the covenants contained in this paragraph of the lease shall survive the expiration or other termination of this lease.

19. SIGNS, DISPLAYS AND OTHER ADVERTISING

Lessee shall not erect or install any exterior or interior window or door signs, advertising media, window or door lettering, or placards, without Lessor's written consent. Lessee agrees to install a door sign which shall be in strict conformance with Lessor's sign criteria as to design, material, location, size and style of lettering. The cost of such sign shall be the Lessee's sole expense. Lessee agrees not to use any form of advertising that shall be deemed objectionable to Lessor or other tenants, such as a loudspeaker, phonograph or radio that can be heard outside the leased premises. Lessee shall not install any exterior lighting, decoration, painting or awning, or make any changes to the exterior of the leased premises without Lessor's prior written consent. Lessee shall have the right to one sign in the main lobby and one sign in the lower lobby placed as determined by Lessor. The cost of such sign shall be the Lessor's sole expense.

20. ACCESS TO PREMISES

a. Lessor and its authorized representatives shall have the right to enter upon the leased premises at all reasonable hours (and in emergencies, at all times) to inspect the same, to make repairs, to the Leased Premises and/or the adjoining premises or the building. Except in emergencies, Lessor agrees to provide Lessee with reasonable notice whenever it deems it

necessary to enter upon the leased premises.

b. For a period commencing ninety (90) days prior to the end of the lease term, Lessor may have reasonable access to the Leased Premises for the purpose of exhibiting the same to prospective tenants and to post "For Lease" signs upon the leased premises.

21. STATEMENT OF LESSEE - ESTOPPEL CERTIFICATE

Lessee shall upon request of the Lessor execute and deliver to the Lessor within five (5) working days a statement in writing certifying that this lease is unmodified and in full force and effect if such is the fact, or if there has been a modification, stating the modification. Such statement may be relied upon by any prospective purchaser of the leased premises or the building in which they are located.

22. SALE BY LESSOR

In the event the Lessor sells the leased premises or the building in which they are located to any third party, the sale shall operate to release the Lessor from any and all future liability under this lease if the purchaser assumes all the duties of the Lessor hereunder. So long as the Lessee shall not be in default in the terms of this lease, this lease shall not be terminated, and Lessee agrees to execute a formal written acknowledge to any new owner who shall assume the Lessor's obligations hereunder. Otherwise, this lease shall not be affected by such sale.

23. LESSEE'S DEFAULT

a. Lessee's right in and to the leased premises depends upon the performance and keeping of the covenants, agreements, duties, and obligations of Lessee set forth in this lease. Any default in the payment when due of any sum or in the performance when due of any other provision of this lease shall operate against Lessee, Lessee's grantees, successors and assigns. In the event (aa) that Lessee fails to make any rental payment or any other payment called for by this lease within five (5) days after such payment is due; or (bb) in the event Lessee shall abandon the leased premises; or (cc) in the event that Lessee, after having received from Lessor written notice describing in general terms the breach of any other provision of this lease, fails to cure said breach within five (5) days after the date of said notice, then Lessor shall have the following rights and remedies in addition to all other rights provided in this lease or by law or in equity:

- i. Without canceling this lease, Lessor may re-enter and re-let the leased premises or any part thereof, for such rent, upon such provisions, for such period and to such person or persons as may seem proper to Lessor, it being understood that Lessor will use diligence to find a new tenant or tenants and that Lessor will not unreasonably withhold Lessor's consent and acceptance of any tenant or tenants proposed by Lessee if such proposed tenant or tenants possess good reputation and financial stability and if the zoning and other governmental regulations permit the use proposed by said new tenant and such use shall, in the sole opinion of the Lessor, be compatible with land usage of adjacent property. If the monthly rents received or to be received from such re-letting are less than the rents provided for

in this lease, Lessor, at Lessor's option, may require the Lessee to pay such deficiency month by month. Lessor shall in no event be required to pay Lessee any sum realized by Lessor on such re-letting even though such sums exceed the rent reserved in this lease. Lessee agrees that such acceptance of a tenant or tenants by Lessor in place of Lessee shall not operate as a cancellation of this lease nor to release Lessee from the performance of any of Lessee's obligations under this lease, and that the performance by any such substitute tenant or tenants shall constitute satisfaction only to the extent of the obligations of Lessee under this lease.

- ii. Lessor may cancel this lease and all rights of Lessee in the leased premises in which event all payments and all other obligations due under this lease up to the date of such cancellation shall be paid and performed by Lessee. Lessor shall be entitled to damages at law for breach of this lease by Lessee, but all other rights and duties whatsoever of both Lessor and Lessee under this lease shall cease as of the date of such cancellation, and the leasehold estate hereby created shall cease to exist.
- iii. The rights and remedies provided in (ii) above are cumulative to the rights and remedies provided in said (i) above and may be exercised at the option of the Lessor even though the rights and remedies provided in said (i) above have been previously exercised, and regardless of the length of time elapsing between the exercise of any one or more of the rights and remedies of said (i) above and the election to exercise the rights and remedies given in (ii) above.
- iv. In addition to the rights and remedies set forth in (i) and (ii) above, Lessor shall have all the rights and remedies provided by law whatsoever, including in particular, but not limited to, the right at all times to recover damages, and also all other rights granted by this lease. All of the rights and remedies provided in this subparagraph (iv) may be invoked by Lessor at any time, both before and after the exercise of any one or more of the rights and remedies granted in (i) and (ii) above.

b. Lessee hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Lessee being evicted or dispossessed of the leased premises, by reason of the violation by Lessee of any of the covenants or conditions of this lease, or otherwise.

c. If a petition in bankruptcy is filed by the Lessee, or if the Lessee is adjudicated bankrupt, or if the Lessee makes a general assignment for the benefit of creditors, or if in any proceeding based upon insolvency of the Lessee, a receiver for the Lessee is appointed, then Lessor shall have the right and option to terminate this lease and recover possession of the leased premises by summary proceedings.

d. In the event that legal proceedings are instituted by either party as a result of either party's default, the prevailing party shall be paid its reasonable attorney's fees together with costs, at the conclusion of said legal proceedings.

24. LESSOR'S DEFAULT

In the event Lessor is in default of any obligation, covenant, or term of this lease, Lessee may give written notice to Lessor of such default and Lessor shall have thirty (30) days to cure said default. If Lessor fails to cure said default, Lessee may terminate this lease and shall have all rights afforded under the law or in equity.

25. GENERAL PROVISIONS

a. The paragraph headings contained herein are descriptive and for convenience only. If there is any conflict between a paragraph heading and substantive text, the substantive text shall control the construction of this lease.

b. This agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

c. Any notice required under the terms of this agreement shall be sufficient when given in writing, by certified mail, return receipt requested, regardless of whether such receipt is returned as signed for by the Addressee, addressed as follows:

Lessor: **Kayenta Properties LLC**
2536 Rimrock Ave – Suite 400-387
Grand Junction, CO 81505

Lessee: Crestone Aviation LLC
548 Market Street - Suite 39254
San Francisco, CA 94104

d. In the event that litigation is required to resolve a dispute between the parties arising out of this agreement, the parties agree that the forum of such litigation shall be in a court of competent jurisdiction in and for the Mesa County, Colorado.

e. Lessee shall not record this lease without the written consent of the Lessor; however, upon the request of either party hereto, the other party shall join in the execution of a memorandum or so-called "short form" of this lease for the purpose of recordation. Said memorandum or "short form" of this lease shall describe the parties, the leased premises, and the term of this lease and shall incorporate this lease by reference. If Lessee shall default in the performance of any of the covenants of this lease subsequent to recordation of the memorandum or "short form" of this lease and Lessee shall refuse to execute a release of this lease, Lessee shall be liable for the cost to remove said recorded instrument as a cloud on the Lessor's title, including cost of suit and reasonable attorney's fees.

f. This lease and all rights of Lessee hereunder shall be subject and subordinate to the lien of any and all mortgages that may now or hereafter affect the demised premises, or any part thereof, and to any and all renewals, modifications or extensions of any such mortgages. Lessee shall, on demand, execute, acknowledge and deliver to Lessor, without expense to Lessor, any and

all instruments that may be necessary or proper to subordinate this lease and all rights therein to the lien of any such mortgage or mortgages and each renewal, modification or extension, and if Lessee shall fail at any time to execute, acknowledge and deliver any such subordination instrument, Lessor, in addition to any other remedies available in consequence thereof, may execute, acknowledge and deliver the same as Lessee's attorney in fact and in Lessee's name. Lessee hereby irrevocably makes, constitutes and appoints Lessor, Lessor's successors and assigns, Lessee's attorney in fact for that purpose.

g. No amendment or modification of this lease shall be valid or binding unless expressed in writing and executed by the parties hereto in the same manner as the execution of this agreement.

h. Both parties have participated in the negotiation and drafting of this lease. No presumption or interpretation shall be made for or against either party based on their respective involvement in the preparation of this agreement.

i. The individuals executing this agreement hereby acknowledge that they have been duly authorized to do so, on behalf of the entities that they respectively represent, and all necessary acts and approvals have been accomplished or completed by said entities so that the terms hereof shall be binding upon said entities.

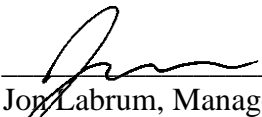
j. Time is of the essence of this agreement. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns, as the case may be. This agreement contains the entire agreement between the parties superseding all prior agreements, verbal or written, and cannot be modified in any manner except by an amendment in writing signed by both parties. All time periods herein run from the date of execution hereof or from the date of delivery of a required writing, whichever is later.

k. No waiver of any breach of any one or more of the conditions or covenants of the lease by the Lessor shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder. The failure of the Lessor to insist upon the strict performance of the terms, covenants, agreements, and conditions herein contained, or any of them, shall not constitute or be construed as a waiver or relinquishment of the Lessor's right to thereafter enforce any such term, covenant, agreement, or condition, but the same shall continue in full force and effect. Lessee acknowledges and agrees that it has not relied upon any statements, representations, agreement, or warranties, except such as are expressed herein.

IN WITNESS WHEREOF, the parties hereto have signed this Lease on the day and year first above written.


LESSOR:

Kayenta Properties LLC

By: _____
Jon Labrum, Manager

LESSEE:

Crestone Aviation LLC

By: _____

Name: Jon Labrum

Title: Manager

PERSONAL GUARANTEE

The undersigned, being the principal of the Lessee, hereby personally guarantees the full and complete performance and financial obligations of Lessee hereunder.

By: _____

Name: _____

Introduction

The Grand Junction Regional Airport Authority's ("GJRAA") Aeronautical Use Lease Policy (2014) Section 13 and Ground Lease Agreements at the Grand Junction Regional Airport ("Airport") require the GJRAA's approval to sublease property and improvements. To effectuate the Lease Policy and terms of individual Ground Lease Agreements, the GJRAA has adopted the following standard terms and conditions that must be included in each new sublease agreement between a Tenant and Subtenant. GJRAA's consent to sublease shall be conditioned on, among other factors, the Tenant and Subtenant including the attached terms in the sublease agreement. These terms shall be included verbatim, and any proposed alterations shall be presented to the GJRAA for approval. These standard sublease terms are intended to supersede any standard form sublease or sublease terms included in any current Ground Lease Agreement.

All references herein to the Ground Lease Agreement refer to the underlying lease agreement between GJRAA and Tenant. All other terms used but not defined herein shall have the meanings ascribed to them in the Ground Lease Agreement.

Sublease Terms Required by Grand Junction Regional Airport Authority (“GJRAA”)

1. Application and Enforcement of Ground Lease Agreement. Subtenant agrees and acknowledges to be subject to all applicable terms and conditions of the Ground Lease Agreement between the GJRAA and the Primary Tenant. Default of the Ground Lease Agreement shall constitute cross-default of this Sublease, and this Sublease shall terminate upon expiration or early termination of the Ground Lease Agreement. Subtenant shall have no right of possession or occupancy of the Premises beyond the term of the Ground Lease Agreement.
2. Permitted Uses of Premises. Subtenant’s use of the Premises shall be consistent with, and not in excess of, the Permitted Uses granted to Primary Tenant under the Ground Lease Agreement.
3. Non-exclusive Use of Airport. Subtenant shall share with the Primary Tenant in the rights conferred in the Ground Lease Agreement to the non-exclusive use of 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 Subtenant to conduct the Permitted Uses from the Premises. Subtenant’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. Subtenant’s use of the airfield areas and Airport rights-of-way further shall be in conformance with all directives of the GJRAA, the Federal Aviation Administration (“FAA”), and the Transportation Security Administration (“TSA”), as provided in Section 13 hereof.
4. Non-Exclusive Right. Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by 49 U.S.C. § 40103(e).
5. Access by GJRAA and Others. Subtenant agrees and acknowledges that the GJRAA and any Lessee of the GJRAA have the right to traverse that portion of the Premises not occupied by a hangar or other structure, without interference by Subtenant, if the GJRAA determines in its sole discretion that such access is necessary or desirable for the efficient operations of the Airport, the GJRAA, or another Lessee.
6. Inspection by GJRAA. Subtenant agrees and acknowledges that the GJRAA shall have the right, at all reasonable times, and after notice to Primary Tenant when practical, to enter upon the Premises to inspect, to observe the performance by Subtenant of its obligations hereunder, and to do any act which the GJRAA may be obligated to do or have the right to do under the Ground Lease Agreement, any other agreement to which the GJRAA is a party, or pursuant to any applicable law or regulation.
7. Liens and Encumbrances. Subtenant shall not permit or allow to remain, and shall promptly discharge at its expense, any lien or similar encumbrance upon the Premises or any portion thereof.
8. Subordination. This Sublease shall be subject and subordinate to any existing or future contracts or agreements between the GJRAA and the United States Government or

governmental authority, relating to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds for the improvement or development of the Airport. Subtenant shall not cause the GJRAA to violate any terms, conditions or assurances made by the GJRAA to the United States government in connection with the granting of federal funds. If the FAA or its successors requires modifications or changes to this Sublease as a condition precedent to the granting of funds for the improvement of the Airport, Subtenant agrees to consent, without compensation, to such amendments, modifications, revisions, supplements, or deletions of any of the terms and conditions of this Sublease. Federal, State, or local governments, or any agencies thereof, including but not limited to GJRAA's "grant assurances" to the FAA, and to the requirements of any Federal, State, or local statutes, rules, regulations, or directives governing the operation of the Airport, and the GJRAA shall not owe any damages to Subtenant, such as lost profits or revenues, as a result of its compliance with said contracts, statutes, rules, regulations, or directives.

9. Improvements. Subtenant agrees and acknowledges that it will seek and obtain any and all required permits and approvals from the GJRAA, the City of Grand Junction and any other government agency with jurisdiction over development at the Airport prior to initiating any construction or development on the Premises, and further explicitly acknowledges that one or more of the GJRAA's approvals may be contingent on approvals and/or determinations issued by the FAA.
10. No Assignment or Subletting. Subtenant shall not have the right to assign this Sublease or to sublet the Premises or any part thereof.
11. Minimum Insurance Requirements. At all times during the term of this Sublease, Subtenant shall maintain the same types and levels of insurance as required to be held by Primary Tenant under the Ground Lease Agreement and, as applicable, the General Aviation Minimum Standards for the Airport.
12. Indemnification. Subtenant agrees as follows:
 - A. 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. Subtenant's indemnification obligations under this provision shall be without regard to, and without any right to contribution from, any insurance maintained by Subtenant. Additionally, Subtenant's indemnity obligations under this section shall be supported by insurance, but this insurance requirement shall be a separate and distinct obligation from Subtenant's indemnity obligations, and the insurance and indemnity obligations shall be separately and independently enforceable. Further, Subtenant's indemnity obligations hereunder are not limited by any insurance coverage Subtenant may have.

B. Subtenant 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 Subtenant.

C. Subtenant 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 Subtenant in, on, or about the Premises and, accordingly, Subtenant will either satisfy any such lien or, if Subtenant disputes the validity thereof, will defend any action for the enforcement thereof (and if Subtenant loses any action, will cause such lien to be satisfied and released).

13. Compliance with Law and GJRAA Rules. Subtenant shall observe and obey all statutes, rules, regulations, ordinances 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"). Subtenant further agrees to perform all of its activities authorized hereunder in accordance with all of the terms and conditions of the GJRAA's General Aviation Minimum Standards (the "Minimum Standards"), as applicable, and the Airport Rules and Regulations, as the same may be adopted or amended from time to time. Subtenant 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 Sublease and the terms of the General Aviation Minimum Standards, Airport Rules and Regulations or other duly-adopted GJRAA rule or policy, the terms of the duly-adopted GJRAA rule or policy shall control. Subtenant further agrees to comply with all verbal and written directives of the Airport Manager regarding Subtenant's use of the Premises, the Airport's airfield areas, and other common areas elsewhere at the Airport.

For the purposes of the underlying Sublease Agreement, the following Minimum Standards shall apply:

- ☐ The Minimum Standards effective as of October 16, 2018, as may be amended from time to time.
- ☐ The Minimum Standards effective as of _____.

14. Commercial Aeronautical Activities. Subtenant agrees to seek and obtain any permits, approvals or licenses from the GJRAA as required by the General Aviation Minimum Standards or other duly-adopted rule or policy necessary to perform any commercial aeronautical activities on the Premises prior to initiating any such commercial aeronautical activities. Subtenant agrees to provide any commercial aeronautical facilities, products and services on a reasonable, and not unjustly discriminatory, basis to all users of the Airport and charge reasonable, and not unjustly discriminatory, prices for each unit or service; provided that Subtenant may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

15. Airport Development Rights. Subtenant acknowledges the GJRAA's reservation in the Ground Lease Agreement of 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. The GJRAA may, from time to time, increase or decrease the size or capacity of any airfield areas and Airport rights-of-way and 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.

16. Emergency Use of Premises

A. Subtenant 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. Subtenant 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.

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

17. Airspace and Height Restrictions

A. Subtenant acknowledges the GJRAA's reservation in the Ground Lease Agreement, for the use and benefit of the public, of 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, vibrations, smoke, fumes, glare, dust, fuel, particles and all other effects 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.

B. Subtenant acknowledges the GJRAA's reservation in the Ground Lease Agreement of such rights as necessary to protect the aerial approaches of the Airport against obstruction, including the right to prohibit Subtenant 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, as determined by the FAA, constitute a hazard to air navigation. Subtenant acknowledges the GJRAA's right to enter upon the Premises and cause the abatement of such interference at the expense of Subtenant.

C. Subtenant 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.

18. Non-discrimination

A. Subtenant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates Subtenant for the period during which the Premises is used or possessed by Subtenant and the Airport remains obligated to the FAA. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

B. During the performance of this Sublease, Subtenant for itself and successors in interest, agrees to comply with the following non-discrimination statutes and authorities:

- (i) 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);
- (ii) 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);
- (iii) 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);
- (iv) 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;
- (v) The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
- (vi) Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- (vii) The Civil Rights Restoration Act of 1987 (PL 100-209) (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);
- (viii) Titles II and III of the Americans with Disabilities Act of 1990, which 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 (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

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

(x) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which 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;

(xi) 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. at 74087 to 74100);

(xii) 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).

B. Subtenant, including personal representatives and successors in interest, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Subtenant will use the Premises in compliance with all other requirements imposed by or pursuant to the list of non-discrimination acts and authorities, as enumerated in the preceding subsection. In the event of breach of any of the above nondiscrimination covenants, the GJRAA will have the right to terminate this Sublease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if the Lease had never been made or issued.

C. During the performance of this Sublease, Subtenant, for itself and successors in interest, agrees as follows:

(i) Nondiscrimination: Subtenant, with regard to the work performed by it during the Sublease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Subtenant 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.

(ii) Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made

by Subtenant 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 Subtenant of contractor's obligations under this Lease and the Nondiscrimination Acts and Authorities.

(iii) Information and Reports: Subtenant 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 GJRAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Subtenant will so certify to the GJRAA or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

(iv) Sanctions for Noncompliance: In the event of Subtenant's noncompliance with the non-discrimination provisions of this Sublease, the GJRAA will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to, cancelling, terminating, or suspending this Sublease, in whole or in part.

(v) Incorporation of Provisions: Subtenant will include the provisions of this subsection in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Subtenant will take action with respect to any subcontract or procurement as the GJRAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Subtenant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Subtenant may request the GJRAA to enter into any litigation to protect the interests of the GJRAA. In addition, Subtenant may request the United States to enter into the litigation to protect the interests of the United States.

Crestone Aviation, LLC vs Minimum Standards

LEASED Premises

	<u>Minimum Standard</u>	<u>Crestone Aviation, LLC</u>
Contiguous Land	21,780 SQFT	51,660 SQFT
Customer Area	500SQFT	500 SQFT Use WSA Lobby if need be
Customer Service Area	250 SQFT	250 SQFT Use WSA Lobby if need be
Hangar	7500 SQFT	13,397 SQFT
Self Maintenance	360 SQFT	15000 + SQFT Provide By WSA

LICENSES AND CERTIFICATIONS

Aircraft Charter Operators shall have and provide copies to the Authority of all appropriate certifications and approvals, including without limitation, the Pre-application Statement of Intent (FAA Form 8400-6), the Registrations and Amendments under Part 298 (OST Form 4507), and/or FAA issued operating certificate(s)

States they are not really a charter but flt under part 91, therefore don't have the required certifications asked for in the minimum standards.

EMPLOYEES

Chief Pilot	1(Commercial pilot may serve)	1-Jon Labrum
Commercial Pilot	1 Employee	2-Joe Fournier, Devin Rich
Customer Service Representative	1 Employee	Same as above

EQUIPMENT

Necessary Equipment for performance of services	Cessna Conquest 2,Cessna 441, 525B, Cirrus SR22
---	---

HOURS OF ACTIVITIES

Hours/ Days per week	8 hours a day/5 days a week	yes
Holidays	no	no

After Hours/ On-Call Response Time

Response to Customer Inquiries	1 hour	yes
Provision of the trip quote	1 hour	yes
Flight Initiation	2 hours	yes



Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Wrench Worx Sublease and Commercial Operator Permit		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board authorize the Executive Director to execute the Consent to Sublease and Commercial Operator Permit for Wrench Worx GSE/Wings.		
SUMMARY:	<p>Wrench Worx GSE/Wings is seeking approval of sublease and commercial operator permit to conduct aircraft and avionics/instrument maintenance. Wrench Worx GSE/Wings will operate from the Wild Blue Hangars, LLC leasehold that is owned by Kayenta Properties, LLC, recently transferred from Parkerson Hangars, LLC.</p> <p>Staff has reviewed the commercial operator permit and has verified that all applicable minimum standards have been adhered to.</p>		
REVIEWED BY:	Executive Director and Chief Financial Officer		
FISCAL IMPACT:	None		
ATTACHMENTS:	Consent to Sublease. Sublease agreement between Wrench Worx and Kayenta, LLC. Diagram of subleased premises. Wrench Worx GSE/Wings commercial operator permit.		
STAFF CONTACT:	Dylan Heberlein dheberlein@gjairport.com (970) 248-8586		

Consent to Sublease

The GRAND JUNCTION REGIONAL AIRPORT AUTHORITY ("GJRAA") hereby acknowledges and consents to the sublease agreement by and between KAYENTA PROPERTIES LLC and WRENCH WORX, dated September 1, 2020.

Nothing in this consent shall be construed to expand or extend any term or condition of the primary tenant's lease with the GJRAA or waive performance of any term or condition of the primary tenant's lease.

The GJRAA's consent is expressly conditioned on subtenant's compliance with the *Sublease Terms Required by Grand Junction Regional Airport Authority* which shall be appended to the sublease agreement and made a material part thereof.

The GJRAA's consent further is expressly conditioned on subtenant's compliance with the *General Aviation Minimum Standards for the Grand Junction Regional Airport*, dated October 16, 2018.

Grand Junction Regional Airport Authority

By: _____
Angela Padalecki, Executive Director

Date: _____

General Aviation Commercial Operator Permittee:

Legal name: Wrench Work GSE DBA Wrench Work Wings

Business or trade name (if different): _____

Primary office (and contact information):

Name: Robin Staton

Title: Office Manager

Address: 500 Greenway Dr

City: Fruita State: CO Zip: 81521

Telephone: (970) 201-7003 Facsimile: () _____

Email Address: Robinstaton83@gmail.com

On-airport address (if different):

Address: 2858 Navigators Way #7

City: G.J. State: CO Zip: 81506

Type of Permittee:

☒ Lessee ☐ Sublessee ☐ Temporary

Activity Authorized (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Fixed Base Operator | <input type="checkbox"/> Aircraft Rental |
| <input checked="" type="checkbox"/> Aircraft Maintenance | <input type="checkbox"/> Flight Training |
| <input checked="" type="checkbox"/> Avionics/Instruments Maintenance | <input type="checkbox"/> Aircraft Sales |
| <input type="checkbox"/> Aircraft Management | <input type="checkbox"/> Aircraft Storage |
| <input type="checkbox"/> Aircraft Charter | <input type="checkbox"/> Temporary SASO |
| <input type="checkbox"/> Other Commercial Aeronautical Activity | |

(please describe*) _____

*Attach additional sheet if necessary.

Please refer to the General Aviation Minimum Standards (Minimum Standards) for Grand Junction Regional Airport (Airport) for further information on each type of Activity listed and for definitions of the capitalized terms used in this Permit.

Time Period Authorized (check one/complete):

☒ Permit valid for one year from the date of approval.

☐ Permit valid from ___/___/___ (start date) to ___/___/___ (end date).

Location(s) on Airport: 2858 Navigators way & surrounding grounds

The Permittee agrees to the following:

- **FEE PAYMENT:** The Permittee agrees to pay all applicable rents, fees, and other charges when due and payable without offset of any kind whatsoever. The Permittee also agrees to pay any late fees, interest, penalties, and related charges.
- **PERMIT LIMITATIONS:** This Permit may not be assigned or transferred and is limited to engaging in the approved Activity in the location designated and only for the time specified in this Permit.
- **INFORMATION CHANGES:** The Permittee shall notify the Grand Junction Regional Airport Authority (Authority) in writing within 21 calendar days of any change to the information submitted in the Permittee's Application.
- **INSURANCE:** The Permittee shall maintain all required insurance coverages pursuant to the Airport's Minimum Standards and applicable Legal Requirements.
- **INDEMNIFICATION:** The Permittee shall indemnify the Authority pursuant to the Airport's Minimum Standards.
- **COMPLIANCE WITH LEGAL REQUIREMENTS:** The Permittee shall comply with applicable Legal Requirements, including the Airport's Minimum Standards, all as may be developed or amended from time to time.

If, at any time, the Permittee does not comply with all the terms and conditions of this Permit, this Permit shall be invalid (null and void) and terminated. However, Permittee's obligations shall survive termination until all rents, fees, and other charges (such as late fees, interest, penalties, etc.) are paid in full and any other liabilities are resolved to the satisfaction of the Authority.

The undersigned representative of the Permittee certifies that he/she is authorized to sign for (on behalf of) the Permittee and agrees to abide by all of the terms and conditions under which this Permit is being granted.

Agreed and accepted (Permittee):

Signature

Name: Robina Staton

Title: Office Manager

Date: 9/25/2020

Approved (Authority):

Signature

Name: _____

Title: _____

Date: ____ / ____ / ____

*** Authority Administration Use Only ***

Documents provided to the Permittee:

☐ Minimum Standards

☐ Other: _____

Copies of documents provided by Permittee (attached):

☐ Lease/Sublease Agreement

☐ Certificates of Insurance

☐ Business License

☐ FAA Certificates

☐ Other: _____

KAYENTA PROPERTIES LLC HANGAR SPACE LEASE AGREEMENT

This HANGAR SPACE LEASE AGREEMENT, entered into as of September 1, 2020, by and between **Kayenta Properties LLC, a Colorado Limited Liability Company**, 2536 Rimrock Ave, Suite 400-387, Grand Junction, CO 81505 (“GJ”) and Wrench Worx (“Tenant”) in consideration of the mutual covenants and conditions herein contained, KAP and Tenant agree as follows:

1. Lease of Hangar Space. KAP leases to Tenant hangar space for an aircraft maintenance business to be located at Grand Junction Regional Airport, Grand Junction, Colorado as depicted on Exhibit “A” attached hereto. Included with the hangar are lavatory facilities and office space.

2. Term. The term of the lease shall commence on September 1, 2020 and shall continue in effect on a month to month basis.

3. Lease. Tenant shall pay KAP a monthly lease payable in advance beginning with first months. The monthly rental rate is \$2,500.00 due and payable in monthly installments of \$2,500 on the 1st day of each month and shall be delinquent if not received by the 10th, at which time a late payment penalty of \$100.00 shall be due and payable. Tenant agrees allow KAP to draft Tenants bank account monthly for rent payment via ACH.

4. Use of Hangar Space. Hangar space shall be used only for storage of personal property, aircraft and related equipment to the aircraft maintenance business, it will not be used for any other purpose. Tenant shall keep the floor of the hangar space free of debris at all times. In utilizing the hangar space during the term of the Agreement, Tenant agrees to and shall comply with all applicable ordinance, rules and regulations established by any federal, state, or local government agency, by KAP or by the Grand Junction Regional Airport.

5. Vehicle Parking. Vehicle parking is permitted on the street side and inside the hangar. Parking on ramp area for other than loading/unloading is not allowed.

6. Aircraft Taxi. Ingress/egress of hangars and C1A Taxiway is designated by a yellow centerline stripe.

7. Utilities. Utilities are to be paid for by the Tenant. Temperature of the hangar bathroom must be maintained at not less than 40 degrees Fahrenheit to prevent freezing of water lines.

8. Security. Tenant agrees to maintain airport security by keeping work doors locked at all times. The electric access gate must be closed completely when entering or exiting the ramp area. Not closing gates and or walk doors is subject to fines by the Grand Junction Regional Airport. Tenant shall be responsible for compliance with any and all security requirements implemented by Grand Junction Regional Airport.

9. Sublease/Assignment. Tenant shall have the right to sublease the hangar space with approval from KAP. Tenant shall have no right to assign this Agreement.

10. Condition of Premises. Tenant shall accept the hangar space in its present condition without any liability or obligation on the part of KAP to make any alterations, improvements or repairs of any kind on or about the hangar space.

11. Alterations. Tenant covenants and agrees not to install any fixtures or make any alteration, additions, or improvements to the hangar space without the prior written approval of KAP. All fixtures installed or additions and improvements made to the hangar space shall become KAP's property and shall remain in the hangar space at the termination of this Agreement, however, terminated, without compensation or payment to Tenant.

12. Insurance. Tenant agrees to maintain, at its own expense, for the benefit of itself, insurance insuring its property and against liability for personal injury or death, arising from acts or omissions of Tenant, its agents and employees a policy with liability of at least \$1,000,000.00 while leasing the hangar. Tenant shall list KAP as an additional insured for liability purposes.

13. Casualty. In the event the hangar or the hangar space, or the means of access thereto, shall be damaged by fire or any other cause, the rent payable hereunder shall not abate provided that the hangar space is not rendered untenable and KAP elects to repair the hangar or hangar space, however, the rent shall abate for the period during which such repairs are being made, provided the damage was not caused by the acts or omissions of Tenant, its employees, agents, or invitees, in which case the rent shall not abate. If the hangar or hangar space is rendered untenable and KAP elects not to repair the hangar space, the Agreement shall terminate.

14. Indemnity-Force Majeure. Tenant agrees to release, indemnify and hold KAP, its officers, and employees harmless from and against any and all liabilities, damages, business interruptions, delays, losses, claims, judgments, of any kind whatsoever, including all costs, attorney's fees and expenses incidental thereto, which may be suffered by, or charged to, KAP by reason of any loss of or damage to any property or injury to or death of any person arising out of or by reason of any breach, violation or non-performance by Tenant or its servants, employees, or agents of any covenant or condition of the Agreement or by any act or failure to act of those persons. KAP shall not be liable for its failure to perform the Agreement or for any loss, injury, damage or delay of any nature whatsoever resulting therefrom caused by any act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, war or any other cause beyond KAP's control.

15. Disclaimer of Liability. KAP hereby disclaims, and Tenant hereby releases KAP from any and all liability, whether in contract or tort (including strict liability and negligence), for any losses, damage or injury of any nature whatsoever sustained by Tenant, its employees, agents or invitees during the term of this Agreement, including but not limited to loss, damage or injury to the aircraft or other property of Tenant that may be located or stored in the hangar space, unless such loss, damage or injury is caused by KAP's gross negligence. The parties hereby agree that under no circumstances shall KAP be liable for indirect, consequential, special

or exemplary damages, whether in contract or tort (including strict liability and negligence), such as, but not limited to, loss of revenue or anticipated profits or other damage related to the leasing of the hangar space under this agreement. KAP's obligations hereunder do not include the duty to protect the aircraft from seizure or tie-down orders received by KAP from any court or governmental agency, and Tenant agrees to hold KAP harmless in the event KAP complies with such orders from any court or agency. Furthermore, Tenant agrees that KAP has no duty to stop or prohibit any third-party bank or other financial institution from securing Tenant's automobile or aircraft.

16. Default. In the event of nonpayment of rental, failure to cure any default under this Agreement by Tenant or failure of Tenant to timely pay any other amounts owed KAP which are unrelated to this Agreement, KAP shall, at its option, and without further notice, have the right to terminate this Agreement and to remove the Aircraft and any other property of Tenant from the hangar space, using such force as may be necessary, without being deemed guilty of trespass, breach of peace or forcible entry and detainer, and Tenant expressly waives the service of any notice. In addition, KAP shall be entitled to collect all its reasonable attorney's fees, expenses and costs incurred in collecting such rental, obtaining the cure of any default under this Agreement and collecting any other amounts owed KAP which are unrelated to this Agreement. Tenant agrees that jurisdiction will exist and venue will be proper in Mesa County, Colorado.

17. Governing Law. This agreement is governed by laws of the State of Colorado. Any provisions of this Agreement prohibited by law shall be ineffective to the extent of such prohibition but shall not invalidate the remaining provisions of this Agreement. In the event of any legal proceedings hereunder the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

18. Rights and Remedies. KAP's rights and remedies with respect to any term or provision of this Agreement shall be cumulative and not exclusive and shall be in addition to all other rights and remedies in favor of KAP and under any applicable law. KAP's failure to enforce strictly any provisions of this Agreement shall not be construed as a waiver thereto or as excusing Tenant from future performance.

19. Termination. Each party reserves the right to terminate this Agreement, as to any month-to-month tenancy after the original lease term, upon sixty (30) days written notice to the other party.

20. Broker Indemnity. Neither party was represented by a real estate broker in this transaction and agrees to hold one another harmless from and against any claim for commission.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date and year first above written.

“KAP”

KAYENTA PROPERTIES LLC, a Colorado
limited liability company

By: Jon Labrum Aug 30 2020
Jon Labrum, Manager

“TENANT”

wrench Worx

Nathan Staton manager Sep 01 2020

EXHIBIT “A”

2860 Navigators Way, #7, Grand Junction, CO 81506



Document Details

Title	Hangar lease
File Name	KAP Hangar Lease.pdf
Document ID	2c55481aa7f448ffb7f96418e171b335
Fingerprint	f842be5fa279fd47265e82009c2a5c6a
Status	Completed

Document History

Document Created	Document Created Fingerprint: f842be5fa279fd47265e82009c2a5c6a	Aug 30 2020 07:58PM America/Denver
Document Signed	Document Signed by Jon Labrum (jlabrum@preciseholdings.com) IP: 137.26.112.18	Aug 30 2020 07:58PM America/Denver
Document Sent	Document Sent to Nathan Staton (nstaton77@gmail.com)	Aug 30 2020 07:58PM America/Denver
Document Viewed	Document Viewed by Nathan Staton (nstaton77@gmail.com) IP: 208.82.110.82	Aug 31 2020 08:51AM America/Denver
Document Viewed	Document Viewed by Nathan Staton (nstaton77@gmail.com) IP: 208.82.110.82	Sep 01 2020 07:16AM America/Denver
Document Signed	Document Signed by Nathan Staton (nstaton77@gmail.com) IP: 208.82.110.82	Sep 01 2020 07:17AM America/Denver
Document Completed	This document has been completed. Fingerprint: 7c1001851c6757fd67e33f327a5c5309	Sep 01 2020 07:17AM America/Denver

Introduction

The Grand Junction Regional Airport Authority's ("GJRAA") Aeronautical Use Lease Policy (2014) Section 13 and Ground Lease Agreements at the Grand Junction Regional Airport ("Airport") require the GJRAA's approval to sublease property and improvements. To effectuate the Lease Policy and terms of individual Ground Lease Agreements, the GJRAA has adopted the following standard terms and conditions that must be included in each new sublease agreement between a Tenant and Subtenant. GJRAA's consent to sublease shall be conditioned on, among other factors, the Tenant and Subtenant including the attached terms in the sublease agreement. These terms shall be included verbatim, and any proposed alterations shall be presented to the GJRAA for approval. These standard sublease terms are intended to supersede any standard form sublease or sublease terms included in any current Ground Lease Agreement.

All references herein to the Ground Lease Agreement refer to the underlying lease agreement between GJRAA and Tenant. All other terms used but not defined herein shall have the meanings ascribed to them in the Ground Lease Agreement.

Sublease Terms Required by Grand Junction Regional Airport Authority (“GJRAA”)

1. Application and Enforcement of Ground Lease Agreement. Subtenant agrees and acknowledges to be subject to all applicable terms and conditions of the Ground Lease Agreement between the GJRAA and the Primary Tenant. Default of the Ground Lease Agreement shall constitute cross-default of this Sublease, and this Sublease shall terminate upon expiration or early termination of the Ground Lease Agreement. Subtenant shall have no right of possession or occupancy of the Premises beyond the term of the Ground Lease Agreement.
2. Permitted Uses of Premises. Subtenant’s use of the Premises shall be consistent with, and not in excess of, the Permitted Uses granted to Primary Tenant under the Ground Lease Agreement.
3. Non-exclusive Use of Airport. Subtenant shall share with the Primary Tenant in the rights conferred in the Ground Lease Agreement to the non-exclusive use of 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 Subtenant to conduct the Permitted Uses from the Premises. Subtenant’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. Subtenant’s use of the airfield areas and Airport rights-of-way further shall be in conformance with all directives of the GJRAA, the Federal Aviation Administration (“FAA”), and the Transportation Security Administration (“TSA”), as provided in Section 13 hereof.
4. Non-Exclusive Right. Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by 49 U.S.C. § 40103(e).
5. Access by GJRAA and Others. Subtenant agrees and acknowledges that the GJRAA and any Lessee of the GJRAA have the right to traverse that portion of the Premises not occupied by a hangar or other structure, without interference by Subtenant, if the GJRAA determines in its sole discretion that such access is necessary or desirable for the efficient operations of the Airport, the GJRAA, or another Lessee.
6. Inspection by GJRAA. Subtenant agrees and acknowledges that the GJRAA shall have the right, at all reasonable times, and after notice to Primary Tenant when practical, to enter upon the Premises to inspect, to observe the performance by Subtenant of its obligations hereunder, and to do any act which the GJRAA may be obligated to do or have the right to do under the Ground Lease Agreement, any other agreement to which the GJRAA is a party, or pursuant to any applicable law or regulation.
7. Liens and Encumbrances. Subtenant shall not permit or allow to remain, and shall promptly discharge at its expense, any lien or similar encumbrance upon the Premises or any portion thereof.
8. Subordination. This Sublease shall be subject and subordinate to any existing or future contracts or agreements between the GJRAA and the United States Government or

governmental authority, relating to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds for the improvement or development of the Airport. Subtenant shall not cause the GJRAA to violate any terms, conditions or assurances made by the GJRAA to the United States government in connection with the granting of federal funds. If the FAA or its successors requires modifications or changes to this Sublease as a condition precedent to the granting of funds for the improvement of the Airport, Subtenant agrees to consent, without compensation, to such amendments, modifications, revisions, supplements, or deletions of any of the terms and conditions of this Sublease. Federal, State, or local governments, or any agencies thereof, including but not limited to GJRAA's "grant assurances" to the FAA, and to the requirements of any Federal, State, or local statutes, rules, regulations, or directives governing the operation of the Airport, and the GJRAA shall not owe any damages to Subtenant, such as lost profits or revenues, as a result of its compliance with said contracts, statutes, rules, regulations, or directives.

9. Improvements. Subtenant agrees and acknowledges that it will seek and obtain any and all required permits and approvals from the GJRAA, the City of Grand Junction and any other government agency with jurisdiction over development at the Airport prior to initiating any construction or development on the Premises, and further explicitly acknowledges that one or more of the GJRAA's approvals may be contingent on approvals and/or determinations issued by the FAA.
10. No Assignment or Subletting. Subtenant shall not have the right to assign this Sublease or to sublet the Premises or any part thereof.
11. Minimum Insurance Requirements. At all times during the term of this Sublease, Subtenant shall maintain the same types and levels of insurance as required to be held by Primary Tenant under the Ground Lease Agreement and, as applicable, the General Aviation Minimum Standards for the Airport.
12. Indemnification. Subtenant agrees as follows:
 - A. 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. Subtenant's indemnification obligations under this provision shall be without regard to, and without any right to contribution from, any insurance maintained by Subtenant. Additionally, Subtenant's indemnity obligations under this section shall be supported by insurance, but this insurance requirement shall be a separate and distinct obligation from Subtenant's indemnity obligations, and the insurance and indemnity obligations shall be separately and independently enforceable. Further, Subtenant's indemnity obligations hereunder are not limited by any insurance coverage Subtenant may have.

B. Subtenant 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 Subtenant.

C. Subtenant 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 Subtenant in, on, or about the Premises and, accordingly, Subtenant will either satisfy any such lien or, if Subtenant disputes the validity thereof, will defend any action for the enforcement thereof (and if Subtenant loses any action, will cause such lien to be satisfied and released).

13. Compliance with Law and GJRAA Rules. Subtenant shall observe and obey all statutes, rules, regulations, ordinances 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"). Subtenant further agrees to perform all of its activities authorized hereunder in accordance with all of the terms and conditions of the GJRAA's General Aviation Minimum Standards (the "Minimum Standards"), as applicable, and the Airport Rules and Regulations, as the same may be adopted or amended from time to time. Subtenant 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 Sublease and the terms of the General Aviation Minimum Standards, Airport Rules and Regulations or other duly-adopted GJRAA rule or policy, the terms of the duly-adopted GJRAA rule or policy shall control. Subtenant further agrees to comply with all verbal and written directives of the Airport Manager regarding Subtenant's use of the Premises, the Airport's airfield areas, and other common areas elsewhere at the Airport.

For the purposes of the underlying Sublease Agreement, the following Minimum Standards shall apply:

- ☐ The Minimum Standards effective as of October 16, 2018, as may be amended from time to time.
- ☐ The Minimum Standards effective as of _____.

14. Commercial Aeronautical Activities. Subtenant agrees to seek and obtain any permits, approvals or licenses from the GJRAA as required by the General Aviation Minimum Standards or other duly-adopted rule or policy necessary to perform any commercial aeronautical activities on the Premises prior to initiating any such commercial aeronautical activities. Subtenant agrees to provide any commercial aeronautical facilities, products and services on a reasonable, and not unjustly discriminatory, basis to all users of the Airport and charge reasonable, and not unjustly discriminatory, prices for each unit or service; provided that Subtenant may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

15. Airport Development Rights. Subtenant acknowledges the GJRAA's reservation in the Ground Lease Agreement of 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. The GJRAA may, from time to time, increase or decrease the size or capacity of any airfield areas and Airport rights-of-way and 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.

16. Emergency Use of Premises

A. Subtenant 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. Subtenant 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.

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

17. Airspace and Height Restrictions

A. Subtenant acknowledges the GJRAA's reservation in the Ground Lease Agreement, for the use and benefit of the public, of 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, vibrations, smoke, fumes, glare, dust, fuel, particles and all other effects 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.

B. Subtenant acknowledges the GJRAA's reservation in the Ground Lease Agreement of such rights as necessary to protect the aerial approaches of the Airport against obstruction, including the right to prohibit Subtenant 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, as determined by the FAA, constitute a hazard to air navigation. Subtenant acknowledges the GJRAA's right to enter upon the Premises and cause the abatement of such interference at the expense of Subtenant.

C. Subtenant 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.

18. Non-discrimination

A. Subtenant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates Subtenant for the period during which the Premises is used or possessed by Subtenant and the Airport remains obligated to the FAA. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

B. During the performance of this Sublease, Subtenant for itself and successors in interest, agrees to comply with the following non-discrimination statutes and authorities:

- (i) 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);
- (ii) 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);
- (iii) 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);
- (iv) 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;
- (v) The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
- (vi) Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- (vii) The Civil Rights Restoration Act of 1987 (PL 100-209) (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);
- (viii) Titles II and III of the Americans with Disabilities Act of 1990, which 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 (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

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

(x) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which 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;

(xi) 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. at 74087 to 74100);

(xii) 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).

B. Subtenant, including personal representatives and successors in interest, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Subtenant will use the Premises in compliance with all other requirements imposed by or pursuant to the list of non-discrimination acts and authorities, as enumerated in the preceding subsection. In the event of breach of any of the above nondiscrimination covenants, the GJRAA will have the right to terminate this Sublease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if the Lease had never been made or issued.

C. During the performance of this Sublease, Subtenant, for itself and successors in interest, agrees as follows:

(i) Nondiscrimination: Subtenant, with regard to the work performed by it during the Sublease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Subtenant 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.

(ii) Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made

by Subtenant 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 Subtenant of contractor's obligations under this Lease and the Nondiscrimination Acts and Authorities.

(iii) Information and Reports: Subtenant 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 GJRAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Subtenant will so certify to the GJRAA or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

(iv) Sanctions for Noncompliance: In the event of Subtenant's noncompliance with the non-discrimination provisions of this Sublease, the GJRAA will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to, cancelling, terminating, or suspending this Sublease, in whole or in part.

(v) Incorporation of Provisions: Subtenant will include the provisions of this subsection in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Subtenant will take action with respect to any subcontract or procurement as the GJRAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Subtenant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Subtenant may request the GJRAA to enter into any litigation to protect the interests of the GJRAA. In addition, Subtenant may request the United States to enter into the litigation to protect the interests of the United States.

Wrench Works Wings vs Minimum Standards

LEASED Premises

	Minimum Standard	Wrench Worx Wings
Contiguous Land	21,780 SQFT	34,218 SQFT
Customer, Admin, and Maintenance Area	1,200 SQFT	2,016 SQFT
Customer Area	500 SQFT	500 SQFT
Hangar	3,600-6,400 SQFT	4,500 SQFT

LICENSES AND CERTIFICATIONS

Employees shall be properly certificated by the FAA in aircraft maintenance (e.g. A/P mechanic) and hold the appropriate ratings for the work being performed.

All Staff properly
Certified by FAA
Requirements

EMPLOYEES

A&P Mechanics with Inspection Authorization	1 Employee	4
Customer Service Rep	1 Employee	1

EQUIPMENT

Necessary Equipment for
performance of services

Has necessary
Equipment

HOURS OF ACTIVITIES

Hours/ Days per week	8 hours a day/5 days a week	yes
Holidays	no	no

DEFUELING

Operator may only defuel aircraft if necessary for Aircraft Maintenance purposes. Employees engaged in defueling and refueling shall be trained in an FAA approved fire safety program per 14 CFR Part 139.321. Additionally, Operator may refuel the defueled aircraft following provision of required Aircraft Maintenance.

Defueling operations will be extremely minimal if at all. Any fuel/defuel operations will be performed in accordance with GJARF & FAA guidelines.



Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Resolution: 2021-001 - Proposed 2021 Posting of Notices of Meetings		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Board adopt Resolution 2021-001: Posting of Notice of Meetings, as mandated by Colorado Revised Statute 24-6-402(2)(C).		
SUMMARY:	See attached resolution for applicable CRS sections regarding the posting of Airport Authority meetings.		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	None		
ATTACHMENTS:	Resolution 2021-001		
STAFF CONTACT:	Joseph Burtard, Director of External Affairs 970-248-5814 jburtard@gjairport.com		

GRAND JUNCTION REGIONAL AIRPORT

RESOLUTION NO. 2021-001

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

Recitals.

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

The Grand Junction Regional Airport Authority holds meetings to discuss public business. Regular scheduled Board Meetings take place on the third Tuesday of every month at 5:15pm. Additional meetings and workshops are scheduled as necessary.

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

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

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

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

PASSED AND ADOPTED THIS 19th DAY OF JANUARY, 2020.

Grand Junction Regional Airport Authority

Tom Benton, Chairman

ATTEST:

Joseph Burtard, Clerk

Board Members Voting Aye:

Those Voting Nay:

[illegible]

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	2021 Officer & Committee Appointments		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECCOMENDATION:	None		
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, Treasurer and, if designated, Deputy Clerk and Deputy 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 or Deputy 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 Airport Manager, 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 AND DEPUTY TREASURER.</u> The Treasurer shall perform all duties incidental to the office and all duties as may be assigned by the Board. In the absence of the Treasurer or his or her inability to act, the Deputy Treasurer shall perform these duties in the name of the Treasurer. 4.1.4. <u>CLERK AND DEPUTY CLERK.</u> The Clerk shall keep the Minutes of the meetings of the Board; shall maintain a book of resolutions and inform the Board of any resolutions that are set to expire; shall be custodian of the corporate records and the Seal of the Authority; shall affix the Seal of the Authority to documents where the Seal is required; and shall perform all duties incident to the office. In the absence of the Clerk, a Deputy Clerk shall perform these duties.		

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

4.3. REMOVAL. Any officer may be removed by an affirmative vote of a majority of Directors.

4.4. VACANCY. 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	Chuck McDaniel	
Treasurer	Sarah Menge	
Clerk	Joseph Burtard	
Deputy Clerk	Victoria Hightower	

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

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

Finance and Audit Committee

Position: **Currently Held by:** **Nomination:**

Commissioner	Ron Velarde	
Commissioner	Clay Tufly	
Member	Drew Armstrong	
Member	Steve Hovland	

Compliance Committee

Position: **Currently Held by:** **Nomination:**

Commissioner	Chuck McDaniel	
Commissioner	Erling Brabaek	

Commissioner	Appointing Authority	Term Exp.	Term Limit
Tom Benton	Mesa County	4/3/2021	1 Term Remaining
Erling Brabaek	City of GJ	5/1/2023	1 Term Remaining
Chuck McDaniel	City of GJ (Council)	5/1/2022	1 Term Remaining
Linde Marshall	At-Large	2/1/2021	2 Terms Remaining
Clay Tufly	Mesa County	5/1/2023	1 Term Remaining
Thaddeus Shrader	City of GJ	6/9/2021	1 Term Remaining
Ron Velarde	Mesa County	4/18/2024	1 Term Remaining

REVIEWED BY: Executive Director and Legal Counsel

FISCAL IMPACT: None

ATTACHMENTS: None

STAFF CONTACT: Joseph Burtard, Director of External Affairs
970-248-5814
jburtard@gjairport.com

**GRAND JUNCTION REGIONAL AIRPORT
AIRLINE OPERATING LICENSE AGREEMENT**

By execution of this Airline Operating License Agreement (“License”), the Grand Junction Regional Airport Authority (“Authority”) hereby grants to _____ (“Airline”) the right to use and occupy designated areas of the Grand Junction Regional Airport (“Airport”) for the purpose of conducting scheduled passenger service operations in accordance with the terms and conditions set forth herein. Any capitalized term not otherwise defined herein shall have the meaning ascribed to it in Exhibit A, Definitions.

1. Premises. The Authority hereby authorizes Airline the right to use and occupy the [Preferential/Shared/Joint Use Space] (the “Premises”) depicted in Exhibit B “as is” and in its present condition.

2. Use of the Airport. Subject to Applicable Laws (as defined in Paragraph 10 herein), the Airport’s Minimum Standards, Rules and Regulations, and other limitations expressed in this License, the Authority grants to Airline the right to conduct commercial air transportation at the Airport, which includes the right to use, in common with others, the Airport Operations Area for the landing, taking off, flying over, taxiing, towing and conditioning of Airline’s aircraft and, in areas designated by Authority, the extended parking, servicing, loading or unloading, storage or maintenance of Airline’s aircraft and support equipment. The Authority may prohibit the use of the Airport by any aircraft operated or controlled by Airline that exceeds the design strength or capability of the airfield.

3. Use of the Airport and Premises as Signatory Airline. In exchange for Airline’s commitment to conduct scheduled passenger service operations during the term hereof and to negotiate with the Authority on an Air Carrier Use and Lease Agreement to replace this License, the Authority grants Airline the right to use and occupy the Airport and Premises in like manner to other signatory airlines operating at the Airport pursuant to an airline operating agreement.

4. Security and Safety. Airline shall comply with all applicable provisions of the Authority’s approved security program, including but not limited to badging requirements. Airline must comply strictly and faithfully with any and all rules, regulations and directives which the Authority, the Federal Aviation Administration (“FAA”) or the Transportation Security

Administration (“TSA”) may issue from time to time with regard to security, safety, maintenance and operation of the Airport and must promptly report any information regarding suspected violations in accordance with those rules and regulations.

5. Term. The term of this License shall begin on _____, 2021, and expire upon the earlier of (i) _____, 2023, or (ii) execution of an Air Carrier Use and Lease Agreement on the same terms and conditions as similarly-situated air carriers operating at the Airport (“Term”).

6. Rents and Fees Payable.

A. For the use and occupancy of the Premises, and the rights and privileges granted herein, Airline agrees to pay to the Authority the rates and charges prescribed by Authority Resolution No. 2020-003, as the same may be amended or superseded during the Term.

B. Airline agrees that it will prepare and deliver to the Executive Director, or its designee, on or before the tenth (10th) day of each calendar month during the term of this License, a statement which shall be subscribed and certified to as correct by Airline or its authorized representatives showing:

- i. The number of landings by the Airline's passenger or cargo aircraft, by aircraft type and by category (regularly scheduled, diversion, ferry, maintenance, charter, etc.) and the aggregate Maximum Gross Landing Weight of those aircraft;
- ii. The total weight of cargo enplaned and deplaned at the Airport;
- iii. The total of all Enplaned Passengers (including non-revenue passengers) and deplaned passengers (including non-revenue passengers) of Airline and its Affiliates at the Airport by destination; and
- iv. The total number of Loading Bridge Turns.

C. Airline's failure to pay the prescribed rates and charges or to provide the statements and reports required in connection with rates and charges shall be considered a breach of this License, subject to notice and cure, pursuant to Paragraph 8 herein. It is further agreed by the parties that a service charge in the amount of up to fifteen (15) percent per month may be added to any balance due and owing by Airline for a period of thirty (30) days or more.

D. Airline or its affiliate(s) shall collect and promptly remit to the Authority (without notice or demand by Authority and in accordance with 14 C.F.R. Part 158) the proceeds of the

Authority's Passenger Facility Charge ("PFC"), so long as the Authority has an FAA-approved PFC in effect. Both Airline and the Authority hereby covenant to fulfill their responsibilities under the terms of 14 C.F.R. Part 158. If legislation and regulations in effect on the date of this License governing PFCs, use fees, or similar charges on Airline's passengers using the Airport are amended, changed, or eliminated during the Term, the Authority reserves the right to appropriately adjust such charges, levy new charges, revise charges, or implement additional charges as determined by the Authority to be necessary.

7. Security Deposit. Upon execution of this License, Airline shall deposit with the Authority a security deposit for the faithful performance by Airline of Airline's obligations under this License. The amount of the security deposit shall be the Authority's reasonable estimate of Airline's rates and charges for four (4) months of commercial air transportation operations at the Airport. The security deposit may be in the form of a cash deposit or an irrevocable letter of credit. In addition to other remedies, the Authority may use the security deposit to pay and set off any amounts due and owing by Airline. The security deposit, or any unused portion thereof, shall be returned to Airline without interest upon the expiration of the Term of this License.

8. Termination. This License shall expire at the end of the Term in accordance with Paragraph 5 hereof, and Airline thereafter shall have no further right or interest in the Premises. The Authority shall have the right to terminate this License upon a default in the performance, or breach, of any other covenant or warranty of Airline in this License and the continuation of such default or breach for a period of thirty (30) days after there has been given a written notice by the Authority to Airline. The Authority further shall have the right to terminate this License upon License's abandonment of the Premises or any action by a third party, including the United States, that renders Airline unable to conduct commercial air transportation at the Airport.

9. Indemnification and Insurance.

A. The Authority shall stand indemnified by Airline as provided herein. It is expressly understood and agreed by and between the parties that Airline is and shall be deemed to be an independent contractor responsible to all persons for its respective acts or omissions, and the Authority shall in no way be responsible therefor.

B. Airline agrees to indemnify, defend, save and hold harmless the Authority, its officers, directors, agents, and employees from any and all claims, liabilities, damages, losses, suits, fines,

penalties, demands and expenses, including costs of suit and reasonable attorney's fees, which any or all of them may hereafter incur or pay out as a result of bodily injury (including death) to any person or damage to any property or person arising out of Airline's use of the Premises or any acts or omissions of Airline or its employees, contractors, subcontractors, agents, licensees, affiliates, vendors, or invitees, in connection with the Airline's use of the Premises or its operations at the Airport, except to the extent caused by the negligence or willful misconduct of the Authority, its officers, directors, agents, employees, contractors, or representatives.

C. Upon the filing with the Authority of a claim for damages arising out of incidents for which Airline herein agrees to indemnify, defend, save and hold harmless the Authority, the Authority shall notify Airline of such claim and shall tender to Airline the defense of such claim. Any final judgment rendered against the Authority for any cause for which Airline is liable hereunder shall be conclusive against the Airline as to liability and amount provided the Authority has notified Airline of such claim as provided above.

D. Airline shall, at its own cost and expense, procure and maintain in full force and effect during the term of this License, minimum levels of insurance coverage, which shall be primary with respect to Airline's obligations hereunder as to any other valid and collectable insurance, in the amounts as detailed on Exhibit C, and as further described in this Paragraph.

- i. Aviation Liability. Airline shall procure and maintain a comprehensive general liability insurance policy, which shall include the coverages specified in Exhibit C. Contractual liability coverage shall specifically insure the hold harmless provision of this License.
- ii. Property Coverage. Airline shall procure and maintain "all-risks" property coverage in limits reasonably related to the value of Airline's personal property in the Premises and in the event of damage to or destruction of the Premises, the Airline shall use the insurance proceeds for the repair or replacement of the Premises.
- iii. The Authority and its officers, directors, agents and employees shall be named as additional insureds on the Commercial General Liability insurance policy, to the extent of Airline's obligations to indemnify the Authority hereunder. The policies shall be written by reputable companies authorized to pay claims in the State of Colorado, rated no less than A-IX by A.M. Best or its equivalent. Policies shall provide that thirty (30) days written notice be given to the Authority before a policy

is canceled, materially changed or not renewed. Airline shall furnish to the Authority copies of the required Certificates of Insurance in a form satisfactory to the Authority.

E. Airline shall promptly notify the Authority of any claim or loss under such insurance policies and certify that proper notice has been given to the appropriate insurance carrier.

F. Airline shall at all times during the course of its operations at the Airport maintain Workers Compensation Insurance in the form and amount required by applicable Colorado law.

10. Compliance with Laws.

A. Airline shall comply with all applicable federal, state, and local laws, regulations, ordinances, and directives governing the Airport or activities performed or engaged in at the Airport, including without limitation requirements imposed by the FAA, TSA, Department of Homeland Security (“DHS”), U.S. Environmental Protection Agency, Occupational Health and Safety Administration, State of Colorado, Mesa County and the City of Grand Junction (collectively referred to as “Applicable Laws”).

B. Airline shall comply with the Airport’s Minimum Standards and any Airport Rules and Regulations, as the same may be adopted and amended from time to time.

C. Airline shall acquire and keep current all licenses and permits that are required to conduct commercial air transportation at the Airport issued by any federal, state or local government entity.

11. Notices. Notices to the parties shall be deemed sufficient if sent in writing by certified or registered mail, postage prepaid, addressed to:

The Authority:	Grand Junction Regional Airport Authority
	ATTN: Executive Director
	Grand Junction Regional Airport
	2828 Walker Field Drive, Suite 301
	Grand Junction, CO 81506

The Airline:	[INSERT AIRLINE CONTACT]
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or to such other respective addresses as may be designated in writing by the parties from time to time.

12. Miscellaneous.

- A. Airline shall comply with federally-required non-discrimination provisions, attached hereto as Exhibit D.
- B. Airline agrees that it will not sell, convey, transfer, mortgage or assign this License or any part thereof, or any rights created thereby.
- C. Nothing contained in this License shall be deemed to grant to Airline any exclusive right or privilege within the meaning of 49 U.S.C. Section 40103(e) with respect to aeronautical activity at the Airport.
- D. This License shall be subordinate to the provisions of any existing or future agreements between the Authority and the United States, relative to the development or improvement of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. Upon receipt of a final order by the FAA or an order by a court of competent jurisdiction that any provision hereof is in violation of any such agreement with the United States, the parties shall engage in good faith negotiations and seek to amend this License by mutual consent. In the event the parties are unable to agree to an amendment after good faith negotiations, the Authority shall have the right to amend this License unilaterally to the limited extent necessary to cure the violation of an agreement with the United States. If such unilateral amendment substantially restricts Airline's ability to conduct commercial air transportation at the Airport for any period of time, Airline shall have the right to terminate this License upon thirty (30) days prior written notice to the Authority.
- E. This License shall be performable and enforceable in Mesa County, Colorado, and shall be construed in accordance with the laws of the State of Colorado. Airline and Authority waive the right to a jury on all claims or demands that arise from the terms and conditions of this License, or the performance of this License.
- F. This License, inclusive of exhibits, constitutes the entire agreement of the parties hereto and supersedes any prior agreement or understanding, written or verbal, on the subject of this License.

The parties have executed this License on this _____ day of _____, 202__.

GRAND JUNCTION REGIONAL AIRPORT

AUTHORITY

By: _____

Chairperson

By: _____

Secretary

[INSERT AIRLINE NAME]

By: _____

Its: _____

EXHIBIT A DEFINITIONS

1. AFFILIATE or AFFILIATED AIRLINE: Shall mean any airline that a Signatory Airline designates to Authority in writing as an Affiliate or Affiliated Airline and that (1) is a parent or wholly owned subsidiary of a Signatory Airline or is under the same ownership and control as a Signatory Airline, (2) operates under essentially the same trade name as a Signatory Airline at the Airport using aircraft with or without the same livery as a Signatory Airline, (3) operates using the same trade name of a parent or subsidiary as a Signatory Airline at the Airport using aircraft with or without the same livery as a Signatory Airline, or (4) shares an International Air Transport Association (IATA) flight designator code with a Signatory Airline and essentially the same livery (Code-Sharing Partner).
2. AIR TRANSPORTATION: Shall mean the conduct of the business of commercial air transportation of persons, property, cargo and mail.
3. AIRPORT OPERATIONS AREA: Shall mean the restricted areas of the Airport, inclusive of taxiways, runways, and aircraft parking areas contained within the Airport's security fencing.
4. ENPLANED PASSENGER: Shall mean any revenue passenger embarking at the Terminal, including any such passenger that shall previously have disembarked from another aircraft of the same or a different Airline.
5. JOINT USE SPACE: Shall mean the premises leased by the Authority to Lessee and one or more other Airlines, consisting of one or more of the following areas of the Terminal: the ticket queuing space, security, passenger boarding areas, loading bridges and gates, and baggage claim.
6. LOADING BRIDGE TURN: Shall mean each time an aircraft is "connected" to the loading bridge. If an aircraft enplanes and deplanes passengers without disconnecting, this will count as one "turn".
7. MAXIMUM GROSS LANDING WEIGHT: Shall mean the maximum certificated weight, in thousand (1,000) pound units, that each aircraft operated by an Airline is authorized by

the FAA to land at the Airport, as specified in the Airline's flight manual governing that aircraft.

8. PREFERENTIAL USE SPACE: Shall mean space used by Lessee on a priority basis over other Airlines, consisting of one or more of the following areas of the Terminal: airline ticket counters, office space, and garage/baggage space in the airline ticket office (ATO).
9. SHARED USE SPACE: Shall mean space leased by Lessee on a preferential basis along with one or more other Signatory Airlines within the following areas of the Terminal: airline ticket counters, office space, and garage/baggage space in the ATO.

EXHIBIT B
PREMISES

EXHIBIT C
INSURANCE REQUIREMENTS

EXHIBIT D

NON-DISCRIMINATION REQUIREMENTS

As used herein, the term “Agreement” applies to and means this License.

1. Airline agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Airline transfers its obligation to another, the transferee is obligated in the same manner as Airline. This provision obligates Airline for the period during which the property is used or possessed by Airline and the Airport remains obligated to the FAA. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.
2. During the performance of this Agreement, Airline for itself, its assignees, and successors in interest, agrees to comply with the following non-discrimination statutes and authorities:
 - 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;
 - 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 § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
 - G. The Civil Rights Restoration Act of 1987 (PL 100-209) (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, which 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 (42 USC §§ 12131 – 12189) 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, which 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. at 74087 to 74100);
 - 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).
3. Airline, including personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Airline will use the premises in

compliance with all other requirements imposed by or pursuant to the list of non-discrimination acts and authorities, as enumerated in the preceding subsection. In the event of breach of any of the above nondiscrimination covenants, the Authority will have the right to terminate this Agreement and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if the Agreement had never been made or issued. The right to terminate shall not become effective unless and until there has been a final order by the Department of Transportation or FAA or an order by a court of competent jurisdiction concluding that Airline has violated the non-discrimination acts and authorities enumerated in Section 18.2, engaged in discriminatory actions prohibited by 49 C.F.R. Part 21, or otherwise violated the nondiscrimination requirements contained in this Article 18.

4. During the performance of this Agreement, Airline, for itself, its assignees, and successors in interest, agrees as follows:

- A. Nondiscrimination: Airline, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Airline 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.
- B. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by Airline 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 Airline of contractor's obligations under this Agreement and the Nondiscrimination Acts and Authorities.
- C. Information and Reports: Airline 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 Authority or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of

another who fails or refuses to furnish the information, Airline will so certify to the Authority or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

- D. Sanctions for Noncompliance: In the event of Airline's noncompliance with the non-discrimination provisions of this Agreement, the Authority will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to, cancelling, terminating, or suspending this Agreement, in whole or in part. The right to terminate shall not become effective unless and until there has been a final order by the Department of Transportation or FAA or an order by a court of competent jurisdiction concluding that Airline has violated the non-discrimination acts and authorities enumerated in Section 18.2, engaged in discriminatory actions prohibited by 49 C.F.R. Part 21, or otherwise violated the nondiscrimination requirements contained in this Article 18.
 - E. Incorporation of Provisions: Airline will include the provisions of this subsection in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Airline will take action with respect to any subcontract or procurement as the Authority or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Airline becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Airline may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, Airline may request the United States to enter into the litigation to protect the interests of the United States.
 - F. The obligations of this subsection 4 shall, to the extent permitted by law, apply only to solicitations for subcontracts issued after the effective date of this Agreement and to subcontracts executed after the effective date of this Agreement.
5. In accordance with 49 U.S.C. Section 41705, Airline agrees that, in conducting Air Transportation at the Airport, it will not discriminate against an otherwise qualified individual on the following grounds: (a) the individual has a physical or mental impairment that substantially limits one or more major life activities; (b) the individual

has a record of such an impairment; and (c) the individual is regarded as having such an impairment.

GRAND JUNCTION REGIONAL AIRPORT ACTIVITY REPORT

Report Date: 11/30/2020

PY Comparison Date: 11/30/2019

November, 2020

CURRENT MONTH				YEAR-TO-DATE		
PASSENGER ENPLANEMENTS:	2019	2020	PERCENT CHANGE	2019	2020	PERCENT CHANGE
AMERICAN	9,239	5,560	-39.82%	98,000	68,970	-29.62%
ALLEGiant	2,142	988	-53.87%	22,825	14,001	-38.66%
UNITED	6,465	3,722	-42.43%	74,590	37,184	-50.15%
DELTA	3,366	2,322	-31.02%	40,469	23,708	-41.42%
DENVER AIR CONNECTION	726	-	-100.00%	6,689	1,703	-74.54%
Misc Charters	95	47		1,192	288	-75.84%
TOTAL ENPLANEMENTS	22,033	12,639	-42.64%	243,765	145,854	-40.17%
TOTAL SEAT CAPACITY	29,883	23,640	-20.89%	314,341	241,042	-23.32%
PASSENGER DEPLANEMENTS:	2019	2020	CHANGE	2019	2020	CHANGE
AMERICAN	8,877	5,253	-40.82%	97,216	68,135	-29.91%
ALLEGiant	2,076	979	-52.84%	21,949	13,594	-38.07%
UNITED	6,683	3,539	-47.04%	85,936	40,869	-52.44%
DELTA	3,362	2,283	-32.09%	43,324	24,015	-44.57%
DENVER AIR CONNECTION	679	-	-100.00%	6,618	1,596	-75.88%
Misc Charters	96	47	-51.04%	1,106	214	-80.65%
TOTAL DEPLANEMENTS	21,773	12,101	-44.42%	256,149	148,423	-42.06%
TOTAL PASSENGERS	43,806	24,740	-43.52%	499,914	294,277	-41.13%

LOAD FACTOR:(OUTBOUND ONLY)	CURRENT MONTH			YEAR-TO-DATE		
	2019	2020	Difference	2019	2020	Difference
AMERICAN	71.23%	54.94%	-16.29%	77.59%	67.11%	-10.49%
ALLEGiant	70.28%	48.01%	-22.27%	72.07%	50.09%	-21.98%
UNITED	80.29%	57.88%	-22.41%	82.43%	64.65%	-17.78%
DELTA	76.50%	46.14%	-30.36%	80.26%	47.99%	-32.27%
DENVER AIR CONNECTION	59.02%	N/A	N/A	46.07%	50.24%	4.17%
GJT TOTAL	73.73%	53.46%	-20.27%	77.55%	60.51%	-17.04%

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

11/30/2020

		Month			Forecast Variance		Prior Year Variance	
		11/30/2020	11/30/2020	11/30/2019				
		Forecast	Actual	PY Actual	Forecast \$ Var	Forecast % Var	PY \$ Var	PY % Var
Operating revenue								
Aeronautical revenue								
Passenger airline revenue								
1	Passenger airline landing fees	37,112	47,063	51,292	9,951	26.81 %	(4,229)	(8.24) %
2	Terminal rent	102,956	102,957	98,874	1	0.00 %	4,083	4.13 %
3	Other (boarding bridge)	1,696	2,251	10,078	555	32.72 %	(7,827)	(77.66) %
	Total Passenger airline revenue	141,764	152,271	160,244	10,507	7.41 %	(7,973)	(4.98) %
Non-passenger airline revenue								
4	Non-passenger landing fees	8,367	7,722	7,406	(645)	(7.71) %	316	4.27 %
5	Cargo and hangar rentals	4,488	4,561	4,483	73	1.63 %	78	1.74 %
6	Fuel tax	7,500	14,317	16,576	6,817	90.89 %	(2,259)	(13.63) %
7	Fuel Flowage Fees and Sales	24,229	27,735	40,850	3,506	14.47 %	(13,115)	(32.11) %
8	Other (ramp parking, rapid refuel)	328	480	1,230	152	46.34 %	(750)	(60.98) %
	Total Non-passenger airline revenue	44,912	54,815	70,545	9,903	22.05 %	(15,730)	(22.30) %
	Total Aeronautical revenue	186,676	207,086	230,789	20,410	10.93 %	(23,703)	(10.27) %
Non-aeronautical revenue								
9	Land and building leases	49,343	49,097	48,614	(246)	(0.50) %	483	0.99 %
10	Terminal - restaurant & retail	5,890	6,831	13,538	941	15.98 %	(6,707)	(49.54) %
11	Terminal - other	15,041	15,295	15,042	254	1.69 %	253	1.68 %
12	Rental cars	55,339	70,505	92,300	15,166	27.41 %	(21,795)	(23.61) %
13	Parking	63,628	64,885	148,103	1,257	1.98 %	(83,218)	(56.19) %
14	Ground Transportation	2,840	2,397	4,894	(443)	(15.60) %	(2,497)	(51.02) %
15	Other (advertising, security fee, vending, etc)	1,631	7,138	3,184	5,507	337.65 %	3,954	124.18 %
	Total Non-aeronautical revenue	193,712	216,148	325,675	22,436	11.58 %	(109,527)	(33.63) %
	Total Operating revenues	380,388	423,234	556,464	42,846	11.26 %	(133,230)	(23.94) %

Variance Explanations - November 2020 compared to Forecast and November 2019 Preliminary Financial Statements

Note that expenses have not been presented and compared on a monthly basis, because almost all variance in expenses are timing related at this point. Variance explanations and account explanations have been provided for most revenue accounts below to help describe the revenue source and how the changes in assumptions and activity impacted November 2020.

Operating Revenues:

- 1 **Passenger airline landing fees** – The forecasted passenger landing revenue estimated that we would have 40% fewer commercial landings in November 2020 compared to November 2019. Actual November landings were only down 21% compared to scheduled 2019 landings. As a result, passenger airline landing revenue was 27% above forecast. United, American, and Allegiant flight schedules all had decreases of less than 30% from November 2019 to November 2020. Delta (Skywest) actually increased their schedule in November 2020 with 10 additional flights compared to November 2019. This was a 14% increase in seats year-over-year.
- 2 **Terminal Rent** – Terminal rent is a fixed charge to the airlines that covers their individual ticket counters and office space, as well as the ticket queuing area, baggage claim, and secure hold room. The increase from prior year was based on the calculated increase in rates from the formula based rates and charges model that was adopted in the December 2019 board meeting.
- 3 **Other (Boarding Bridge)** – Although the total dollar amount is small, I wanted to note that the decrease in Boarding bridge fees from 2019 is not tied directly to usage because the "per turn" fee charged for using the boarding bridge was decreased from \$25/use to \$8.50/use from 2019 to 2020 with the new rate model. Boarding bridge revenue continues to exceed forecast expectations due to better than expected flight schedules.
- 4 **Non-passenger landing fees** – Landing fees from non-passenger traffic was in line with forecast and prior year revenue.
- 5 **Cargo and hangar rentals** – FedEx leases a hangar and "exclusive" space on the commercial apron. This fixed rent charge is based on their lease.
- 6 **Fuel tax revenue** – Based on discussions with CDOT, fuel tax is typically collected by the State and remitted to the airports about two months after the activity occurred, however, remittance from the state can be inconsistent and therefore the Authority recognizes this revenue on a cash basis. Fuel tax revenues tend to correlate most closely to commercial activity. Payments and revenue recognized in November should be related to September commercial airline activity which was down about 39% compared to 2019, revenue is slightly below 2019 and we assume that the difference in revenue is due to timing of payments received by the state.
- 7 **Fuel flowage fees and fuel sales** – Fuel flowage fees are collected from non-commercial fueling at the airport and therefore are influenced from GA operations, primarily military fueling. GA operations rebounded much quicker than expected. The forecast predicted a 40% decrease in November activity, however, total fuel flowage was only down 32% from 2019. This resulted in net fuel tax and flowage fees of approximately \$3,500 above forecast for the month.
- Non-aeronautical revenues** – Aside from Land and building leases and terminal - other accounts that represent fixed rent charges, the non-aeronautical revenues are tied directly to passenger traffic. In November 2020, the airport had 12,015 revenue enplanements compared to 21,034 revenue enplanements in November 2019; a decline of approximately 43%. The November forecast estimated a 50% decline, so passenger numbers exceeded forecast expectations.
- 10 **Terminal - restaurant & retail** - The decline in restaurant and retail revenue from 2019 of 50% was slightly higher than the decrease in passengers at 43%. This is an indication that passenger spending in November 2020 was below the November 2019 spending per passenger.
- 12 **Rental Cars** - Rental car revenue declined 24% year over year but total days rented was only down 8%. The Average daily rate in November 2020 was at \$52/day compared to \$55/day in November 2019. Thus, a higher percentage of passengers rented cars in November 2020 as compared to November 2019 but it was at a lower rate. The lower rate combined with the overall reduction in passengers caused the reduction in revenue from prior year, but still out-performed the forecast.
- 13 **Parking** - Parking revenue declined by 56% year over year from 2019 to 2020 in November. The spending per passenger for parking is still well below the pre-COVID levels, primarily due to a change in the passenger mix between business and leisure travel.

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

			Year to Date			Forecast Variance		Prior Year Variance	
			11/30/2020	11/30/2020	11/30/2019				
			Forecast	Actual	PY Actual	Forecast \$ Remaining	Forecast % Remaining	PY \$ Var	PY % Var
Operating revenue									
Aeronautical revenue									
Passenger airline revenue									
1	Passenger airline landing fees	\$	402,147	\$	435,684	\$	33,537	8.34 %	\$ (136,219) (23.82) %
2	Terminal rent		1,132,516		1,137,986		5,470	0.48 %	53,083 4.89 %
3	Other (boarding bridge)		18,550		20,776		2,226	12.00 %	(93,896) (81.88) %
	<i>Total Passenger airline revenue</i>		<u>1,553,213</u>		<u>1,594,446</u>		<u>41,233</u>	<u>2.65 %</u>	<u>(177,032) (9.99) %</u>
Non-passenger airline revenue									
4	Non-passenger landing fees		92,037		190,859		98,822	107.37 %	99,177 108.17 %
5	Cargo and hangar rentals		49,368		49,942		574	1.16 %	959 1.96 %
6	Fuel tax		90,316		150,397		60,081	66.52 %	(41,563) (21.65) %
7	Fuel Flowage Fees and Sales		234,226		394,661		160,435	68.50 %	(106,136) (21.19) %
8	Other (ramp parking, rapid refuel)		3,608		5,970		2,362	65.47 %	(3,180) (34.75) %
	<i>Total Non-passenger airline revenue</i>		<u>469,555</u>		<u>791,829</u>		<u>322,274</u>	<u>68.63 %</u>	<u>(50,743) (6.02) %</u>
	<i>Total Aeronautical revenue</i>		<u>2,022,768</u>		<u>2,386,275</u>		<u>363,507</u>	<u>17.97 %</u>	<u>(227,775) (8.71) %</u>
Non-aeronautical revenue									
9	Land and building leases		540,586		558,208		17,622	3.26 %	17,960 3.32 %
10	Terminal - restaurant & retail		73,481		84,882		11,401	15.52 %	(67,988) (44.47) %
11	Terminal - other		165,451		167,591		2,140	1.29 %	1,946 1.17 %
12	Rental cars		577,052		831,606		254,554	44.11 %	(377,105) (31.20) %
13	Parking		676,703		706,303		29,600	4.37 %	(717,903) (50.41) %
14	Ground Transportation		26,248		30,220		3,972	15.13 %	(37,478) (55.36) %
15	Other (advertising, security fee, etc.)		39,200		46,481		7,281	18.57 %	(36,860) (44.23) %
	<i>Total Non-aeronautical revenue</i>		<u>2,098,721</u>		<u>2,425,291</u>		<u>326,570</u>	<u>15.56 %</u>	<u>(1,217,428) (33.42) %</u>
	Total Operating Revenues	\$	<u>4,121,489</u>	\$	<u>4,811,566</u>	\$	<u>690,077</u>	<u>16.74 %</u>	<u>\$ (1,445,203) (23.10) %</u>

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		Year to Date			Forecast Variance		Prior Year Variance	
		11/30/2020	11/30/2020	11/30/2019				
		Forecast	Actual	PY Actual	Forecast \$ Variance	Forecast % Variance	PY \$ Var	PY % Var
Operating expenses								
16	Personnel compensation and benefits	\$ 2,341,394	\$ 2,177,333	\$ 2,149,950	(164,061)	(7.01) %	27,383	1.27 %
17	Communications and utilities	280,008	281,539	279,890	1,531	0.55 %	1,649	0.59 %
18	Supplies and materials	371,979	371,530	439,019	(449)	(0.12) %	(67,489)	(15.37) %
19	Contract services	558,366	481,155	562,159	(77,211)	(13.83) %	(81,004)	(14.41) %
20	Repairs & maintenance	373,356	270,300	335,158	(103,056)	(27.60) %	(64,858)	(19.35) %
21	Insurance	110,242	106,004	100,311	(4,238)	(3.84) %	5,693	5.68 %
22	Training, Travel, & Air Service Development	142,080	84,204	168,863	(57,876)	(40.73) %	(84,659)	(50.13) %
23	Other Expense (marketing, professional dues, etc)	80,460	65,808	53,111	(14,652)	(18.21) %	12,697	23.91 %
24	Contingency Expense	-	-	3,596	-	0.00 %	(3,596)	0.00 %
<i>Total Operating expenses</i>		<u>4,257,885</u>	<u>3,837,873</u>	<u>4,092,057</u>	<u>(420,012)</u>	<u>(9.86) %</u>	<u>(254,184)</u>	<u>(6.21) %</u>
Non-operating revenue (expenses)								
25	Passenger facility charges	479,755	577,816	971,002	98,061	20.44 %	(393,186)	(40.49) %
26	Interest income	34,081	65,222	215,092	31,141	91.37 %	(149,870)	(69.68) %
27	Interest expense	(724,511)	(724,221)	(744,311)	290	0.04 %	20,090	2.70 %
28	Customer facility charges	194,699	246,728	698,544	52,029	26.72 %	(451,816)	(64.68) %
29	Capital contributions	14,163,501	5,502,555	4,387,721	(8,660,946)	(61.15) %	1,114,834	25.41 %
29	Capital expenditures	(17,657,510)	(7,609,118)	(10,119,973)	10,048,392	56.91 %	2,510,855	24.81 %
<i>Total Non-operating revenue (expenses)</i>		<u>(2,794,985)</u>	<u>(1,941,018)</u>	<u>(4,555,060)</u>	<u>2,283,967</u>	<u>81.72 %</u>	<u>2,614,042</u>	<u>57.39 %</u>
Excess of revenue over (under) expense		<u>\$ (2,931,381)</u>	<u>\$ (967,325)</u>	<u>\$ (2,390,348)</u>	<u>3,394,056</u>	<u>115.78 %</u>	<u>1,423,023</u>	<u>59.53 %</u>

GJRAA - Breakdown of Capital Expenditure Costs Year-to-Date through November 30, 2020**2020 AIP CAPITAL EXPENDITURES INCURRED THROUGH NOVEMBER 30, 2020 AND GRANT REVENUE RECOGNIZED**

Grand Number	Project/Grant Description	2020 Costs Incurred	FAA Grant Revenue Recognized in 2020	CDOT Grant Revenue Recognized	2020 GJRAA Local Share
AIP 57	RTR Relocation	\$ (15,250)	\$ (13,725)	\$ -	\$ -
AIP 58	27 1/4 Road Relocation	91,138	82,024	-	9,114
AIP 62	Relocate perimeter road, fencing, and MALS design	2,634,075	2,373,547	93,754	166,774
AIP 63	Road, Fencing, drainage pond, and earthwork	2,222,601	2,000,340	-	222,261
AIP 64	CARES Act **	-	-	-	-
AIP 65	Taxiway A and RWY 11-29 Rehab Design Only	553,295	553,295	-	-
AIP 66	Construct Run-up Pad & Rehab Apron	413,319	413,319	-	-
TBD	Taxiway A and RWY 11-29 Construction	4,163	-	-	-
Total AIP Projects		\$ 5,903,341	\$ 5,408,800	\$ 93,754	\$ 398,149

** Note that CARES Act Costs are not specifically defined by the grant but are available for all legal purposes. GJRAA will recognize the grant revenue in December 2020 related to this grant as reimbursement requests are submitted.

2020 NON-AIP CAPITAL EXPENDITURES INCURRED THROUGH November 30, 2020

Project Description	2020 Costs Incurred
Flooring Replacement Project	\$ 859,701
Admin Building Demolition and Landscaping	630,540
Fleet Replacements	43,792
No Foam ARFF Install - Reimbursed \$25,000 by CDOT	31,772
Replace IT Switches (3)	19,500
Loading Bridge Jack Stand & Tow-bar	18,582
Carpet Ride-on Vacuum	15,971
Terminal Design Projects	15,304
Baggage Claim Upgrades	14,408
DVR Replacement	13,748
VMWare host Server & software	8,465
Rental Car Landscaping/Drainage Project - CFC Funded	7,309
Rainbird Sprinkler Computer	7,017
Basement Stairs	5,666
Terminal Hot Water Heater Replacement	5,431
TSA Millwork Replacement	4,915
Landside Shed	2,250
Fed Ex Ramp Repair	1,408
Total Non-AIP Projects	\$ 1,705,777

Total Capital Expenditures YTD through 10/31/20 \$ 7,609,118

Variance Explanations - November 30, 2020 Year to Date Preliminary Financial Statements

Please note that the Forecast column reflects the year-to-date forecast through November. Some of the variance, particularly in expenses is due to timing, however, in order to measure performance against the revised forecast through November, we have estimated the revised forecast on a monthly basis.

Year-to-date through November 2020 passenger traffic was down 45% (about 106,000 passengers) compared to November 2019. The explanations below are intended to provide additional explanations about variances between forecasted revenues and expenses.

Operating Revenues: Operating revenues were \$690k ahead of forecast year-to-date through November 2020. Total forecasted operating revenue for the year was \$4.5M therefore YTD through November 30, 2020, GJRAA is about \$264k ahead of forecasted operating revenue.

- 1 **Passenger Landing Fees** - Passenger landing fees year to date were about \$33,500 above forecast expectations. Total scheduled landings year to date through November 2020 were down about 35% compared to November 2019 which was better than the forecast. The decrease from 2019 is less than the decrease in landings due to the increase in landing fees that was adopted for 2020.
- 2 **Terminal Rent** - The increase in terminal rent revenue from prior year is a reflection of the increased rates calculated using the new formula based rate setting methodology and adopted in December by resolution in anticipation of adopting the new lease and use agreements in 2020. We did not make any changes in our assumptions for terminal rent.
- 3 **Boarding Bridge Revenue** - The decrease in boarding bridge revenue from 2019 was budgeted for and expected. With the change in rates mentioned in the terminal rent explanation above, we also adjusted the boarding bridge per turn charge which decreased from the 2019 rates.
- 4 **Non-Passenger Landing Fees** - Non-passenger landing fees year-to-date through November 2020 were approximately \$99,000 higher than YTD November 2019 and exceed the total annual forecast for the year (\$99k). The total number of cargo landings had been consistent year over year, and the majority of the increase was related to fire fighting activity in June-August 2020 which was much higher than 2019 fire activity.
- 5 **Cargo and hangar rentals** - The cargo hangar rental is a fixed rent charge and is on budget and consistent with prior year.
- 6 **Fuel Tax** - Fuel tax revenues are collected by the state and remitted to the Airport based on all fuel sales, but these revenues tend to correlate most closely with commercial landing activity. YTD through November, commercial passenger landings were down about 35%, therefore the 22% decline in fuel tax revenues from prior year is in-line with expectations. Commercial landings were projected to be down 50%, therefore this revenue exceeds forecast expectations.
- 7 **Fuel Flowage Fees** - Fuel flowage fees are not charged to commercial carriers, but correlate with GA operations. GA activity did not decrease as much as was originally forecasted so we collected more flowage fee revenues year-to-date than was anticipated. Year-to-date 2020 fuel flowage in gallons through November were down about 20% compared to YTD November 2019 fuel flowage gallons. With the fire activity and strong GA recovery, fuel flowage revenue had already exceeded the annual forecast (\$258,000) by the end of October.
- 9 **Non-aeronautical revenues** - Year-to-date through November 2020, total enplaned passengers were approximately 45% lower than the same time period in 2019.
 - Aside from land and building leases and the terminal - other revenue which were fixed rents, the other non-aeronautical revenues are almost entirely tied to enplaned passengers at the airport and therefore would be expected to reflect a comparable decline in year-to-date revenues from 2019 as passenger traffic. Declines year-to-date through November 2020 for restaurant and rental cars were consistent with or below the 45% decrease in passenger traffic. Parking and ground transportation had year-over-year declines that were higher than the decline in passenger traffic, but were trending above the forecast.

Operating Expenses: Total Operating Expenses YTD through November 2020 were \$420k below forecast. More than half of the savings are in personnel and repairs and maintenance, however, all categories continue to be under forecast.

- 16 **Personnel Compensation & Benefits** – Compensation and benefits were approximately \$160k below the YTD forecast through November which reflects the hiring freeze on vacant positions.
- 18 **Supplies & Materials** – Supplies & Materials costs were \$67k lower than actual prior year spending YTD through November and on track with forecast. The decrease was almost entirely related to decreases in unleaded fuel purchases. Fuel is purchased and sold to the rental car companies and airlines to fuel their equipment. With the decrease in demand, the consumption decreased and the purchases were less frequent.
- 18 **Contract Services** – Contract services are \$77k below the YTD forecast through November 2020 and \$81k lower than the prior YTD spending through November 2019. The forecast to actual decrease is due primarily to the reduction of work performed for IT services. The Year-over-year variance is due largely to the engineering services for the terminal capacity study that was performed in 2019.
- 20 **Repairs & Maintenance** – Repairs and Maintenance activities were below forecast and prior year spending through November 2020. The timing of incurring these costs is somewhat unpredictable, we estimated even spending for budget purposes, although some months will have higher costs than others. We expect to come in below forecast for the year.
- 22 **Training, Travel, & Air Service Development** – Costs for training, travel and air service development are \$58k below the YTD forecast through November 2020 and \$85k lower than the prior YTD spending through November 2019. A temporary "freeze" had been placed on travel for conferences and non-required training and employees were taking advantage of on-line and local training opportunities where available.

Non-Operating Revenues and Expenses:

- 25 **PFC Revenue** – PFC revenue was below prior year actual due to the decrease in passenger activity, however, actual passenger numbers YTD through November 2020 were higher than forecasted resulting in higher than expected PFC revenue. Year-to-date, total passenger traffic was down 45% which was consistent with the decline in PFC revenue.
- 26 **Interest Income** – Interest income was down 70% compared to 2019 YTD through November. The second half of the bond funds were drawn down in March 2020 and therefore we expected the monthly and year-to-date income to reduce substantially from the prior year. Interest income exceeds forecast YTD through November 2020.
- 28 **CFC Revenue** – CFC revenues were temporarily waived from April 2020 through September 2020 and with the decrease in passenger traffic, revenue was down 65% from November 2019. Actual CFC revenues were ahead of forecast as rental car activity has been stronger than anticipated.
- 29 **Capital Contributions & Expenditures** – The timing of capital contributions (grant revenue) and capital expenditures is somewhat unpredictable therefore the forecast represents the full annual budget. We did not spend the full budget due to the timing of our grant awards and the construction season.

Grand Junction Regional Airport Authority

Statement of Financial Position - Unaudited, subject to change

		Month Ending 11/30/2020	Month Ending 10/31/2020	Variance
Assets				
Current Assets				
	Cash and Cash Equivalents - Unrestricted	\$ 8,854,119	\$ 7,965,704	\$ 888,416
	Cash and Cash Equivalents - Restricted	2,372,345	4,295,412	(1,923,067)
1	<i>Total Cash and Cash Equivalents</i>	<u>11,226,465</u>	<u>12,261,116</u>	<u>(1,034,651)</u>
Accounts Receivable				
	Accounts Receivable - Ops, net of allowance of \$24,000	1,110,180	1,222,380	(112,200)
	Accounts Receivable - Capital	1,464,552	1,464,552	-
2	<i>Total Accounts Receivable, Net</i>	<u>2,574,732</u>	<u>2,686,932</u>	<u>(112,200)</u>
3	Prepaid Expenses	81,189	101,273	(20,083)
	<i>Total Current Assets</i>	<u>13,882,387</u>	<u>15,049,321</u>	<u>(1,166,934)</u>
Non-Current Assets				
Capital Assets				
	Capital Assets not subject to depreciation	9,764,782	9,764,782	-
	Capital Assets subject to depreciation, net	57,858,819	58,271,974	(413,155)
4	<i>Total Capital Assets, Net</i>	<u>67,623,601</u>	<u>68,036,756</u>	<u>(413,155)</u>
5	Bond Project Fund	415,774	415,783	(9)
	<i>Total Non-Current Assets</i>	<u>68,039,375</u>	<u>68,452,539</u>	<u>(413,163)</u>
	Total Assets	<u>81,921,762</u>	<u>83,501,860</u>	<u>(1,580,098)</u>
6	Deferred Outflows of Resources - Pension Plan	<u>719,284</u>	<u>719,284</u>	<u>-</u>
Liabilities				
Current Liabilities				
7	Accounts Payable - Ops	159,968	153,356	6,611
7	Accounts Payable - Capital	16,012	260,237	(244,225)
8	Accrued Expenses	248,671	176,102	72,569
9	Lease Deposits	158,778	165,194	(6,417)
10	Deferred Revenue	26,440	26,637	(196)
11	Current portion of capital lease and bonds payable	203,378	1,247,701	(1,044,323)
	<i>Total Current Liabilities</i>	<u>813,247</u>	<u>2,029,227</u>	<u>(1,215,980)</u>
Long Term Liabilities				
	Bond and capital lease payable	18,178,870	18,178,870	-
	Deferred Revenue	396,399	398,488	(2,089)
	Net Pension and OPEB Liability	3,011,861	3,011,861	-
12	<i>Total Long Term Liabilities</i>	<u>21,587,130</u>	<u>21,589,219</u>	<u>(2,089)</u>
	<i>Total Liabilities</i>	<u>22,400,377</u>	<u>23,618,446</u>	<u>(1,218,069)</u>
13	Deferred Inflows of Resources - Pension Plan	<u>64,024</u>	<u>64,024</u>	<u>-</u>
	Total Net Position	<u>\$ 60,176,645</u>	<u>\$ 60,538,674</u>	<u>\$ (362,029)</u>

Variance Explanations - November 30, 2020 Statement of Financial Position

Assets: Total Assets decreased by \$1.58M from October 2020 to November 2020 as the second semi-annual bond payment was made for \$1.5M. A corresponding decrease was reflected in restricted cash.

- 1 **Cash** – Cash decreased by \$1M from October 2020 to November 2020. The second semi-annual bond payment totaling \$1.5M was paid at the end of November causing the majority of the increase. unrestricted cash increased \$888k as payments were received from customers.
- 2 **Accounts Receivable** – Accounts receivable includes both operating receivables and capital receivables from grants. Operating receivables decreased approximately \$112k from October to November as payments on deferred balances in addition to regularly scheduled bills were paid. Capital receivables remaining unchanged during this time frame as AIP grant funded projects are coming to a close.
- 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 balance from October to November represents the current month's share of expenses from the prepaid expenses. This balance will continue to decline over the policy period until another prepayment is made.
- 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 based on assets placed in service as of December 31, 2019.
- 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 all represent accounting estimates and non-cash transactions. These amounts will only change once per year when the calculation is updated.

Liabilities: Total Liabilities decreased \$1.2M from October 2020 to November 2020 due to payments made on the bond and to contractors for capital projects.

- 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. Capital accounts payable and receivable should have a positive correlation in periods when we are working primarily on AIP projects where the majority of the cost is funded by the FAA. In November, grant activity was limited, but \$244k of capital payments were made to contractors on projects. Notably, the retainage on the FCI flooring project was released and payments were made to Mead and Hunt.
- 8 **Accrued Expenses** – This category is primarily made up of liabilities for un-used PTO (approximately \$155,000) and payroll accruals to properly 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 and Yukon capital lease in the current calendar year. We have semi-annual payments due June 1 and December 1 for the bond and one annual payment on the vehicle lease in June. The decrease this month represents the principle portion of the bond payment due December 1 that was paid in November.
- 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 years after 2020.

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.