



# Board Packet

Regular Board Meeting

*MARCH 15, 2016*

**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY**

**Date: MARCH 15, 2016**

**Location: GRAND JUNCTION REGIONAL AIRPORT  
AIRPORT TERMINAL BUILDING – 2<sup>ND</sup> FLOOR  
2828 WALKER FIELD DRIVE, GRAND JUNCTION, CO**



**EXECUTIVE SESSION AGENDA**

**Time: 3:00PM – 5:00PM**

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**I. Call to Order**

**II. Motion into Executive Session**

To confer with the Grand Junction Regional Airport Authority’s legal counsel for the purpose of receiving legal advice in regard to ongoing litigation and other related matters and to discuss the potential resolution of those litigated matters and the terms and conditions upon which those matters could be resolved, as authorized by C.R.S. § 24-6-402(4)(b) and (4)(e)(I). Also, to confer with the Grand Junction Regional Airport Authority’s legal counsel for the purpose of receiving legal advice relating to a pending investigation and other related matters, as authorized by C.R.S. § 24-6-402(4)(b).

**III. Adjourn Executive Session**

**SPECIAL COMMITTEE MEETING (Airport Manager Selection Committee)**

**Time: 5:15PM**

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**I. Call to Order**

**II. Public Comments**

**III. Discussion Items**

- A. Airport Manager job search goals:
  - 1. Job Description
  - 2. Deadlines for applications
  - 3. Requirements for applicants
  - 4. Selection procedures
  - 5. Timeframe for appointment

**IV. Adjournment**

**REGULAR BOARD MEETING**

**Time: 5:45PM**

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**I. Call to Order**

**II. Approval of Agenda**

**III. Conflict Disclosures**

**IV. Commissioner Comments**

**V. Citizens Comments**

The Grand Junction Regional Airport Authority welcomes public comments at its meetings. The Citizens Comment period is open to all individuals that would like to comment. If you wish to speak under the Citizens Comment portion of the agenda, please fill out a comment card prior to the meeting. If you have a written statement for the Board, please have 10 copies available and give them to the Clerk for distribution to the Board. The Board Chairman will indicate when you may come forward and comment. Please state your name for the record.

**VI. Consent Agenda**

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

A. January 25, 2016 Special Meeting Minutes_____	1
B. February 16, 2016 Regular Meeting Minutes_____	2
C. Pay Request: G4S February Billing_____	3
D. CarpeTime Invoice_____	4
E. West Star Inc Name Change_____	5

**VII. Presentations**

- A. Intervistas Presentation
- B. Clean Energy Collective Presentation

**VIII. Discussion Items**

A. Financial Update (Presented by: Ty Minnick)_____	6
B. Security Solutions Committee Update (Presented by: Chairman, Steve Wood)	
C. Projects Update (Presented by: Ben Johnson)	
D. GA Development Requests/Possible Workshop	
E. Revised Minimum Standards	

**IX. Action Items**

A. Revised Banking Resolution (Presented by: Ty Minnick)_____	7
B. Tailwinds Selection, Contract and Addendum (Presented by: Ty Minnick)_____	8
C. Task Order – Armstrong Consultants (Presented by: Ben Johnson)_____	9
D. CPW Non-Standard Lease Renewal (Presented by: Chance Ballegeer)_____	10
E. Rocky Mountain Hangar Association Leases (Presented by: Chance Ballegeer)_____	11
F. Junction Aerotech LLC Lease Addendums (presented by: Ben Wegener)_____	12

**X. Any other business which may come before the Board**

**XI. Adjournment**

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**DIRECTIONS TO MEETING LOCATION:**

GRAND JUNCTION REGIONAL AIRPORT - TERMINAL  
2828 WALKER FIELD DRIVE, SECOND FLOOR  
GRAND JUNCTION, CO 81506

Grand Junction Regional Airport is located at the end of Horizon Drive, north of Interstate 70. Parking is available in the Airport's main parking lot. Please bring your parking ticket into the meeting, and we will validate the parking ticket. [Map of the Airport Campus](#)



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**Grand Junction Regional Airport Authority Board**  
**Special Board Meeting**  
Meeting Minutes  
January 25, 2016

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**SPECIAL MEETING: 12:00pm**

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**I. Call to Order**

Mr. Steve Wood, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 12:00 PM on January 25, 2016 in Grand Junction, Colorado and in the County of Mesa.

**Present:**

*Commissioners Present:*

Rick Wagner, Chairman  
Steve Wood, Vice Chairman  
Paul Nelson  
Troy Ball  
Dave Murray  
Rick Langley  
Rick Taggart

*Other:*

Jane Quimby, Quimby & Associates  
Danielle Urban, Fisher & Phillips  
Ben Wegener, Airport Attorney

*Airport Staff:*

David Fiore, Executive Airport Director  
Victoria Villa, Clerk  
Ty Minnick  
Ben Peck  
Chance Ballegeer

**II. Approval of Agenda**

Chairman Wood asked Mr. David Fiore if he had reviewed the agenda and if he would prefer to have discussion in an open meeting or in executive session.

Mr. Fiore said requested to have discussion in executive session.

**III. Conflict Disclosures**

Chairman Wagner - None  
Commissioner Wood – Hangar Owner  
Commissioner Nelson - None

Commissioner Ball – None  
Commissioner Murray - None  
Commissioner Langley- None  
Commissioner Taggart - None

**I. Commissioner Comments**  
**None.**

**II. Citizen Comments.**

Mr. Fiore commented on his employment with the Grand Junction Regional Airport. Mr. Fiore said that they were here to talk about the future of his employment and is hoping to bring out collective energy together, to advance the airport for the betterment of the Grand Junction community and to stabilize the work environment for the employees and their families.

**III. Adjourn Into Executive Session**

*Commissioner Nelson motioned for the Board to go into executive session to discuss personal matters related to the employment of Mr. David Fiore by the Grand Junction Regional Airport Authority as authorized by CRS 24-6-402(4)(f)(I). Commissioner Ball seconded. Voice Vote. All Ayes.*

*The Board adjourned executive session at approximately 2:20PM*

*The Board reconvened back into open meeting at 2:25PM (Commissioner Murray had to leave but will be participating in accordance with GJRA bylaws electronically)*

**VII. Discussion Items**

- ➔ Discuss the employment of David Fiore by the Grand Junction Regional Airport Authority

Chairman Wood said that the Board was in and out of executive session three times so far, once for the initial purpose of discussing personnel matters, subsequently for the combined purpose of discussing personnel matters and obtaining legal advice and lastly, framing the discussions on behalf of the Board. Chairman Wood said that they were here to discuss the employment of Mr. David Fiore by the Grand Junction Regional Airport Authority and during executive session for particular concerns that this Board has were brought to Mr. Fiore's attention and discussed at some length. The first one being, Mr. Fiore's involvement with this Board's review of certain personnel matters and its investigation of those matters. Secondly, Mr. Fiore's personnel management and leadership skills. Thirdly, Mr. Fiore's communication with airport personnel and fourthly, Mr. Fiore's communications with Board members and other members of our community. Chairman Wood opened the floor up for discussion of these matters and/or any actions that anyone may propose.

**VIII. Action Items**

→ Any action that may become necessary based upon the discussion item.

*Commissioner Nelson made a motion to terminate the employment of Mr. David Fiore as the Grand Junction Regional Airport Authority's Airport Manager effective immediately based upon the issues and reasons discussed during the Board's executive session which were subject to discussion in executive session under CRS 24-6-402(4)(f)(I) and which were generally identified by the Board to the extent necessary during the discussion of Mr. Fiore's employment during the public portion of the meeting. Commissioner Ball seconded. Roll Call Vote. Commissioner Langley: Aye, Commissioner Nelson: Aye, Chairman Wood: Aye, Commissioner Aye, Commissioner Wagner: Aye, Commissioner Taggart: Aye, Commissioner Ball: Aye.*

The Board advised Mr. Fiore that his paycheck will be ready for him in just a little bit and they will give him the opportunity to collect his personal belongings. The Board also advised Mr. Fiore that Ms. Victoria Villa will be his contact for any continuation of benefits.

Chairman Wood mentioned that it came to the Boards attention that Mr. Fiore is in possession of documents and emails that is property of the airport and they request for Mr. Fiore return them.

Mr. Fiore said that he will have his attorney contact the Board.

**IX. Any other business which may came before the Board**

None

**X. Adjourn**

*Commissioner Wagner moved to adjourn. Commissioner Ball seconded. Voice Vote. All Ayes. Meeting adjourned at approximately 2:33PM.*

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Steve Wood, Board Chairman

**ATTEST:**

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Victoria Villa, Clerk to the Board







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**Grand Junction Regional Airport Authority Board**  
**Board Meeting and Workshop**  
Meeting Minutes  
February 16, 2016

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**EXECUTIVE SESSION**

**Time: 3:00PM**

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**I. Call to Order**

**II. Approval of Agenda**

**III. Motion into Executive Session**

*To confer with the Grand Junction Regional Airport Authority's legal counsel for the purpose of receiving legal advice relating to a pending investigation, as authorized by CRS§24-6-402(4)(b)*

**III. Adjourn Executive Session**

**REGULAR BOARD MEETING**

**Time: 5:15PM**

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**I. Call to Order**

Mr. Steve Wood, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:27 PM on February 16, 2015 in Grand Junction, Colorado and in the County of Mesa.

**Present:**

*Commissioners Present:*

Steve Wood, Chairman  
Paul Nelson, Vice Chairman  
Troy Ball  
Dave Murray  
Rick Langley  
Rick Taggart

*Airport Staff:*

Victoria Villa, Clerk  
Ty Minnick  
Ben Johnson  
Ben Peck  
Chance Ballegeer

*Other:*

Doug Thompson, Citizen  
Randy Rush, Citizen  
Jeff Switzer, Tailwind  
Shannon Kinslow, TOIL  
Bob Linehart, Republic Parking  
Suzanne Lay, CMU  
Rick Smith, Open Range Gift Shop  
Brad Barker, CAP  
Drew Armstrong, Citizen  
Wayne Clark, Citizen  
Bill Marvel, GJAUTA  
Bob Erbish, Citizen

## **II. Approval of Agenda**

Chairman Wood approved the agenda by major motion.

## **III. Conflict Disclosures**

Chairman Wood – Hangar Owner

Commissioner Nelson - None

Commissioner Ball – None

Commissioner Murray - None

Commissioner Langley- None

Commissioner Taggart - None

## **IV. Commissioner Comments**

Chairman Wood noted that Commissioner Wagner is absent.

## **V. Citizen Comments.**

## **VI. Consent Agenda**

**A. January 19, 2016 Regular Meeting Minutes**

**B. Addendum – Crestone Tie-Down Lease Agreement**

**C. Non-Aeronautical Sub-Lease Renewal – Sky Adventures**

**D. Pay Request: Armstrong Consultants AIP 53**

**E. Pay Request: G4S January Billing**

**F. Pay Request: Valley Wide Fence**

*Commissioner Ball moved to approve the consent agenda. Commissioner Nelson seconded. Voice Vote. All Ayes.*

## **VII. Discussion Items**

### **A. Financial Update**

Mr. Minnick briefed the Board on the airport's current financial status. Mr. Minnick noted that the biggest change on the balance sheet was the reduction in cash and the

corresponding reduction in payables for the Shaw payment. Mr. Minnick mentioned that on the income statement, the aeronautical revenue was slightly lower due to the aviation fuel tax. Mr. Minnick noted that the food and beverage item is a little confusing because when the budget was done they budgeted based on Subway running the entire year knowing that the net revenue was going to be comparable to any third party concessionaire that was going to run it. So on the income statement they will see the gross revenue show up under revenue, but it will be shown as net revenue moving forward, so there won't be any expenses.

Commissioner Taggart suggested that rather than talking through this adjustment each month, to grant Mr. Minnick the authority to make this modification to the budget.

Commissioner Langley agreed and to go ahead and set up a meeting to have the finance and audit committee take a look at it.

Mr. Minnick noted that for the month enplanements were up by 363 from to prior year and on the five year average comparison to January they are down about 130, which is consistent. Mr. Minnick said that they did receive confirmation that after April 4<sup>th</sup> the United Huston flight will be gone permanently and that's roughly 600 to 800 enplanements a month.

*Commissioner Langley made a motion to accept the changes for the 2016 budget in the parking revenue and in the food and beverage category. Commissioner Taggart seconded.*

## **B. Security Solutions Committee Update**

Chairman Wood briefed the Board and said that they anticipate that Dynetics, the contractor, will be here the third week of March.

Chairman Wood asked if staff would provide the Board with an update on the several projects going on right now.

Mr. Johnson briefed the Board. Mr. Johnson said that AIP 49, which is the environmental assessment for runway 11/29, is nearly complete. The finding of no significant impact (FONSI) and record of determination is out for final signature to the FAA and the BLM. The FAA is just waiting on a certification letter from the airport which is just stating their authority to do the project. BLM's process is a longer process so they anticipate a about another month before they can sign the FONSI and complete the EA.

AIP 52 is a hodgepodge of projects. The first one is the taxiway connector rehabilitation which is a mill-and-overlay, they will be moving the segmented circle out of the taxiway safety area and doing some lighting modification. The project was out to bid, four bids were received and the bid opening was February 11<sup>th</sup>. Staff plans on bringing a selection recommendation and a contract to the March meeting for the project. The fog seal 1 other projects are done.

AIP 53 is the air carrier apron design modifications they did last year, is all but complete, they have the complete design. They are waiting on final comments from the FAA and the final invoice for that was passed in the consent agenda and the airport will get reimbursed through the FAA.

AIP 54, the terminal air carrier apron phase one, they have permission from the FAA to start moving forward with scoping and bidding on that project. So they will be getting scopes of work, task orders for Armstrong, and getting the bid packages together to go out to bid on that particular project, and are hoping for a July start.

AIP 55, the runway and RTR overall designs, they have applied for the grants but can't do anything with them until the EA is complete.

AIP 56, is the terminal area plan update, Mr. Johnson has had a couple of conversations with the guys from Mead & Hunt and they're going to set up a phone call to talk to the FAA about the timing and how that grant is going to move forward. They are probably looking at a June timeframe to finish the terminal area plan update.

They now have two FMLD grants open right now. The first one is a public access defibrillator program and that one is complete. And the second one is the passenger demand analysis with InterVistas. They are in the second phase and they will be scheduling a conference call but there are some conflicts so they are having to reschedule at this point. In the second phase they will be looking at doing more surveys and more research for data on destinations.

They are getting ready to start the terminal hold room carpet replacement plan, which began yesterday, and are anticipating it will take about 10 working days to finish.

The last project is the website design launch that Ms. Jordan was working on and has now been handed over to Mr. Ben Peck and Ms. Victoria Villa. Mr. Peck and Ms. Villa went through mood boards with Paragon, had really good conversation and will do good moving forward.

## **VIII. Action Items**

### **A. Resolution 2016-001 – 2016 Posing of Notices of Meetings.**

Mr. Wegener briefed the Board and said that this was tabled at the last meeting and they now have the relevant provision of Title 24 Statute and added the airport-specific statutes for Title 41.

*Commissioner Nelson moved to adopt Resolution 2016-001, which regards posting of notices of meetings. Commissioner Langley Seconded. Roll Call Vote. Commissioner*

*Murray: Aye, Commissioner Langley: Aye, Commissioner Nelson: Aye, Chairman Wood: Aye, Commissioner Taggart: Aye, Commissioner Ball.*

## **B. Ratification of Personnel Action**

Chairman Wood briefed the Board and said that since the last meeting, Mr. Johnson has returned to the airport employ and Amy Jordan has been hired on a part-time basis. Ms. Urban, our employment law counsel, prepared letter concerning both the reinstatement of Mr. Johnson and the hiring of Ms. Jordan and those were signed by Mr. Wood as Chairman and by Mr. Paul Nelson as Vice-Chairman. Mr. Wegener believes that it would be good for that to be ratified by this Board.

*Commissioner Taggart motioned for the Board to ratify Chairman Wood & Vice-Chairman Nelson signatures on those particular documents for Amy Jordan and Ben Johnson. Commissioner Ball seconded. Voice Vote. All Ayes.*

## **C. Rocky Mountain Health Maintenance Organization Agreement**

Mr. Minnick and Randy from HUB International Insurance briefed the Board. This 2007 agreement is being replaced by the current agreement, included in the board packets, that incorporates all the addendums and any new legislation that has been passed.

Chairman Wood suggested to make this a topic for a workshop.

Commissioner Murray said that it'd be good in the interim, in anticipation of workshop, is to look at the performance and the claim summaries that they have had and to see how well Rocky has performed for the Airport.

*Commissioner Langley made a motion to accept the Rocky Mountain Health Maintenance Organization group service agreement as presented. Commissioner Murray seconded. Voice Vote. All Ayes.*

## **D. Food, Beverage & Retail Request For Proposal**

- i. Presentation – Tailwind**
- ii. Committee Recommendation of Award and Contract**

Mr. Jeff Switer, COO of the company Tailwind presented to the Board a power point discussing the background of Tailwind as well as their flexible concept to develop the correct mix of product for the airport.

Mr. Taggart said that he had the opportunity to sit down with Mr. Minnick and Mr. Ballegeer to review all of the RFPs and after reviewing them all he was very confident in what he saw in Tailwind. He is very appreciative that Tailwind is will to take in some local input both on menu and gifts. Commissioner Taggart said that it was a very professional presentation so he completely supports the recommendation.

Mr. Wegener said that he did the red line draft of the lease for the Board with a few changes and there is a temporary management agreement in the Board's packet with the change of the management fee to 0. Tailwind still needs to review the red line so it was suggested that the temporary management be voted on tonight and bring back the contract to the March Board meeting.

Commissioner Wood said that they will be voting on the temporary management agreement with anticipation of the proposal at the March meeting.

*Commissioner Taggart moved for the Board to initiate the management agreement between the Grand Junction Regional Airport and Tailwind LLC for a temporary period between February 27th and April 30, 2016 as spelled out in the agreement document with the changes that have been presented. Commissioner Ball seconded. Voice Vote. All Ayes.*

#### **E. Contract Extension – Republic Parking**

Mr. Minnick stated that the Parking Lot Committee has come to the conclusion that through financial analysis that the best alternative was to extend the existing Republic contract and additional five years along with the purchase of a new revenue control system for the parking lot to replace the outdated one. Mr. Minnick recommended the extension of Republics Parking's contract on behalf of the parking committee.

*Commissioner Langley made a motion for the Board to accept staff's recommendation and the Parking Lot Committee support for that recommendation to accept the Republic Parking Lot Management from April 1, 2016 to March 31, 2021. Commissioner Nelson seconded. Voice Vote. All Ayes.*

#### **F. Contract Addendum – G4S Security Solutions**

Mr. Ballegeer stated that as of right now all their G4S security guards have is their physical hands or have a lethal weapon and it's been expressed that may carry some kind of intermediate non-lethal deterrent, such as a Taser, just in case issues arise. This would add \$.83 more per hour to the contract.

Further discussion took place on insurance and training.

It was suggested the G4S come and do a presentation on the device and what they're planning from a training stand point.

This item was tabled

#### **G. Subway Franchise Agreement Termination**

Mr. Minnick said that in order to move forward with Tailwind they will need to terminate the agreement with Subway. Mr. Minnick said that he talked with Subway's Colorado Development Manager, and he said they would have to make sure that they don't use their trademark items. Mr. Minnick said that Mr. Wegener wrote the letter that will formally terminate their franchise agreement.

*Commissioner Ball moved for the Board to approve the termination letter to Doctor's Associates, Subway, written and signed by Ben Wegener from Younge and Hockensmith representing the Airport Authority. Commissioner Nelson seconded. Voice Vote. All Ayes.*

#### **H. Rocky Mountain Health Maintenance Organization Agreement**

Mr. Ballegeer briefed the Board. The Association would like to break the current lease so they can come back and get individual ground leases.

This item was tabled.

#### **I. Department of Navy Standard Renewal Loan Agreement**

Mr. Ballegeer stated that they have two aircrafts that are loaned to the airport by the Department of Navy and they are sitting out at Memorial Park. It' is the airport's job to maintain them. Before the Board is a five year agreement to keep them here and the airport just continues doing what they have been doing. If the Board decides not to approve this, then it will be the airport's responsibility to take them down and making sure they aren't corroded, repaint them to make sure they are up to the Department of Navy's standards and ship them back to Pensacola.

*Commissioner Taggart moved for the Board to consent to the standard renewal loan agreement between the Department of the Navy and the Grand Junction Regional Airport and authorize the Board Chairman to execute this agreement for the next five years. Commissioner Langley seconded. Voice Vote. All Ayes.*

#### **IX. Any other business which may came before the Board**

None.

#### **X. Adjourn**

*Commissioner Murray moved to adjourn the meeting. Commissioner Ball seconded. Voice Vote. All Ayes.*

*The meeting adjourned at 7:36PM.*

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Steve Wood, Board Chairman

***ATTEST:***

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Victoria Villa, Clerk to the Board



## Grand Junction Regional Airport Authority

### Agenda Item Summary

<b>TOPIC:</b>	G4S Invoice
<b>PURPOSE:</b>	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
<b>RECOMMENDATION:</b>	Staff recommends the Board authorize the payment of G4S Invoice 7650862 for the amount of \$11,697.51
<b>LAST ACTION:</b>	N/A
<b>DISCUSSION:</b>	<p>This invoice is the monthly billing for February 2016 for the ongoing monthly costs for security guard services in the Terminal. This cost is recovered from signatory air-carriers.</p> <p>The invoice exceeds \$10,000, therefore requiring Board approval.</p> <p>Staff has reviewed the invoice and has no concerns.</p>
<b>FISCAL IMPACT:</b>	\$11,697.51
<b>COMMUNICATION STRATEGY:</b>	N/A
<b>ATTACHMENTS:</b>	G4S Invoice 7650862
<b>STAFF CONTACT:</b>	Chance Ballegeer Email: <a href="mailto:cballegeer@gjairport.com">cballegeer@gjairport.com</a> Office: 970-248-8586

INVOICE

G4S Secure Solutions (USA) Inc.  
1395 University Blvd | Jupiter FL 33458



Website: www.g4s.com/us  
Contact Us: (303) 341-4433  
Federal ID: 590857245

Bill To: Chance Ballegeer  
Grand Junction Regional Airport Authority  
2828 Walker Field Dr Ste 301  
Grand Junction CO 81506-8667

Service: 2828 Walker Field Dr Ste 301  
Location: Grand Junction CO 81506-8667

Invoice No: 7650862  
Amount Due: \$11,697.51  
Invoice Date: 02/29/2016  
Terms: Payment Due 30 Days  
Due Date: 03/30/2016  
Customer No: 134423  
PO Number:

Please include the invoice number  
with your payment and remit to:  
PO Box 277469  
Atlanta GA 30384-7469

Have billing questions? Email us:

Purchase orders: poinfo@usa.g4s.com  
Other inquiries: billinghelp@usa.g4s.com

Services Rendered for: 02/01/2016 through 02/29/2016

Invoice Description:

CUSTOM PROTECTION SERVICES  
Grand Junction  
Regional Airport

Week Begin	Week End	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total Hours	Other Qty	Amount (\$)
<b>Armbruster, Scott E</b>											
02/01/2016	02/07/2016	7.00	7.50	0.00	0.00	8.00	10.00	6.50	39.00	0.00	
02/08/2016	02/14/2016	6.50	5.00	0.00	0.00	7.00	11.00	6.50	36.00	0.00	
02/15/2016	02/21/2016	8.00	6.00	0.00	6.00	7.00	10.75	6.00	43.75	0.00	
02/22/2016	02/28/2016	8.50	7.25	7.50	7.00	7.00	14.00	6.00	57.25	0.00	
02/29/2016	03/06/2016	7.00	0.00	0.00	0.00	0.00	0.00	0.00	7.00	0.00	
<b>Baughman, John B</b>											
02/01/2016	02/07/2016	0.00	6.00	5.00	9.00	0.00	0.00	7.50	27.50	0.00	
02/08/2016	02/14/2016	7.50	8.00	3.42	7.00	0.00	0.00	0.00	25.92	0.00	
02/15/2016	02/21/2016	7.00	8.00	6.00	8.00	0.00	0.00	0.00	29.00	0.00	
02/22/2016	02/28/2016	7.00	8.00	6.42	7.00	7.25	0.00	7.75	43.42	0.00	
02/29/2016	03/06/2016	7.00	0.00	0.00	0.00	0.00	0.00	0.00	7.00	0.00	
<b>Falk, Darin H</b>											
02/01/2016	02/07/2016	7.50	0.00	9.00	9.00	6.00	0.00	0.00	31.50	0.00	
02/08/2016	02/14/2016	0.00	0.00	8.00	10.63	7.00	3.00	7.50	36.13	0.00	
02/15/2016	02/21/2016	0.00	0.00	8.00	0.00	7.00	3.25	8.00	26.25	0.00	
<b>Armed CPO-REGULAR</b>		409.72				Regular Hours		at 28.55		11,697.51	
<b>Subtotal</b>									409.72	11,697.51	
<b>Invoice Total</b>									11,697.51		

## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Carpetime Invoice
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board authorize the payment of Carpetime Invoice #87624 for the amount of \$61,511.01.
LAST ACTION:	The Board approved the execution of Construction Agreement for the Hold Room Carpeting Project during the November 17, 2015 regular board meeting.
DISCUSSION:	On September 3, 2015 staff published an RFP to the Grand Junction Regional Airport's website soliciting bids for the removal and replacement of the hold room carpet with an option to also replace the carpet on the bench seating. Having received only one bid staff took some extra time to verify that the bid price was a fair. Staff presented a recommendation to execute a Construction Agreement with Carpetime to the Board at the regularly scheduled November board meeting. A Notice to Proceed was executed on December 11, 2015. The carpet went into production in January and installation began on February 15 <sup>th</sup> and was completed on February 24, 2016. The contracted completion date for this project was March 2, 2016.
FISCAL IMPACT:	\$61,511.01 (The carpet replacement was budgeted for in 2015 and was carried over in the 2016 budget.)
COMMUNICATION STRATEGY:	N/A
ATTACHMENTS:	Carpetime Invoice #87624
STAFF CONTACT:	Ben Peck Email: <a href="mailto:bpeck@gjairport.com">bpeck@gjairport.com</a> Phone: 970-248-8589

**CARPETIME**  
**2920 I-70 BUSINESS LOOP**  
**GRAND JUNCTION, CO 81504**  
**Telephone: 970-245-4753 Fax: 970-245-1286**

87624

**INVOICE**

Sold To	Ship To
GRAND JCT REGIONAL AIRPORT 800 EAGLE DRIVE GRAND JUNCTION, CO 81506	HOLD ROOM CARPET PROJECT

Invoice Date	Tele #1	PO Number	Order Number
03/02/16	970-244-9120		87624

Inventory	Style/Item	Color/Description	Quantity	Units	Price	Extension
59583	CHROMA	TWO TONE	11,184	SF	3 37	37,692 00
ADSHAW5100	ADHESIVE SHAW 5100	4 GALLON	11	EA	123 79	1,361 69
FREIGHT	FREIGHT	FREIGHT	1	EA	3,677 66	3,677 66
	CARPET GLUE DOWN		10,608	SF	0 57	6,046 56
	PULLUP CARPET GLUE DOWN		10,608	SF	0 16	1,697 28
	DISPOSAL CARPET		10,608	SF	0 04	424 32
	SCRAPE ADHESIVE		10,608	SF	0 39	4,137 12
	TRANSITIONS		246	LF	1 93	474 78
YB12913	NEXT GENERATION	OLD SALEM	696	SF	2 35	1,635 60
FREIGHT	FREIGHT	FREIGHT	1	EA	118 32	118 32
	CARPET GLUE DOWN		696	SF	0 65	452 40
	PULLUP CARPET GLUE DOWN		600	SF	0 16	96 00
	DISPOSAL CARPET		600	SF	0 04	24 00
	SCRAPE ADHESIVE		600	SF	0 65	390 00
	MISC		120	EA	6 42	770 42
	Install on seat risers					
MISC	MISC	TBD	1	EA	1,791 43	1,791 43
	Performance Bond					
	PREP SUBFLOOR		10,608	SF	0 00	0 00
PANTHER	PANTHER RENTAL PER DAY		1	EA	0 00	0 00
RENTAL PER DAY						
FUTVT705G	VINYL INSERT	BROWN	4	EA	17 24	68 96
FUTCM210MF	INSERT TRACK METAL PINLESS	PINLESS	21	EA	12 78	268 38
FUTVT756	REDUCER - TILE TO CARPET	BROWN	21	EA	18 29	384 09

— 03/02/16 —

Sales Representative(s):  
DAVE BLEHM

Material:	46,998.13
Service:	14,512.88
Misc Charges:	0.00
Sales Tax:	0.00
Misc Tax:	0.00

<b>INVOICE TOTAL:</b>	<b>\$61,511.01</b>
Less Payment(s):	0.00
<b>BALANCE DUE:</b>	<b>\$61,511.01</b>

## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	West Star Aviation, Inc. name change
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board consent to the addendum that allows West Star Aviation, Inc. to change their name to West Star Aviation, LLC and approve the Board Chairman to sign the addendum.
LAST ACTION:	N/A
DISCUSSION:	West Star Aviation, Inc. CEO Robert Rasberry along with General Manager Dave Krogman met with staff to announce that WSA is joining some new investors and therefore would like to change the company name to West Star Aviation, LLC. The meeting was very straight forward and Mr. Rasberry and Mr. Krogman were very excited about the new opportunities that these investors brought to West Star. WSA is requesting an addendum to the ground leases they have with the airport which include 2810 Hangar lease, Tower lease, Fuel Farm Lease, and Ground lease agreement. If board approves the addendum, West Star Aviation, LLC will become effective April 1, 2016.
FISCAL IMPACT:	No fiscal impact.
COMMUNICATION STRATEGY:	N/A
ATTACHMENTS:	Addendum for West Star Aviation name change.
STAFF CONTACT:	Chance Ballegeer Airport Security Coordinator Email: cballegeer@gjairport.com Office: 970-248-8586

## **ADDENDUM TO GROUND LEASE AGREEMENTS**

**THIS ADDENDUM TO GROUND LEASE AGREEMENTS** (“Addendum”) is made and entered into this 16<sup>th</sup> day of March, 2016, by and between the **Grand Junction Regional Airport Authority** (the “GJRAA”), a body corporate and politic and constituting a political subdivision of the State of Colorado, and **West Star Aviation, Inc.**, a Colorado Corporation (the “Tenant”).

### **Recitals**

**WHEREAS**, the GJRAA entered into a Ground Lease Agreement with Tenant on or about April 2, 2004, and this Ground Lease Agreement is referred to as the Fuel Farm Lease; and

**WHEREAS**, the GJRAA entered into a Ground Lease Agreement with Tenant on or about December 22, 2004, and this Ground Lease Agreement is often referred to as the Ground Lease Agreement; and

**WHEREAS**, the GJRAA entered into a Ground Lease Agreement with Tenant on or about April 9, 2013, and this Ground Lease Agreement is referred to as the Tower Lease; and

**WHEREAS**, the GJRAA entered into a Ground Lease Agreement with Tenant on or about September 1, 2013, and this Ground Lease Agreement is referred to as the 2810 Hanger Lease; and

**WHEREAS**, all of the Ground Lease Agreements identified hereinabove shall be collectively referred to herein as “the Ground Leases;” and

**WHEREAS**, Tenant is changing its business from a corporation to a limited liability company, and therefore, is changing its name to “West Star Aviation, LLC;” and

**WHEREAS**, the GJRAA and Tenant desire to enter into this Addendum to the Ground Leases so that Tenant’s change to a limited liability company can be properly identified and reflected in the Ground Leases.

**NOW, THEREFORE**, the GJRAA and Tenant agree to amend the Ground Leases as follows:

1. The name of the Lessee and/or Tenant in the Ground Leases will be modified and amended to state that the Lessee and/or Tenant is “West Star Aviation, LLC,” which reflects Tenant’s change to a limited liability company.
2. Tenant has stated that its change to a limited liability company will be completed on April 1, 2016; thus, this Addendum will take effect on April 1, 2016. If Tenant fails to change to a limited liability company on or before April 1, 2016, this First Addendum will be considered null and void.

3. Except as modified by the terms of this First Addendum, the remaining terms and conditions of the Ground Leases shall remain in full force and effect.

EXECUTED as of the day and year first above written.

**GRAND JUNCTION REGIONAL  
AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Steve Wood, Chairman of the Board

**WEST STAR AVIATION, INC.**

By: \_\_\_\_\_, Authorized  
Representative

## **FEBRUARY 2016 PERFORMANCE**

### **FINANCIAL RESULTS**

#### **Assets**

1. Unrestricted – cash showed a large decrease in the balance due to the payment to Shaw in January 2015
2. Prepaid expenses are consistently being amortized over the term of the insurance policy.
3. Restricted assets are consistent with the use of the PFC cash received. Customer facility charge is showing increase due to the increase in the CFC charge, this account will be reduced \$116,000 in March for the quarterly SIB loan payment.

#### **Liabilities**

1. Accounts payable showed a large decrease in the balance due to the payment to Shaw in January 2015
2. Other assets are consistent from December 2015 to February 2016.

**Aeronautical Revenue** – revenue is consistent with budget and prior year.

**Non-Aeronautical Revenue** – the budget included a reduction in rent revenue received for the Terminal third floor, currently rented by the TSA. The anticipated relocation of the Authority administrative offices to the third floor has been delayed, therefore we are still receiving TSA rent revenue.

#### **Operating Expense**

1. Personnel expense is consistent with the reduction of administrative staff in January 2016.
2. Contract services are higher compared to budget and 2015 due to the increased legal expenses.
3. Other expenses anticipated incurring costs related to the \$50,000 administration office move that will happen later in 2016.

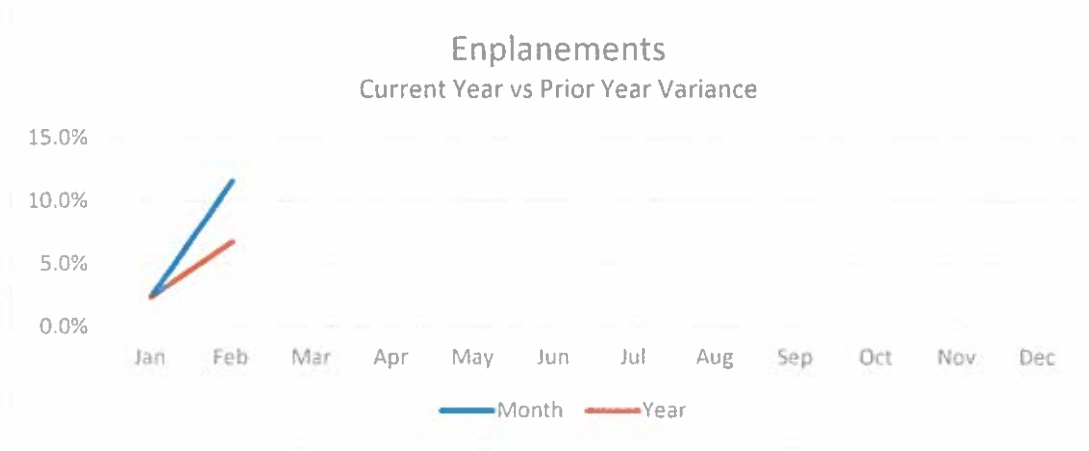
**Non-operating Revenue/Expense** – PFC and CFC were lower than budgeted. The CFC rate will be increasing February 15 and should show an increase in revenue with a rate change from \$3.80 to \$4.00 per rental day.



**ENPLANEMENTS**

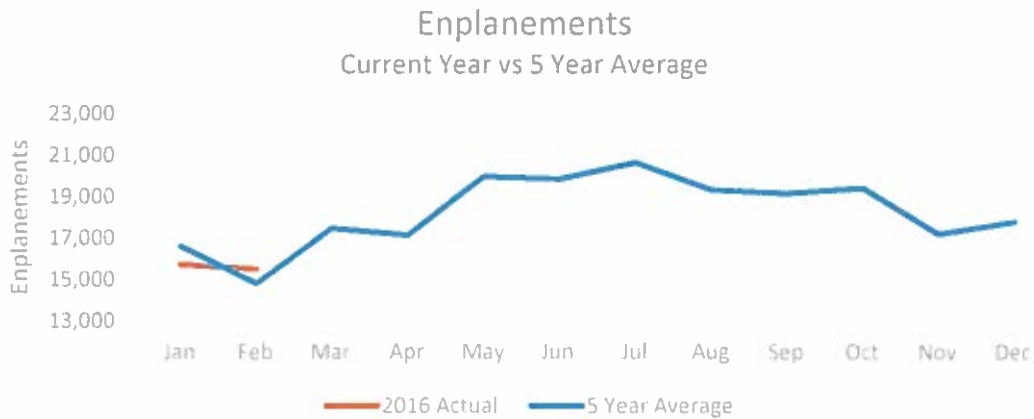
**2016 vs 2015**

	Month	Year to Date
2015	13,904	29,276
2016	15,509	31,244
Difference	1,605	1,968



**Historical Average**

	Month	Year to Date
5 Year Average	14,816	31,424
2016	15,509	31,244
Difference	693	(180)



Grand Junction Regional Airport Authority  
Statements of Net Position

	<u>2/29/2016</u>	<u>12/31/2015</u>
<b>Current assets</b>		
Cash and cash equivalents	5,987,494	6,265,142
Accounts receivable - operations	443,601	438,885
Accounts receivable - grants	-	22,379
Prepaid expenses	40,958	77,851
<b>Total current assets</b>	<u>6,472,053</u>	<u>6,804,257</u>
<b>Restricted assets</b>		
Passenger facility charges	1,671,288	1,779,152
Revenue bond reserve fund	1,460,000	1,460,000
Revenue bond sinking fund	439,280	182,452
Customer facility charge	608,525	538,310
Lease deposits	150,953	150,953
<b>Total restricted assets</b>	<u>4,330,046</u>	<u>4,110,867</u>
Pension deferred outflow	331,456	331,456
Capital assets, net	58,942,759	58,942,759
<b>Total non-current assets</b>	<u>63,604,261</u>	<u>63,385,082</u>
<b>Total assets</b>	<u><u>70,076,314</u></u>	<u><u>70,189,339</u></u>
<b>Current liabilities</b>		
Accounts payable	135,350	166,671
Accounts payable - capital	119,593	463,701
Accrued expenses	381,867	313,225
Lease deposits	150,953	150,953
Current portion of note payable	423,096	423,096
Current portion of bonds payable	875,547	875,000
<b>Total current liabilities</b>	<u>2,086,406</u>	<u>2,392,646</u>
<b>Non-current liabilities</b>		
Net pension liability	2,136,600	2,136,600
Pension deferred inflow	105,192	105,192
Note payable, net of current portion	1,114,764	1,114,764
Bonds payable, net of current portion	12,891,015	12,891,562
<b>Total non-current liabilities</b>	<u>16,247,571</u>	<u>16,248,118</u>
<b>Total liabilities</b>	<u>18,333,977</u>	<u>18,640,764</u>
<b>Net position</b>		
Net investment in capital assets	43,638,337	43,638,337
Restricted for debt service and capital assets	3,570,568	3,421,604
Unrestricted	4,533,432	4,488,634
<b>Total net position</b>	<u>51,742,337</u>	<u>51,548,575</u>
<b>Total liabilities and net position</b>	<u><u>70,076,314</u></u>	<u><u>70,189,339</u></u>

Grand Junction Regional Airport Authority  
Statements of Changes in Net Position

	YEAR TO DATE			MONTH		
	Actual 2/29/2016	Budget 2/29/2016	Actual 2/28/2015	Actual 2/29/2016	Budget 2/29/2016	Actual 2/28/2015
Operating revenue						
Aeronautical revenue						
Passenger airline revenue						
Passenger airline landing fees	68,429	63,000	70,313	33,128	30,000	34,317
Terminal rent	196,974	196,800	196,974	98,487	98,400	98,487
Other	16,400	16,000	14,510	13,600	11,000	9,010
Total passenger airline revenue	281,803	275,800	281,797	145,215	139,400	141,814
Non-passenger airline revenue						
Landing fees from cargo	13,464	12,000	14,474	6,059	6,000	6,732
Cargo and hangar rentals	8,438	8,438	8,438	4,219	4,219	4,219
Aviation fuel tax	34,416	34,000	42,466	34,416	16,000	23,913
Fuel flowage fees	62,779	76,000	64,090	32,584	38,000	31,495
Other	-	-	-	-	-	-
Total non-passenger airline revenue	119,097	130,438	129,468	77,279	64,219	66,359
Total aeronautical revenue	400,900	406,238	411,265	222,494	203,619	208,172
Non-aeronautical revenue						
Land and building leases	108,765	108,562	107,979	55,381	45,781	43,908
Terminal - food and beverage	5,601	6,892	6,987	3,103	3,446	3,494
Terminal - retail	5,738	4,000	5,080	2,578	2,000	2,333
Terminal - other	40,244	30,000	40,244	20,122	15,000	20,122
Rental cars	163,777	165,106	166,433	82,789	84,214	84,530
Parking and ground transportation	223,269	200,000	133,885	110,957	100,000	102,371
Other	11,579	12,000	15,284	5,379	6,000	8,067
Total non-aeronautical revenue	558,973	526,559	475,892	280,309	256,441	264,824
Total operating revenues	959,873	932,798	887,157	502,803	460,060	472,997
Operating expenses						
Personnel compensation and benefits	319,166	323,514	309,889	136,218	160,425	145,844
Communications and utilities	56,211	64,764	55,007	25,542	27,873	26,083
Supplies and materials	48,599	72,125	67,688	19,345	36,517	29,886
Contract services	183,354	100,394	61,290	109,128	54,239	50,820
Repairs & maintenance	36,477	60,791	30,983	13,947	23,823	17,898
Insurance	15,166	15,166	14,587	7,583	7,583	7,293
Other	4,308	9,915	11,133	1,244	6,750	2,707
Total operating expenses	663,281	646,669	550,577	313,008	317,210	280,532
Operating income, before depreciation	296,592	286,129	336,580	189,795	142,850	192,465
Depreciation	-	-	-	-	-	-
Operating gain (loss)	296,592	286,129	336,580	189,795	142,850	192,465
Non-operating revenues (expenses)						
Passenger facility charges	147,966	118,000	87,913	94,420	56,000	46,040
Interest income	4,196	1,800	1,767	1,887	900	864
Interest expense	(117,969)	(117,970)	(126,294)	(58,985)	(58,985)	(63,147)
Customer facility charges	78,850	76,000	28,428	45,528	36,000	28,428
Capital contributions	-	-	-	-	-	-
Capital expenditure	(111,243)	(114,000)	(7,444)	(111,243)	(114,000)	-
Debt principal payments	(104,746)	(104,746)	(101,708)	(104,746)	(104,746)	(101,708)
Other	-	-	-	-	-	-
Total non-operating revenue	(102,946)	(140,916)	(117,338)	(133,138)	(184,831)	(89,525)
Excess of revenues over (under) expense	193,646	145,213	219,242	56,657	(41,981)	102,940

## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Resolution No. 2016-003: Revised Resolution Concerning Execution of Documents Pertaining to Bank Accounts
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board adopt resolution No. 2016-003: Revised Resolution Concerning Execution of Documents Pertaining to Bank Accounts.
LAST ACTION:	At the January 2016 Board Meeting, the board adopted resolution 2016-002 which amended the previous banking resolution, adding the newly elected Board Vice-Chairman as a signatory.
DISCUSSION:	The banking resolution is amending the January 2016 resolution replacing the former Executive Director and adding Airport Operations Manager, Ben Johnson. This will allow the Airport to have two authorized signers on staff.
FISCAL IMPACT:	None
COMMUNICATION STRATEGY:	None
ATTACHMENTS:	Resolution No. 2016-003: Revised banking resolution. A resolution concerning execution of documents pertaining to bank accounts.
STAFF CONTACT:	Ty Minnick Email: <a href="mailto:tminnick@gjairport.com">tminnick@gjairport.com</a> Office: 970-248-8593

**Resolution No. 2016-003**  
**Of the**  
**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY**  
**A Resolution Concerning**  
**Execution of Documents Pertaining to Bank Accounts**

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

WHEREAS, the Board desires to authorize the Board Chairman, Airport Operations Manager or Finance Manager to transfer funds between Authority accounts within the same Authority Board-designated financial institution; and

WHEREAS, The Board desires to authorize the Chairman, Vice Chairman, Airport Operations Manager or Airport Facilities Manager as designated below, to **execute with only one (1) signature any and all (A) bank documents, checks and other instruments of withdrawal in the sum of less than \$2,000, and (B) any payroll and payroll related expenditures, including but is not limited to, payments for tax withholding, payments for retirement and 401(k) contributions and garnishments and sales tax:**

<u>Steve Wood</u>	Chairman
<u>Paul Nelson</u>	Vice Chairman
<u>Ben Johnson</u>	Airport Operations Manager
<u>Ben Peck</u>	Airport Facilities Manager

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

- Chairman; AND/OR
- Vice Chairman; AND
- Airport Operations Manager OR
- Airport Facilities Manager

AND,

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

- Chairman or Vice Chairman; AND
- Airport Operations Manager; AND
- One (1) additional Board Commissioner

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

IT IS FURTHER RESOLVED, that the Board authorizes the Board Chairman, Airport Operations Manager, or Finance Manager to transfer funds between Authority accounts within the same Authority Board-designated financial institution; and

IT IS FURTHER RESOLVED that the Board authorizes the Chairman, Vice Chairman, Airport Operations Manager or Airport Facilities Manager to execute with one (1) signature **any and all (A) bank documents, checks and other instruments of withdrawal in the sum of less than \$2,000, and (B) all payroll and payroll related expenditures, including but not limited to, payments for tax withholding, payments for retirement and 401(k) contributions, and garnishments and sales tax:**

<u>Steve Wood</u>	Chairman
<u>Paul Nelson</u>	Vice Chairman
<u>Ben Johnson</u>	Airport Operations Manager
<u>Ben Peck</u>	Airport Facilities Manager

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

- Chairman; AND/OR
- Vice Chairman; AND
- Airport Operations Manager; OR
- Airport Facilities Manager

AND,

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

- Chairman or Vice Chairman; AND
- Airport Operations Manager; AND
- One (1) additional Board Commissioner

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Victoria Villa, Clerk

\_\_\_\_\_  
Chairman

**Verification**

\_\_\_\_\_, first duly sworn, deposes and states that he has read the foregoing Resolution and that the same is true and correct to the best of his knowledge and belief.

\_\_\_\_\_  
Chairman

STATE OF COLORADO     }  
  }   SS  
COUNTY OF MESA        }

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_

***Board Members Voting AYE***

- Chairman Wood
- Vice Chairman Nelson
- Commissioner Wagner
- Commissioner Taggart
- Commissioner Langley
- Commissioner Murray
- Commissioner Ball

***Board Members Voting NAY***

- 
- 
- 
- 
- 
- 
-

## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Food, Beverage & Gift Concession Award Committee
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	The committee recommends the Board approve the Airport Facilities Lease and Concession Agreement and Addendum 1 and authorize the Board Chairman to execute the document.
LAST ACTION:	<ul style="list-style-type: none"><li>• The Board approved the temporary management agreement with Tailwind to operate the airport restaurant.</li><li>• The selection committee recommended Tailwind be awarded the concession contract after reviewing the RFP's.</li><li>• The 5 year Tailwind lease that was presented at the February board meeting for the restaurant and retail concessions was tabled for additional review.</li></ul>
DISCUSSION:	The committee reviewed 4 proposals. After applying the evaluation criteria in the RFP, the Tailwind RFP was selected. Tailwind currently holds contractual agreements for providing food, beverage and retail concession services at fourteen airport locations across the United States.

#### **Project highlights:**

1. Reconfigure the existing food service space
2. Remodel retail space to be more accessible
3. Add energy efficient cooking equipment
4. Develop a pre-security food and beverage service
5. Add a bar location in the upper boarding area

#### **Menu:**

Offering breakfast items, burgers, burritos, pizza, hot and cold sandwiches, freshly prepared wraps, appetizers, soups & salads. There will also be grab 'n go selections such as bagels, yogurt, health bars, wraps & sandwiches. Tailwind wants to work closely with local suppliers, such as breweries.

#### **Addendum 1:**

During the period of temporary management, Tailwind has requested to add a bar location in the upper boarding area rather than in the existing restaurant. This will allow more restaurant seating in the existing location, and a full service bar with food service in the upper boarding area. There will still be alcohol service offered in the existing restaurant area.



---

**FISCAL IMPACT:** The 2016 budget had a net revenue for food and beverage operations of \$55,000 and retail operations of \$28,000. Tailwind has an expected annual revenue payable to the Airport of \$115,000 to \$128,000 for the first year of operation.

---

**ATTACHMENTS:** Airport Facilities Lease and Concession Agreement  
Addendum 1

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**STAFF CONTACT:** Ty Minnick  
Email: [tminnick@gjairport.com](mailto:tminnick@gjairport.com)

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**AIRPORT FACILITIES LEASE AND CONCESSION AGREEMENT**

**Grand Junction Regional Airport**

**Grand Junction, Colorado**

**Lessee: Tailwind GJT, LLC**

**Dated: May 1, 2016**

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**EXHIBIT A: Diagram of retail and food & beverage location**

## AIRPORT FACILITIES LEASE AND CONCESSION AGREEMENT

THIS AIRPORT FACILITIES LEASE AND CONCESSION AGREEMENT, hereinafter "Lease", is made as of March 15, 2016, by and between the Grand Junction Regional Airport Authority, a body corporate and politic and constituting a political subdivision of the State of Colorado, hereinafter referred to as "Lessor", and Tailwind GJT, LLC, a Delaware limited liability company, hereinafter referred to as "Lessee":

### RECITALS

WHEREAS, the Lessor is the owner and operator of the Grand Junction Regional Airport, located in the City of Grand Junction, Mesa County, Colorado; and

WHEREAS, the Provision of high quality and reasonably priced food, beverages, and retail items at the Airport are desirable for the proper accommodation of passengers arriving at and/or departing from the Airport; and

WHEREAS, the Lessor desires to provide high quality and reasonably priced food, beverages, and retail items available at the Airport, and Lessee is qualified, ready, willing, and able to offer and perform such services under the terms of this Lease.

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

#### I. DEFINITIONS:

As used in this Lease, the defined words and terms shall have the following meanings:

- 1.1** "Airport" is the Grand Junction Regional Airport located in the City of Grand Junction, Mesa County, Colorado
- 1.2** "Airport Management" means the Airport Manager, Finance Manager or Facilities Manager of the Airport as may be designated by the Board of Commissioners or their designee(s).
- 1.3** "Terminal" is the Passenger Terminal Building at the Airport.

1.4 "Lease" is this Airport Facilities Lease and Concession Agreement.

1.5 "Premises" consists of exclusive-use space leased to Lessee as described in subsection 2.2.

1.6 "Gross Revenue" is the entire amount of the actual sales price, whether wholly or partly for cash or on credit, of all sales of merchandise and services and all other receipts of all business conducted on or from the Airport, including all orders taken in or from the Premises, although said orders may be filled elsewhere, catering performed in whole or in part on the Airport, whether or not from the Premises, and sales by any authorized sub-lessee, concessionaire in or from the Premises, and all without credit to Lessee for uncollected or uncollectable credit accounts. Each sale upon credit shall be treated as a sale for the full price in the month during which such sale shall be made, irrespective of the time when Lessee shall receive payment, whether full or partial, from its customer. There shall be excluded from gross revenue:

1.6.1 Any sums collected and paid out for any sales tax or other tax based on the sale of merchandise and required by law, whether now or hereafter in force, to be paid by Lessee or collected from its customers, to the extent that such taxes have been added to and included in the gross sales price; and

1.6.2 Sales for which the merchandise is later returned, to the extent of any refund is given;

## II. USE OF AIRPORT FACILITIES

2.1 Operational Rights. Subject to the terms and conditions of this Lease, Lessee is granted the right to conduct and operate a food, beverage, and retail concession at the Airport.

2.1.1 Lessee shall have the right to sell to the public in the Terminal the items as may be approved by Airport Management and/or the Airport's Board of Commissioners pursuant to paragraph 2.1.2, below.

2.1.2 Lessee shall sell only items approved by the Airport Management and/or the Airport's Board of Commissioners. In granting or withholding such approval, it is the general intent of Lessor that items sold by Lessee from the Premises, and those sold by others at the Airport, including the Lessor, be different and distinct, so as to satisfy a broader range of needs of the traveling public.

- 2.2 Terminal Building Space and Equipment. Lessor shall deliver the Premises, specified herein in accordance with Exhibit A, and so long as they are in accordance with Exhibit A, Lessee shall accept the Premises and fixtures "as is" and "with all faults." Lessor has no obligation to alter or improve the same, except as expressly provided herein. Lessor grants Lessee use of the following space in the Terminal: exclusive use of the space identified in the attached Exhibit A, consisting of approximately 550 square feet of retail space and 1,730 square feet of food and beverage ("restaurant") space.
- 2.3 No Exclusive Right. Nothing in this Lease shall be construed as granting Lessee any exclusive right to operate a restaurant and retail concession at the Airport or in the Terminal. Lessor retains the right to enter into leases and/or agreements with others for the provision of restaurant and retail items or vending services in areas other than those set aside herein for Lessee's operations.
- 2.4 Right of Ingress and Egress. Lessee shall have at all times the full and free right of ingress to and egress from the Premises and facilities referred to herein for Lessee, its employees, customers, guests and other invitees, subject to security requirements and hours of operation of the security screening checkpoint.
- 2.5 Public Address and Paging System. Lessee and others similarly authorized shall have the right to use the public address and paging system in the Terminal for paging, and similar purposes, subject to reasonable policies established by the Airport Management.
- 2.6 Limitation on Uses. Lessee's uses of the Airport authorized and granted in this Lease shall be limited to providing services at the Airport expressly described herein, including a restaurant and retail goods sales concession, and activities reasonably necessary and related thereto.

### III. OBLIGATIONS OF LESSEE

- 3.1 Rentals and Charges.  
In consideration of its operating rights hereunder, Lessee shall pay Lessor the greater of (a) the Applicable Percentage of Annual Gross Revenues, or (b) an amount equal to one-twelfth (1/12th) of its guaranteed annual minimum concession rental ("MAG") for each yearly period set forth in its bid proposal of \$60,000.

As used herein, the term "Applicable Percentage of Annual Gross Revenues"

means:

Gross sales up to \$1,000,000.00:

Food, beverage and retail – 10%

Liquor – 12%

Gross sales between \$1,000,000.01 and \$1,200,000.00:

Food, beverage and retail – 12%

Liquor – 14%

Gross sales between \$1,200,000.01 and above:

Food, beverage and retail – 14%

Liquor – 16%

Lessee shall pay Lessor, on a monthly basis, the greater of (a) the Applicable Percentage of Annual Gross Revenues prorated monthly, or (b) the Minimum Annual Guarantee prorated monthly. This payment shall be made in twelve (12) equal monthly installments on or before the 15<sup>th</sup> day of each month. Said equal monthly installments shall be paid at the Airport administration office. At the same time that Lessee pays these installments, Lessee shall provide the Airport Management with an itemized statement showing the amount of gross revenues, as defined herein, Lessee enjoyed during the preceding calendar month.

In addition to the obligations set forth above, within thirty-one (31) days following the close of each year of this Lease (*i.e.*, by on or before 31 days after each anniversary date), Lessee shall pay to Lessor, at the Airport administration office, the difference between its Minimum Annual Guarantee for the year then ending, and the Applicable Percentage of Annual Gross Revenue, if the Applicable Percentage of Annual Gross Revenue is greater than the Minimum Annual Guarantee for said annual period. Any amount in excess of the higher of those two numbers shall be credited to Lessee's payment due.

3.1.1 Lessor reserves the right to meter utilities and charge tenant; however, utilities for the Premises, including electricity and HVAC, are not currently separately metered and shall be provided by the Lessor. Lessee shall arrange for and pay the cost of installation and usage of telephone service, and any other utilities Lessee desires, other than electricity and HVAC, subject to the language of this provision.

3.1.2 If Lessor has paid any sum or has incurred any obligation which Lessee had agreed to pay or reimburse Lessor for, or if Lessor is required or elects to pay sum(s) or ensure obligation(s) or expense(s) by reason of the failure, neglect or refusal of Lessee to perform any of the conditions or agreements



contained in the Agreement, or as a result of an act or omission of Lessee contrary to said conditions and agreements, Lessee shall pay Lessor the sum(s) so paid or the expense(s) so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of the fees and charges thereafter due hereunder.

3.1.3 Lessee will be responsible for services including but not necessarily limited to the following: cable television, pest control, plumbing/drain maintenance, telephone, internet, specialty lighting, the relocation of fountain drink CO2 machines, and security badges.

3.1.4 Lessee will be responsible for any and all maintenance of all drains located on the Premises in accordance with any and all applicable codes, rules, or regulations, including, but not limited to, any and all applicable health codes, rules, or regulations.

### 3.2 Terms and Conditions of Payment.

3.2.1 On or before the 15th day of each month (or if that day shall fall on a Saturday, Sunday or holiday, the following business day), Lessee shall furnish Lessor a separate statement for Gross Revenues received under paragraph 3.1 above, and shall simultaneously pay Lessor amounts due thereunder. If any such statement and/or the Gross Revenue payment is not furnished and/or made to Lessor by the date due, Lessee shall pay Lessor an additional 2.5% of such Gross Revenue as a late fee, and not as liquidated damages or penalty. All such payments shall be made by Lessee to Lessor without notice or demand at its offices in the Terminal, located at 2828 Walker Field Drive, Grand Junction, Colorado 81506.

3.2.2 If any fee or charge, other than that due under paragraphs 3.1.1 and/or 3.1.2 above, is not paid within the calendar month of the due date, Lessee shall pay a late charge equal to 3% per month on the unpaid balance, accruing from the date due until paid.

3.2.3 Notwithstanding the term expiration date set forth in Section 5.1, on or before the 15th day after the last day of each calendar quarter of the Term of this Lease, (or if that day shall fall on a Saturday, Sunday or holiday, the following business day), Lessee shall furnish Lessor a statement of Gross Revenue, unaudited expenses and other information on Lessee's operations from the immediately preceding calendar quarter on such forms as the Airport Management may reasonably require, which forms may require more

detailed information, documentation and verification at the end of each calendar year. Such information shall also be provided by Lessee at other times during the Term upon written request of Lessor, not to exceed twice in any calendar year.

3.2.4 Lessee shall, during the Term, keep on the Premises or at a location made known to Lessor by Lessee in Mesa County, Colorado, for a period of thirty (30) consecutive months following the end of each month during the Term, complete and accurate records of all original sales records and sales slips or sales checks, cash register tapes and other pertinent original sales records.

3.2.5 Lessor shall have the right at any reasonable time to examine all records maintained by Lessee under subsection 3.2.4 of this Lease and to have an audit prepared, at Lessor's expense, by an independent Certified Public Accountant. Provided, however, that in the event there is a discrepancy in excess of 5% of Gross Revenues between Lessee's statements, required by subsections 3.2.1 and 3.2.3 of this Lease, and such independent audit, Lessee shall bear the cost of such audit.

3.2.6 Lessee shall prepare a description of its cash handling and sales recording systems and equipment which shall be submitted to Airport Management for approval. When so approved, such systems and equipment, including any approved revisions, shall be utilized by Lessee in its operations at the Airport. Lessee shall not make any changes in its cash handling and sales recording systems and equipment without written approval from Airport Management.

3.2.7 Lessee shall accurately record each sale on a point of sale register acceptable to the Airport Management. Such register shall be non-resettable and sufficient to supply an accurate record of all sales, on tape or otherwise, as directed by the Airport Management. Such register shall have a counter visible to the purchaser.

3.3 Maintenance of Premises. Except as expressly provided to the contrary herein, Lessee shall be responsible for cleaning and maintaining the Premises and its equipment, including but not necessarily limited to the following:

3.3.1 Operating and maintaining the Premises, including its floors, and the furniture, fixtures and equipment installed therein and thereon, all in good order, condition and repair, in clean condition and appearance at all times, and upon termination of this Lease delivering up the Premises to Lessor in good order, condition and repair, reasonable wear and tear excluded.

**3.3.2** Establishing an adequate preventative maintenance program for the Premises which shall be subject to periodic review by the Airport Management. The program shall include, without limitation, the cleaning of inside windows, doors inside and outside, and the cleaning and repair of all floors, interior walls, ceilings, lighting, decor and equipment located on the Premises, and the routine maintenance of all such equipment. Regardless of Lessee's compliance with its preventive maintenance program, Lessee shall clean such surfaces and equipment on the Premises immediately upon being instructed to do so by the Airport Management or by other governmental entities or agencies having authority.

**3.4** Insurance.

**3.4.1** Lessee shall carry the following minimum insurance coverages:

**3.4.1.1** Commercial General Liability Insurance in the minimum amount of Five Million Dollars (\$5,000,000) combined single limit for bodily injury and property damage per occurrence. Coverage shall include contractual, broad form property damage, products, personal injury, and completed operations and contractors protective endorsements

**3.4.1.2** Automobile Liability Insurance, Comprehensive Form, in the minimum amount of One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage per occurrence for operation of motor vehicles on the Leased Premises. Coverage shall include all owned, non-owned and hired automobiles

**3.4.1.3** Liquor liability insurance in an amount of not less than One Million Dollars (\$1,000,000) combined single limit

**3.4.1.4** Workers' Compensation and Employer's Liability Insurance, if applicable, in accordance with the provisions of Colorado law. The limit of such insurance coverage shall be in the amount required by state statute or the Workers' Compensation Act of Colorado. Workers' Compensation Insurance shall include occupational disease provisions covering any obligations of Lessee in accord with the provisions of the Workers' Compensation Act of Colorado. Employer's Liability Insurance shall be held in an amount not less than One Million Dollars (\$1,000,000) for each accident or occurrence of bodily injury by accident or disease. If Lessee sublets any service under the contract, Lessee shall require the subcontractor to provide the same coverage for the subcontractor and the subcontractor's employees

**3.4.2** If at any time during the term of this Lease, Lessee shall fail to obtain and maintain insurance required in subparagraph 3.4.1, Lessor may affect such

insurance by taking out policies in companies satisfactory to Lessor. The amount of the premium or premiums paid for such insurance by Lessor shall be immediately payable by Lessee to Lessor as additional rent upon receipt of notice that such premiums have been paid.

3.4.3 The Grand Junction Regional Airport Authority and the Grand Junction Regional Airport shall be named as an additional insured under each such policy or policies of insurance required under this Agreement, except for Workers' Compensation and Employer's Liability Insurance, and said policy or policies shall include the separation of insured's condition.

3.5 Indemnification of Lessor. Lessee agrees to defend, indemnify and hold Lessor harmless, which includes defending, indemnifying, and holding harmless Lessor's Board members, officers, agents, assigns, and employees, from and against any and all liabilities, obligations, claims, damages, costs, and expenses, including attorneys' fees, incurred by or asserted against Lessor, its Board members, officers, agents, assigns, and employees by any person or entity whatsoever, resulting from the acts, omissions or conduct of Lessee or its members, managers, officers, employees, agents, contractors, subcontractors, subtenants, assigns, guests, invitees, or any third party acting under its direction or control.

3.6 Lessee's Other Obligations. Lessee hereby covenants and agrees, that with respect to operations authorized under this Lease:

3.6.1 it will operate the Premises for the use and benefit of the public and furnish service on a fair, equal and not unjustly discriminatory basis to all users;

3.6.2 it will obtain the prior approval of the Airport Management and/or the Airport's Board of Commissioners of all items offered for sale by Lessee from the Premises;

3.6.3 it will charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided further, that Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar price reductions to volume purchasers;

3.6.4 it will provide and install sufficient additional fixtures, furniture and equipment, if necessary to meet reasonably anticipated public demand for services offered;

3.6.5 it will provide, maintain, train and supervise a staff of employees adequate at all times to fulfill their obligations under this Lease;

- 3.6.6** it will be open for business 365 days a year, at all times reasonably necessary to serve the public, which in the absence of Lessor's agreement in writing to the contrary shall be, on each calendar day during the Term, from one hour before the first scheduled flight until the last scheduled flight.
- 3.6.7** it will obtain and maintain all necessary certificates, permits and licenses required for its operations hereunder;
- 3.6.8** it will display only advertising matter relating to the authorized business of Lessee at the Airport which is in good taste and which complies with the standards of Lessor and will obtain the prior approval of the Airport Management and/or the Airport's Board of Commissioners of all advertising material, including the use of brand name products on its packaging;
- 3.6.9** at all times Lessee's employees performing services shall be neat, appropriately attired, clean and courteous; Lessee shall not permit its agents or employees so engaged to conduct business in a loud, noisy, boisterous, offensive or objectionable manner, to smoke on duty in public view, or to solicit business outside the Premises in any manner whatsoever except through the use of authorized signs;
- 3.6.10** it will meet all expenses in connection with the use of the Premises and the rights and privileges herein granted, including without limitation, taxes, permit fees, license fees and assessments lawfully levied or assessed upon the Premises or structures and improvements situated thereon, and that it will secure all such permits and licenses;
- 3.6.11** it will not interfere with free access and passage in the Terminal generally; will not interfere with effectiveness of heating or ventilating systems; will not install unauthorized locks on any door or window, a key to which has not been provided to the Airport Management; will not permit loitering or sleeping on the Premises; nor do any act which would invalidate, suspend or increase the rate of fire, property or liability insurance required by this Lease or carried by Lessor; and
- 3.6.12** it will operate at the Airport only under a name or names approved by Lessor from time to time.

- 3.7** **New Government Regulation.** In the event Lessor is required to make additional direct expenditures in connection with the implementation of any future federal regulation imposed upon Lessor as a result of Lessee's operation during the term of this Lease, Lessor may call a conference for the purpose of discussing and determining methods of compliance and recovery from Lessee and other affected lessees of cost so incurred, and Lessee agrees to attend and negotiate in good faith regarding its participation in recovery of such costs.
- 3.8** **Manager.** Lessee shall select and appoint, a principal, partner or officer who shall serve as manager of Lessee's operations at the Airport. Such person must be vested with full power and authority to accept service of all notices provided for herein, including those regarding the quality of restaurant and retail goods, and the appearance, conduct and demeanor of Lessee's agents and employees. The manager shall ordinarily be available during regular business hours and shall inform the Airport Management of current telephone/fax numbers of the local office.
- 3.9** **Security Requirements.**
- 3.9.1** Lessee shall provide approved escort for vendor employees, contractors and delivery personnel requiring access to the sterile area of the Terminal.
- 3.9.2** Lessee shall make all necessary future improvements to Lessee's Premises to ensure adequate security, and separation from areas where security measures are carried out under the Lessor's Airport Security Program (the "ASP"), any other Tenant Security Programs, and any exclusive areas in which an airline has assumed responsibility for specified security measures by amendment to the ASP.
- 3.9.3** Lessee shall comply with any applicable provisions of the Lessor's ASP, Security Directives issued by the TSA, and any applicable rules and regulations which may be promulgated by the TSA from time to time, which have been provided to Lessee ("Security Requirements" hereinafter). The Lessor shall provide Lessee with amended or updated Security Requirements when promulgated, and Lessee shall acknowledge receipt pursuant to paragraph 3.13.7 below. Lessee shall submit to inspections by the TSA, the Lessor, Airport Management, and/or their security screening contractor, to ensure compliance, with Security Requirements.
- 3.9.4** Any violation of conformance with Security Requirements will be documented in writing and a copy of the violation notice provided to the

Lessee's Manager in writing. Lessee will investigate the violation and provide a written response and/or corrective action within twenty four (24) hours. A copy of the response will be provided to the Lessor.

3.9.5 To the extent that any action or omission by Lessee, its officers or employees, to follow Security Requirements results in the Lessor being fined, including any type of monetary assessment or penalty (collectively, a "Fine"), by the TSA or any other governmental entity having jurisdiction, Lessee shall promptly reimburse the Lessor for any such Fine, together with the reasonable costs incurred by the Lessor in defending against the proceeding or actions which has resulted in the Fine, including any attorney fees expended by Lessor. The Lessor shall notify Lessee if any such Fine has been proposed, and give Lessee the opportunity to join in the defense of any such proceeding. Lessee shall promptly pay any Fine levied directly against Lessee by TSA or any other governmental entity having jurisdiction, as soon as any protest or appeal process have run or the time for taking them has expired.

3.9.6 Lessee acknowledges that all products delivered and transported to the sterile portion of the Terminal, are subject to inspection by Security Screeners, regardless of by whom they are employed. All Lessee employees, officers and escorted visitors in the sterile area of the Terminal are subject to search, and may be required to provide appropriate credentials.

3.9.7 Lessee acknowledges that all Security Requirements which are shown or provided to it under paragraph 3.9.3 above, are sensitive security information ("SSI") in accordance with 49 CFR Parts 15 and 1520, that Lessee and any involved persons are required to protect the same from unauthorized disclosure, and that civil penalties may be imposed for failure to do so. The Lessee's general manager (the "Manager") is the designated primary point of contact for receiving any SSI which Lessee receives. The Manager will acknowledge receipt of SSI to the Lessor, and confirm any actions taken by Lessee as required by the SSI. All SSI materials shall be stored in secured areas, or locked in secured cabinets, within the Lessee's Premises at the Airport. Materials marked as containing SSI shall be disposed of by shredding.

3.10 Performance Deposit.

3.10.1 On or before March 15, 2015, Lessee must post with Lessor, and Lessor must thereafter continuously maintain for the entire concession Term, a Performance Deposit in an amount equal to \$10,000 to cover Lessee's

performance of all of its obligations under this Lease for the entire concession term. As used in this paragraph, the term Performance Deposit shall mean a performance bond, irrevocable letter of credit, or cash deposit. Lessee shall be responsible for paying all required fees, premiums or other costs associated with obtaining and maintaining the Performance Deposit. In the event Lessee defaults in any of its monetary obligations to the Lessor, the Lessor shall be entitled to collect any and all damages or costs it incurs from the Performance Deposit provided, and if any deficiency remains, Lessor may initiate legal proceedings to recover any remaining damages from Lessee. The Performance Deposit will be returned, less any default payments, to Lessee at the expiration of the lease.

#### IV. OBLIGATIONS OF LESSOR

4.1 Quiet Enjoyment. Lessor covenants that on paying the rent and performing the covenants herein contained, Lessee shall peacefully and quietly have, hold and enjoy the rights granted herein for the agreed term.

4.2 Maintenance and Utilities.

4.2.1 Except as provided in Section 3.3 above, during the term of this Lease, Lessor shall maintain and keep in good repair so much of the Terminal Building, not identified in paragraph 2.2 above, as is not under the exclusive control of individual lessees, in accordance with applicable laws, rules and regulations.

4.2.2 Subject to the terms, conditions, and language of Section 3.1, above, the Lessor shall provide electricity and HVAC to the Premises, so long as Lessee uses no more than is customary for the type of business operated.

#### V. TERM

5.1 Term. Subject to earlier termination as hereinafter provided, the primary term of this Lease shall be for five (5) years, commencing on May 1, 2016 and ending on April 30, 2021, with an option to extend the term of the contract by two (2) additional one (1) year terms at the sole discretion of the Lessor.

5.2 Holding Over. Holding over or failure to vacate the Premises at the end of the primary or any renewal term shall not be construed to be the granting or exercise of an additional term, but shall create only a month-to-month tenancy



which may be terminated by either party upon thirty (30) days' notice to the other.

**5.3** Terminal Remodel and Reconfiguration. The parties acknowledge that the Lessor operates the Airport to serve the public interest. The Lessor acknowledges that it does not currently intend to modify the Terminal during the term of this Lease. Nonetheless, in the event the Lessor determines that the public interest requires modification of the Terminal, to eliminate all or a substantial part of the Premises, or constructs a substitute Terminal building during the term of this Lease, then:

**5.3.1** To the extent reasonably requested by the Lessor, Lessee agrees to consult and cooperate in the design of substitute Premises in such a remodeled Terminal; and

**5.3.2** At the Lessor's option, and providing that any substitute Premises in a remodeled Terminal building are not less in square footage than the current Premises, this Lease shall apply to such substitute Premises, and Lessee agrees to conduct its operations therein pursuant to this Lease.

## VI. TERMINATION, SURRENDER AND DAMAGES

**6.1** Termination by Lessee. Lessee shall have the right, upon written notice to Lessor, to terminate the Lease upon the happening of one or more of the following events if said event or events shall then be continuing:

**6.1.1** The issuance by any court of competent jurisdiction of any injunction, order or decree which remains in force for a period of at least ninety (90) days, preventing or restraining the use by Lessee of all or any substantial part of the Premises, or preventing or restraining the use of the Airport for normal airport purposes or the use of any part thereof which may be used by Lessee and which is necessary for Lessee's operations on the Airport.

**6.1.2** If Lessor shall default in fulfilling any of the terms, covenants or conditions to be fulfilled by it under this Lease and shall fail to cure said default within thirty (30) days following receipt of written demand from Lessee to do so.

**6.1.3** If all or a material part of the Airport or Airport facilities shall be destroyed by fire, explosion, earthquake, other casualty, or acts of God or a public enemy.

**6.1.4** If the United States Government or any of its agencies shall occupy the Airport or any substantial part thereof to such an extent as to interfere materially with Lessee's operation for a period of thirty (30) consecutive days or more.

**6.2** **Termination by Lessor.** Lessor need not terminate this Lease upon default but, at its discretion and without terminating the Lease, may seek specific performance or damages incurred as a result of Lessee's default. However, Lessor shall also have the right to terminate this Lease in the event of any of the following acts of default:

**6.2.1** Failure by Lessee to make any payment due hereunder within five (5) calendar days after notice of the overdue payment is sent to Lessee, in which case, Lessor may, at its option, in addition to other remedies and with or without terminating this Lease, take possession of so much of Lessee's personal property as is reasonably necessary to secure payments of the amounts due and unpaid.

**6.2.2** Failure by Lessee to conduct business at the Airport for a period of five (5) consecutive days without reasonable cause including, but not limited to strikes, work stoppage and equipment failures.

**6.2.3** Default in the performance of any covenant or agreement in this Lease required to be performed by Lessee, other than the payment of money or the occurrence of the events described in this paragraph, and the failure of Lessee to remedy such default for a period of thirty (30) days after receipt from Lessor of written notice to remedy the same.

**6.2.4** Failure to maintain adequate records and accounts reflecting its business and gross receipts.

**6.2.5** An act occurs which results in the suspension or revocation of any right, power, license, permit or authority necessary for the conduct and operation of the business authorized herein for a period of more than fifteen (15) days.

**6.2.6** The interest of Lessee under this Agreement is transferred, passes to or devolves upon, by operation of law or otherwise, any other person, firm or corporation without the written consent of Lessor.

6.2.7 Lessee becomes, without the prior written approval of Lessor, a successor or merged corporation in a merger, a constituent corporation in a consolidation or a corporation in dissolution.

6.2.8 An attachment or execution is levied, a receiver is appointed, or any other process of any court of competent jurisdiction is executed, which is not vacated, dismissed or set aside within a period of thirty (30) days, and which does, or as a direct consequence of such process will, interfere with Lessee's use of the Premises or with its operations under this Agreement.

6.2.9 Lessee becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any state, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property or its property located within the Premises.

6.2.10 Service ceases or deteriorates for any period which, in the opinion of Lessor, materially and adversely affects the operation of service required to be performed by Lessee under this Agreement, including events described in the paragraph above.

6.2.11 Any lien is filed against the Premises because of any act or omission of Lessee and such lien is not removed, enjoined or a bond for satisfaction of such lien is not posted within thirty (30) days.

6.2.12 Lessee voluntarily abandons, deserts, vacates or discontinues its operation of the business herein authorized, including by acts described in the paragraph above. Upon any such default, Lessor shall have any and all remedies available to it in law or equity, which remedies are cumulative and may be exercised by Lessor in any order.

### 6.3 Surrender of Possession.

6.3.1 On the expiration or other termination of this Lease, Lessee's rights to use of the Premises, facilities and described herein shall cease and Lessee shall vacate the Premises without unreasonable delay.

6.3.2 Except as otherwise provided in this Lease, all equipment and other personal property brought or placed by Lessee in, on or about the Airport shall be deemed to be personal property and shall remain the property of Lessee. If Lessee shall not be in default hereunder, Lessee shall have the right at any time during the term of this Lease, or any renewal or extension hereof, and for an additional period of 10 days after the expiration or other termination of this Lease, to remove any or all of such personal property from the Airport, subject, however, to Lessee's obligation to repair all damage, if any, resulting from such removal. Any and all personal property not so removed by Lessee shall become a part of the Premises and title thereto shall vest in Lessor. Lessor may, however, at its option, require and accomplish the removal of said personal property at the expense of Lessee.

6.4 Force Majeure. Neither the Lessor nor Lessee shall be deemed in violation of this Lease if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of aircraft or fuel or tires as the direct result of governmental decree, acts of God, acts of the public enemy, acts of superior governmental authority, weather condition, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which is not under its control.

6.5 Damage or Destruction of Premises.

6.5.1 In the event the Premises are substantially destroyed for any reason, this Lease shall terminate without further liability to Lessor, other than refund of any prepaid rent, unless Lessor elects, within thirty (30) days thereof, to restore or rebuild the Premises, in which case this Lease will be suspended for a period of up to one-hundred eighty (180) days while the Premises are being restored.

6.5.2 In the event that the Terminal is damaged or remodeled in such a manner that the restaurant and/or retail service area must be temporarily removed, Lessee may, subject to Lessor approval, relocate the restaurant and/or retail service area or may remove the same temporarily during such repair or remodeling.

6.5.3 Notwithstanding any of the foregoing, in the event any damage or destruction is caused by an act or omission by Lessee, its subleases, agents or employees, Lessee shall reimburse Lessor for its actual costs incurred in repairing the Premises. Nothing in this Lease shall be construed as a waiver

of the right of Lessor to recover any and all damages from Lessee arising out of the fault or negligence of Lessee.

## VII. ASSIGNMENT AND SUBLETTING

- 7.1 Assignment and Subletting. Lessee shall not at any time assign or sublet their rights under this Lease or any part thereof without the written consent of Lessor. No such assignment or subletting shall release Lessee from its obligations to pay any and all of the rentals and charges and to otherwise perform Lessee's obligations under this Lease.
- 7.2 Successors to Lessor. The rights and obligations of Lessor under this Lease may be assigned by Lessor, at the option of Lessor, without the necessity for the concurrence of the Lessee in any such assignment.

## VIII. OTHER AGREEMENTS

- 8.1 Rules and Regulations. Lessee agrees to observe and obey all laws, ordinances, rules and regulations presently existing or hereafter promulgated with respect to Lessee's operations and use of the Airport and Premises. Nothing herein shall limit the right of Lessee to challenge any rule or regulation, or the application of such rule or regulation to Lessee, or to seek any legal or equitable remedy<sup>[BW1]</sup>.
- 8.2 Lease Subordinate.
- 8.2.1 Lessor shall be free, in the future, to renegotiate the Agreement on such terms and conditions as it deems appropriate and in the public interest, without any consent or approval of Lessee or any other person, and Lessee shall be bound by the terms of such renegotiated agreement.
- 8.2.2 This Lease shall be subordinate to any existing or future agreement between Lessor and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition to the expenditure of federal funds for development of the Airport.
- 8.3 Non-Discrimination. Lessee, in its operations at and use of the Airport, shall not, on the grounds of race, color, national origin or sex, discriminate or permit discrimination against any person or group of persons in any manner prohibited by applicable law; shall abide by the provisions of the non-discrimination provision contained in the Agreement; and shall abide by the provisions of Part

21 of the Rules and Regulations of the Office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964.

- 8.4** Inspection by Lessor. Lessor and/or Airport Management, through its authorized employees and agents, shall have the right at all reasonable times to enter upon the Premises to inspect, to observe the performance by Lessee of its obligations hereunder, and to do any act which Lessor may be obligated to do or have the right to do under this Lease, or under any other agreement to which Lessor is a party or under applicable law.
- 8.5** Service Entrances. Lessor shall have no obligation to provide any special service entrances, including those for utilities, other than those which presently exist in the Terminal. In the event Lessee requires any additional or special service entrances, the same shall be installed at the cost and expense of Lessee.
- 8.6** Improvements on the Premises.
- 8.6.1** Lessee shall provide construction plans, specifications, budgets and schedules for any and all proposed improvements on the Premises. Such plans and specifications shall be subject to Lessor approval. Lessor may reject submissions which are not in accordance with applicable codes, rules, regulations, ordinances and statutes, and which, in its judgment, are inadequate or incompatible with Airport conditions or inconsistent with Airport architectural style and design or with uses not typically made of public use airports.
- 8.6.2** Prior to any construction of improvements, Lessee shall submit to the Airport Management certificates establishing coverage for workers compensation in the amounts and form required by Colorado law, together with all permits and licenses required for construction of such improvements.
- 8.6.3** Any and all improvements permanently placed or constructed on the Premises by Lessee shall, upon termination or sooner expiration of this Lease, be considered part of the Terminal and shall become the sole property of Lessor.
- 8.6.4** In the event any damage or destruction is caused by an act or omission by Lessee, its subleases, agents or employees, by its improvement, remodel, repair, or construction of the Premises, Lessee shall reimburse Lessor for its actual costs incurred in repairing the Premises or any other property of Lessor.

**8.7** Disadvantaged Business Enterprise.

**8.7.1** It is the policy of Lessor that disadvantaged business enterprises, including firms owned and controlled by minorities and/or women as defined in 49 C.F.R. Part 23, shall have maximum opportunity to participate in the performance of its leases.

**8.7.2** In the performance of this Lease, Lessee hereby assures that no person shall be excluded from participation, denied benefits or otherwise discriminated against by Lessee in connection with the award and performance of any contract, including leases, covered by 49 C.F.R. Part 23 on the grounds of race, color, national origin or sex.

**8.7.3** Lessee assures that it will include this Section 8.7 in all Lessor-approved subleases and cause all sublessees to similarly include clauses in further subleases.

**8.8** Bankruptcy. Notwithstanding anything herein to the contrary, in the event that a petition for relief under the United States Bankruptcy Code or under any similar or successor federal, state, or local statute is filed by or against the Lessee (a "Filing"):

**8.8.1** Lessee shall give the Lessor immediate written notice of the Filing; Lessee will promptly confirm the outstanding amount of any obligations hereunder due the Lessor as of the date of Filing; and Lessee will fully and timely perform all obligations arising hereunder commencing as of the date of the Filing.

**8.8.2** Thereafter, Lessee will promptly determine whether it intends to assume or reject the unexpired term of this Lease, if any, and shall promptly advise the Lessor of such determination; and Lessee will not seek to delay the date by which it will make the determination under this subparagraph and obtain any necessary third-party authorization (including court approval) therefore beyond the 60<sup>th</sup> day following the date of the Filing without the prior express consent of the Lessor.

**8.8.3** If Lessee determines that it wishes to assume this Lease, the Lessee will cure all defaults, compensate the Lessor for all damages incurred as a result of such defaults, provide the Lessor with adequate assurances of future performance, and comply with any and all other statutory or legal requirements prior to the effective date of such assumption.

- 8.8.4** If Lessee determines that it wishes to assume this Lease and assign it to a third-party, Lessee will give the Lessor not less than 60 days notice of such intention, provide to the Lessor all pertinent information with respect to the proposed assignee concurrently with the notice, cure all defaults, compensate the Lessor for all damages incurred as a result of such defaults, provide the Lessor with adequate assurances of future performance through the proposed assignee and comply with any and all other statutory or legal requirements prior to the effective date of such assumption and assignment.
- 8.8.5** If Lessee wishes to reject the unexpired term of the Lease, if any, Lessee will not seek to have the effective date of such rejection determined to be a date earlier than the date on which Lessee shall return control and possession of the Preferential Premises to the Lessor in the condition and on the terms set forth herein relevant to the redelivery of possession to the Lessor, and shall fully and timely pay all rent and other charges through the date of such rejection.
- 8.8.6** Lessee shall be deemed to have expressly consented to the modification of the stays of proceedings in any Filing in the event of any post-Filing default by the Lessee under the terms of this Lease for the purpose of allowing the Lessor to exercise any default rights or remedies arising from such default.
- 8.9** Reservation of Lessor Rights. Notwithstanding anything herein to the contrary, the Lessor reserves the following rights:
- 8.9.1** For the use and benefit of the public, the right of flight for the passage of aircraft in the air space above the surface of the Premises, together with the right to cause in that air space such noise as may be inherent in the operation of aircraft utilizing the Airport.
- 8.9.2** During time of war or national emergency, the right to lease the Airport or any part thereof, including the Premises or any part thereof, to the United States Government for military purposes, and, in the event of such lease to the United States for military purposes, the provisions of this Lease shall be suspended insofar as such provisions may be inconsistent with the provisions of the lease to the United States.
- 8.9.3** The right to direct all activities of Lessee at the Airport in the event of an emergency.



**8.9.4** The right to grant other leases, licenses, permits or rights to occupancy or use of the Airport so long as such other grants do not unreasonably interfere with or impair Lessee's rights hereunder or Lessee's occupancy or use of the Premises, and the right to direct changes in the way Lessee conducts its Airport operations in the event that the Lessor determines, in the exercise of its reasonable judgment, that one or more aspects of Lessee's method of operation is unreasonably interfering with the lawful and proper occupancy or use by others of the Airport. Provided, that this reserved right is not intended to allow the Lessor to deny Lessee the basic right to use the Premises for any of the uses permitted hereunder.

**8.9.5** The right to further develop and/or improve the Airport as the Lessor deems appropriate, without interference or hindrance by Lessee, and the Lessor shall have no liability hereunder to Lessee by reason of any interruption to its operations on the Premises occasioned by such development and/or improvement of the Airport; provided, that if Lessee shall be unable to conduct reasonably normal business operations on the Premises by reason of any such development and/or improvement of the Airport, then rent and other fees payable by Lessee hereunder shall be subject to an equitable adjustment during the period of such interruption.

## **IX. MISCELLANEOUS PROVISIONS**

**9.1** **Headings.** The section headings contained in this Lease are for convenience in reference and are not intended to define or limit the scope of any provision.

**9.2** **Time of Essence.** Time is of the essence in this Lease.

**9.3** **Attorneys' Fees.** Lessee agree to pay reasonable legal fees or costs incurred by Lessor, to the extent Lessor is a prevailing party in any legal action brought by Lessor to enforce the provisions of this Lease. Lessee shall not be responsible for such fees or costs if a court of competent jurisdiction finds that Lessor's action was brought without substantial merit or in bad faith.

**9.4** **Non-Waiver.** Waiver by either party of or the failure of either party to insist upon the strict performance of any provision of this Lease shall not constitute a waiver of the right or prevent any such party from requiring the strict performance of any provision in the future.

**9.5** **Limitation of Benefit.** This Lease does not create in or bestow upon any other person or entity not a party to this Lease any right, privilege or benefit unless

expressly provided in this Lease. This Lease does not in any way represent, nor should it be deemed to imply, any standard of conduct to which the parties expect to conform their operations in relation to any person or entity not a party.

- 9.6 Severability. Any covenant, condition or provision herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Lease, but such deletion shall in no way affect any other covenant, condition or provision herein contained so long as such deletion does not materially prejudice Lessor or Lessee in their rights and obligations contained, in valid covenants, conditions or provisions.
- 9.7 Effect of Lease. All covenants, conditions and provisions in this Lease shall extend to and bind the successors of the parties hereto, the assigns of Lessor and to the permitted assigns of Lessee.
- 9.8 Notices. Notices and demands provided for herein shall be sufficient if hand delivered, sent by Certified Mail, Return Receipt Requested, postage prepaid, or sent via nationally recognized overnight courier service to the Lessor at 2828 Walker Field Drive, Grand Junction, Colorado 81506 and to Lessee at 3600 E. Belleview Avenue, Greenwood Village, Colorado 80121 or to such other addresses as the parties may from time to time designate in writing. Notices given in accordance with these provisions shall be deemed received when mailed.
- 9.9 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Colorado, and any action to enforce or interpret its provisions shall be brought in a court in and for Mesa County, Colorado and/or the Federal District Court for the District of Colorado.
- 9.10 Entire Agreement. This Lease embodies the entire agreement between the parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposals, negotiations, understandings and agreements, whether written or oral, provided, however, that Lessee's proposal ("RFP") submitted to Lessor with respect to the operations authorized by this Lease, shall be retained by Lessor and shall become a part of this Lease as if fully set forth herein, and Lessee shall be bound to provide the services and execute the plans set forth therein. All of Lessee's operations on or from the Airport are subject to this Lease.

- 9.11** **Nature of Relationship.** Nothing contained herein shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture, or any association between Lessor and Lessee, it being expressly understood and agreed that neither the method of computation of rent nor any other provisions contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.
- 9.12** **Modification of Agreement.** This Lease may not be altered, modified or changed in any manner whatsoever except by a writing signed by both parties.
- 9.13** **Taxes & Assessments.** Lessee shall timely pay all real and personal property taxes related to its operations hereunder or elsewhere; all local, state and federal income, payroll, and other taxes related to its operations hereunder or elsewhere; all sales and other taxes measured by or related to its sales and service revenues hereunder or elsewhere; all license fees; and any and all other taxes, charges, imposts or levies of any nature, whether general or special, which may at any time be imposed by any local, state or federal authorities having jurisdiction, or that become a lien upon Lessee, Lessor, the Premises, or any improvements thereon, by reason of Lessee's activities under this Lease or elsewhere. Lessee shall have the right, by giving written notice to Lessor of its intention to do so, to resort to any available legal or administrative proceeding to contest or obtain the review of any such tax, charge or assessment at any time before such tax, charge or assessment becomes delinquent. At Lessee's request, Lessor shall assist Lessee in such proceeding. The expense of such proceeding, including all of Lessor's costs and attorney's fees incurred in assisting Lessee in such proceeding, shall be paid by Lessee, regardless of whether Lessor actually attends or participates in the proceeding.
- 9.14** **Certification by Lessee.** Lessee certifies, by signing this Lease, that neither it nor its members, managers, or principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal department or agency.

**IN WITNESS WHEREOF**, the parties have executed this Lease on the 15<sup>th</sup> day of March 2016, effective as of the day and year first above written.

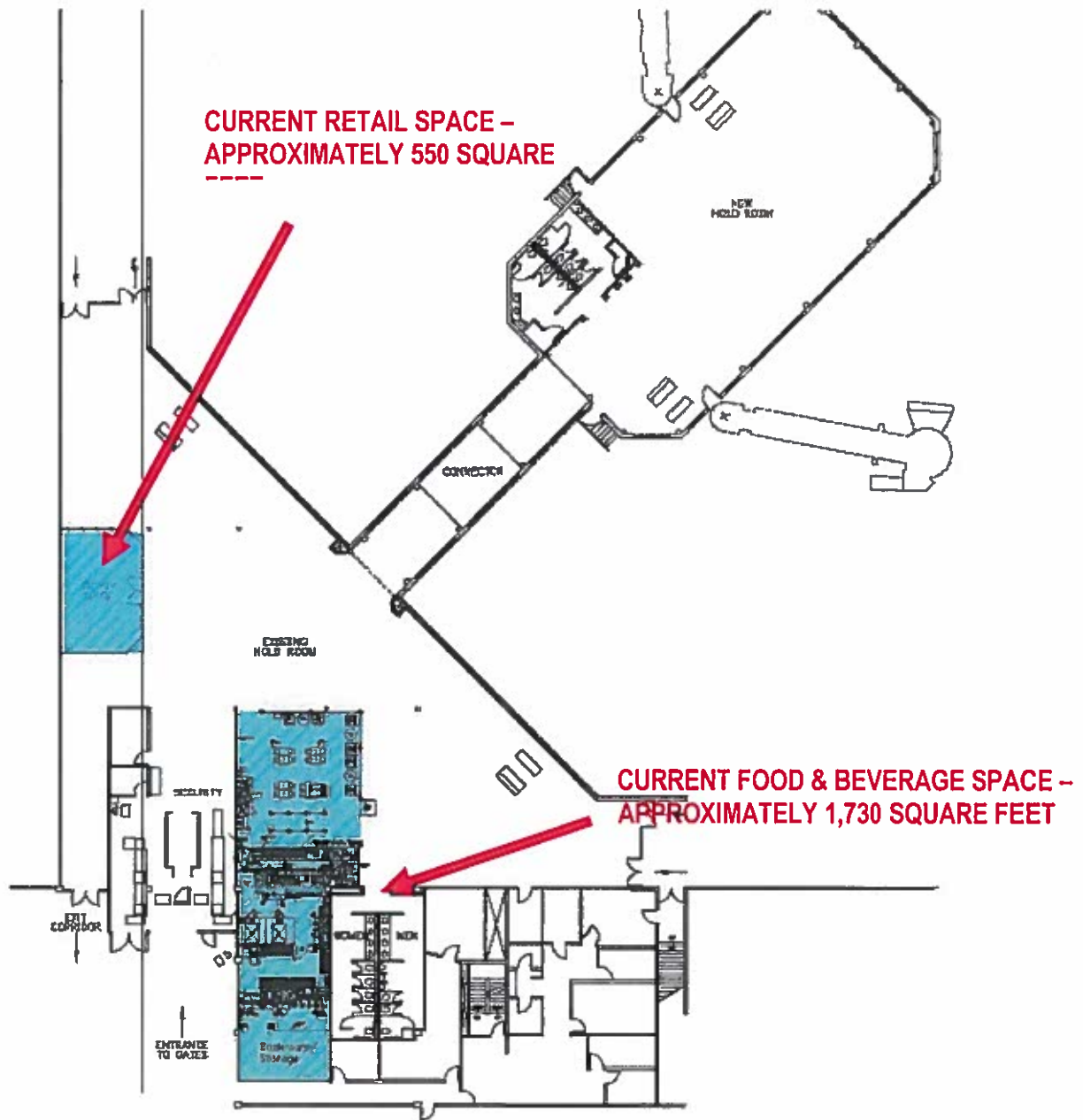
Tailwind GJT, LLC

\_\_\_\_\_ By: Jeff Switzer  
COO, Tailwind GJT, LLC

Grand Junction Regional Airport Authority

\_\_\_\_\_ By: Steve Wood  
Chairman, Board of Commissioners  
Grand Junction Regional Airport Authority

EXHIBIT A



## **FIRST ADDENDUM TO AIRPORT FACILITIES LEASE AND CONCESSION AGREEMENT**

This First Addendum to Airport Facilities Lease And Concession Agreement, hereinafter referred to as "Lease", between Grand Junction Regional Airport Authority, hereinafter referred to as "Lessor", a body corporate and politic and constituting a political subdivision of the State of Colorado, and Tailwind GJT, LLC, a Delaware limited liability company, hereinafter referred to as "Lessee", (collectively, the "Parties") will become effective May 1, 2016.

**WHEREAS**, the Lessor and the Lessee have entered into an Airport Facilities Lease and Concession Agreement (hereinafter "Lease") commencing on May 1, 2016, whereby Lessee agreed to operate the Lessor's terminal building's food, beverage, and retail areas pursuant to a competitive bid process.

**WHEREAS**, the Parties want to add extra square footage as seen in Exhibit 1, which is attached hereto, in the location known as the upper boarding area, gates 2-5, to allow for an expanded food & bar service area;

**WHEREAS**, the Parties agree that unless specifically modified or supplemented by this First Addendum, all other provisions of the Lease remain in full force and effect and that nothing herein is to be construed to affect any other terms, conditions, or provisions of the Lease;

**NOW THEREFORE**, the Parties agree the Lessee will be allowed to expand the food and bar service area by approximately 400 square feet into the upper boarding area, as depicted on Exhibit 1, attached hereto. Lessee will be responsible to be in compliance with all local, state, and federal liquor and food services laws.

**IN WITNESS WHEREOF**, the parties have executed this Lease on the 15<sup>th</sup> day of March 2016, effective as of the day and year first above written.

Tailwind GJT, LLC

\_\_\_\_\_

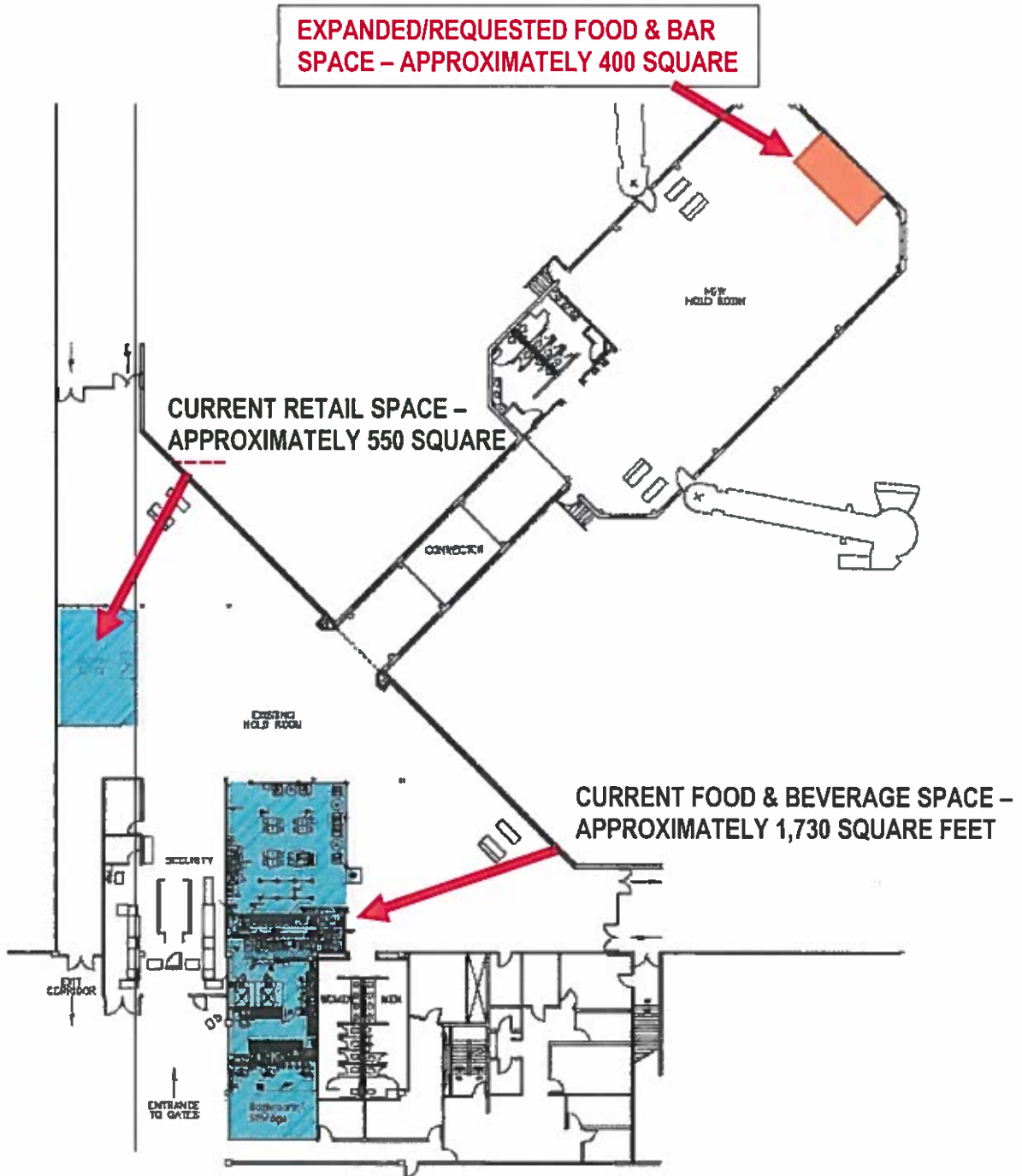
By: Jeff Switzer  
COO, Tailwind GJT, LLC

Grand Junction Regional Airport Authority

\_\_\_\_\_

By: Steve Wood  
Chairman, Board of Commissioners  
Grand Junction Regional Airport Authority

Exhibit 1





## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Armstrong Task Order J
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board Authorize the Chairman to execute Task Order J contingent upon FAA concurrence on the fee amount.
LAST ACTION:	GJRAA entered into a professional services agreement with Armstrong Consultants on January 14, 2014.
DISCUSSION:	<p>Task Order J is for Construction Administration services for AIP 54 – Terminal Air Carrier Apron Reconstruction – Phase I.</p> <p>Staff anticipates soliciting bids for this project immediately. The first phase of the project is anticipated to start in Summer 2016 and last 120 days.</p> <p>Staff is still awaiting the Independent Fee Estimate (IFE) for this task order as of publication of the Board Packet, but the IFE should be received prior to the Board Meeting. Once received, the IFE will be evaluated against Armstrong’s proposed fees and negotiations will be held if necessary.</p> <p>The proposed fees will be presented at the Board Meeting.</p> <p>The FAA will need to provide concurrence on the fairness of the fee, therefore it is staff’s recommendation that the Task Order be approved contingent upon FAA concurrence.</p>
FISCAL IMPACT:	To Be Determined.
COMMUNICATION STRATEGY:	N/A
ATTACHMENTS:	1. Task Order J 2. Email RE: FAA concurrence on Scope of Work
STAFF CONTACT:	Ben Johnson <a href="mailto:bjohnson@gjairport.com">bjohnson@gjairport.com</a> Office: 970-248-8596 Cell: 970-712-9554

**TASK ORDER J  
ATTACHMENT TO  
PROFESSIONAL SERVICES AGREEMENT  
BETWEEN SPONSOR AND ENGINEER,  
DATED \_\_\_\_\_, 2016**

**FURTHER DESCRIPTION OF SERVICES OF ENGINEER**

1. This Attachment is made a part of and incorporated by reference into the Professional Services Agreement made on January 14, 2014, between **GRAND JUNCTION REGIONAL AIRPORT AUTHORITY (Sponsor)** and **ARMSTRONG CONSULTANTS, INC., (Engineer)** providing for professional engineering services. The Services of Engineer as described in Section 1 of the Agreement are amended or supplemented as indicated below and the time periods for the performance of certain services are stipulated as indicated below.

2. **LOCATION** – Grand Junction Regional Airport, Grand Junction, Colorado

3. **WORK PROGRAM** – Attached

**Element 1 – TERMINAL AIR CARRIER APRON (PHASE 1)**

4. **FEES** - The fees will be as noted below. (All fees are lump sum unless otherwise noted)

<b>Element 1 – Bidding Services</b>	\$XX,XXX.xx
<b>Element 1 – Construction Period Services</b>	
Construction Administration Services	\$XX,XXX.xx
Construction Inspection Services	See Attached Rate Sheet
Acceptance Testing Services	\$XX,XXX.xx
<b>Element 1– Project Closeout</b>	\$XX,XXX.xx
<b>Engineering Total<sup>1</sup></b>	\$XX,XXX.xx

*1) Total includes estimated Construction Inspection fees listed on rate sheet*

**SPONSOR:  
GRAND JUNCTION REGIONAL  
AIRPORT AUTHORITY**

**ENGINEER:  
ARMSTRONG CONSULTANTS, INC.**

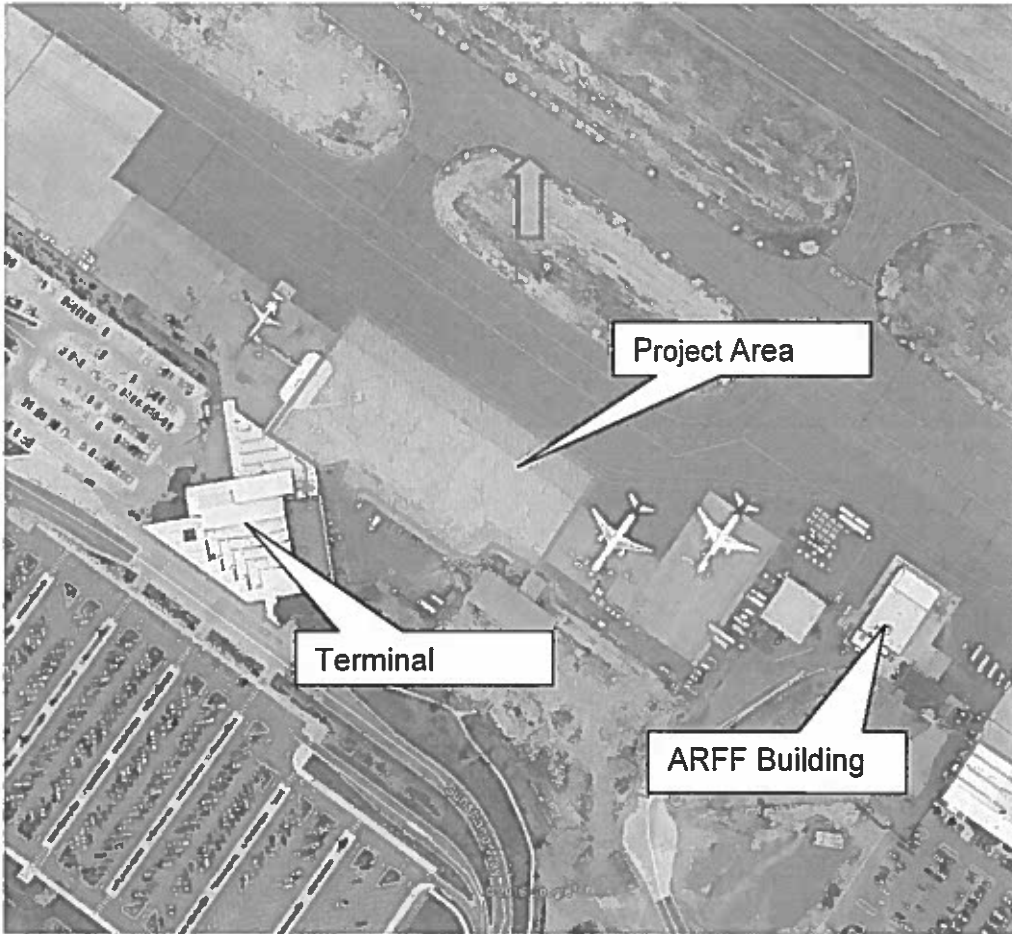
\_\_\_\_\_  
Steve Wood, Airport Board Chairman

\_\_\_\_\_  
Dennis Corsi, President

**CONSTRUCTION INSPECTION SERVICES RATE SHEET:**

DIRECT EXPENSES					
Position	Regular Hourly Rate	Overtime Hourly Rate	Estimated Regular Hours	Estimated Overtime Hours	Estimated Total
Principal	\$232.00	-		-	
Project Manager	\$164.00	-		-	
Project Engineer	\$127.00	-		-	
Field Eng Supervisor	\$155.00	-		-	
Resident Inspector	\$118.00				
Clerical	\$84.00				
<b>ESTIMATED TOTAL DIRECT FEES</b>					
REIMBURSABLE EXPENSES					
Expense	Rate	Estimated Quantity	Estimated Total		
Per Diem	\$140/day				
Vehicle Expenses	\$0.54/mile				
<b>ESTIMATED TOTAL REIMBURSABLE FEES</b>					
<b>TOTAL ESTIMATED CONSTRUCTION INSPECTION FEES</b>					





## I. PROJECT DEVELOPMENT

The project development phase is intended to complete the necessary preliminary actions required to initiate the project in accordance with established Federal, State and Local policies and procedures.

Tasks include:

1. Conduct a pre-design meeting/scoping conference with the Sponsor and FAA ; establish parameters for the project definition and work areas, budget, schedule, and needs for topographic survey and geotechnical investigations
2. Develop preliminary cost estimates for the proposed work.
3. Develop a draft Scope of Work narrative for review and approval. The Sponsor may be required to have an independent fee estimate (IFE) performed to validate the proposed engineering fees. The Engineer will assist the Sponsor in getting reimbursed for the cost of this IFE as part of the grant by preparing a request for reimbursement. Upon receiving approval of the scope of work narrative, engineering fees will be calculated and provided with the final Scope of Work. The Engineer will assist the Sponsor in preparing a Record of Negotiations to document the fee negotiation performed for the project.
4. Prepare final Scope of Work and Contract.
5. A Categorical Exclusion (CatEx) package was completed with the design effort.
6. Prepare Preliminary FAA Grant Application. This task consists of preparing the federal grant application. The application will be completed prior to project bidding. Preparation of the application will include the following:
  - a. Prepare the following forms: SF424 and FAA Form 5100-100
  - b. Prepare Project Narrative discussing the purpose and need of the work and the method of accomplishment.
  - c. Prepare Project Sketch to be included in FAA Grant Application.
  - d. Prepare Preliminary Cost Estimate.
  - e. Prepare the Sponsor's Certifications. This is to be included with the FAA Grant Application.
  - f. Attach the current Grant Assurances.

The Engineer will submit the application to the Sponsor for approval and signatures.

7. Develop work schedules for construction. This task involves dividing the construction work into schedules to allow for maximum contract award flexibility in cases of limited available funds, and allow the project to be executed in a manner that minimizes the disruption of the airport aircraft operations.
8. Submit final CSPP by uploading it to the OE/AAA website. Alternatively, at the request of the FAA PM, the CSPP may be submitted directly to the FAA PM. The CSPP will be coordinated, by the FAA Program Manager, with other FAA Lines of Business (LOBs). Comments received by the FAA LOBs will be incorporated into the CSPP prior to submitting the bid advertisement for the project.

9. Coordinate with the Air Traffic Control Tower (ATCT) Manager to inform them of the project scope, and provide them with a CSPP. This will be done by a phone call followed by an e-mail and will provide approximate dates of construction. If necessary the Engineer will assist with the Safety Risk Management evaluation as required.
10. Assist the Sponsor in coordination with other users including advising airport users of construction activities and schedules.
11. Complete and submit the National Airspace System (NAS) Strategic Interruptions Service Level Agreement form online. This form will be submitted a minimum of 45 days prior to the start of construction.
12. Prepare and/or assist with necessary forms:
  - a. Sponsor Quarterly Report
  - b. Standard Form 271
  - c. Standard Form 425

DRAFT

## II. BIDDING SERVICES

During the bidding phase of the project, the Engineer will assist the Airport in advertising and letting the project for bid. Engineer will assist in dialogue with potential bidders to quantify bidder questions assist Sponsor in attaining economic bids.

1. Update construction plans. The Engineer will update construction plans originally developed under AIP 3-08-0027-053-2015 will be updated to reflect any necessary changes due to items that have changed since the original design was completed.
2. Update contract documents. The Engineer will prepare the contract documents including invitation for bids, instructions to bidders, proposal, equal employment opportunity clauses and applicable wage rates, construction contract agreement, performance bond, payment bond, general and special provisions. Preparation will include establishing the location for the bid opening and description of the work schedule. Contract documents will be prepared as early as possible during the design phase and submitted to the FAA and Owner for review.
3. Update technical specifications. The Engineer will update and assemble the technical specifications necessary for the intended work. Standard FAA specifications will be utilized where possible. Additional specifications will be prepared to address work items or material that is not covered by the FAA specifications.

The standard specifications to be utilized for Element 1 may include the following items:

Item P-152	Excavation and Embankment
Item P-153	Controlled Low Strength Material
Item P-154	Subbase Course
Item P-156	Temporary Air and Water Pollution, Soil Erosion and Siltation Control
Item P-209	Crushed Aggregate Base Course
Item P-306	Lean Concrete Base Course
Item P-401	Plant Mix Bituminous Pavement
Item P-501	Portland Cement Concrete Pavement
Item P-603	Bituminous Tack Coat
Item P-604	Compression Joint Seals for Concrete Pavements
Item P-605	Joint Sealants for Concrete Pavements
Item P-610	Structural Portland Cement Concrete
Item P-620	Runway and Taxiway Painting
Item D-701	Pipe for Storm Drains and Culverts
Item D-705	Pipe for Underdrains for Airports
Item D-750	Trench Drains
Item D-751	Manholes, Catch Basins, Inlets and Inspection Holes
Item D-754	Concrete Gutters, Headwalls, and Miscellaneous Drainage Structures
Item T-901	Seeding
Item L-110	Airport Underground Electrical Duct Banks and Conduits
Item L-115	Electrical Manholes and Junction Structures

The added technical specifications for Element 1 may include but not be limited to the following items:



Item Special-2  
Item Special-6

Pavement Removal  
Watering

4. Update Special Provisions. The Engineer will update contract special provisions originally developed under AIP 3-32-0027-053-2015 will be updated to reflect any necessary changes due to items that have changed since the original design was completed.
5. Prepare and submit final plans, Engineering Design Report, and specifications. Copies will be submitted to the FAA and Owner. A final set of the Engineering Design Report, plans, specifications and contract documents will be prepared which incorporates revisions, modifications and corrections determined during the FAA and Owner's review.
6. Assist the Sponsor with advertising and interpretation the project requirements. Plans and specifications will be available via the web site of Armstrong Consultants. The Sponsor and FAA will be given a hard copy set of the Plans and Specifications.
7. Provide technical assistance and recommendations to the Airport during construction bidding.
8. Assist with pre-bid conference which will be conducted at the Airport. Answer Contractor questions and issue necessary clarifications and addenda.
9. Attend bid opening which will be conducted at the Terminal Building on the date and time agreed by the Sponsor.
10. Prepare an abstract of bids, perform necessary review of the bids to determine responsiveness, and prepare award recommendation letter. The DBE goal and all bidding requirements will be reviewed for responsiveness. Any issues or concerns that arise from the bidding documents will be brought to the attention of the Sponsor for clarification.
11. Assist Sponsor by attending Airport Board meeting to answer questions regarding the Award Recommendation. Assist Sponsor in preparation of Notice of Award document.
12. Assist in award notification to successful bidder and notify and return bid bonds to the unsuccessful bidders.

### **III. CONSTRUCTION PERIOD SERVICES**

During the construction phase of the project, the Engineer will assist the Airport with monitoring, documenting progress for quality and cost control and overall grant administration during construction.

Activities include:

#### **A. Construction Administration Services**

1. Prepare construction contract documents for successful bidder, including contract agreement, bond forms, certificates of inclusion, and Notice to Proceed. Review contractor's bonds, insurance certificates, construction schedules.
2. Provide Sponsor and FAA with hard copies of the Contract Documents, Specifications, and Construction Plans (digital copies upon request). Provide Contractor with digital copies of the Contract Documents, Specifications, and Construction Plans; complete with all addenda.
3. Review and accept the Contractor's Safety Plan Compliance Documents prior to issuing the Notice to Proceed.
4. Prepare a 7460-1 for the Contractor's Batch Plant, Crane, or other equipment required by the Contractor, if necessary.
5. Coordinate a Construction Management Plan with the Contractor prior to paving operations commencing.
6. Conduct pre-construction conference.
7. AGIS survey requirements will be conducted as a part of this contract or project. New project pavement "as-built" information with attached metadata will be uploaded to the FAA AGIS system and statically tied to local NGS control information in accordance with FAA Advisory Circular 150/5300-18B. The work does not include changing details of existing approach procedures or setting new Primary or Secondary Airport Control Station (PACS or SACS) monuments or verifying inclusion to the NSRS.
8. Identify local survey control points used for project design and layout. Engineering staff will assist, as necessary, the resident inspector during construction by compiling and sending supplemental information regarding issues arising during construction, and developing alternative project solutions based on site conditions discovered during construction.
9. Provide technical assistance and recommendations to the airport during construction.
10. Conduct pre-paving conference to review Contractors laydown, testing and surveying plans.
11. Prepare change orders and supplemental agreements, if required; including appropriate cost/price analyses. All coordination of change orders will be provided by the Engineer.

12. Prepare and confirm monthly payment requests. Payment requests will be reviewed for accuracy with contractor and resident inspector. Engineer will prepare FAA payment documents for the Sponsor; including interviews on the Contractor's and Subcontractor's employees and the review of their weekly payroll reports. The Sponsor will be required to complete the payment reimbursement through the FAA e-invoicing system.

#### **B. Construction Inspection Services**

1. Provide review of all submittals for materials to be used on the project. Review all shop drawings items as required during construction.
2. Provide a full time resident inspector to monitor and document construction progress for Element 1, confirm conformance with schedules, plans and specifications, measure and document construction pay quantities, document significant conversations or situations, document input or visits by local authorities, etc. Maintain daily log of construction activities.
3. Prepare and submit weekly inspection reports. Reports will be submitted to the FAA and Sponsor no later than the following week that the report references.
4. Conduct final project inspection with the Sponsor, FAA and the contractor. Any punch list items will be noted and coordinated with the contractor for necessary action.

#### **C. Acceptance Testing Services**

1. Acceptance Testing will be conducted by a subconsultant hired by the Engineer in accordance with the requirements listed in the technical specifications developed for the project for the following items:

Item P-152	Excavation and Embankment
Item P-154	Subbase Course
Item P-209	Crushed Aggregate Base Course
Item P-306	Lean Base Course
Item P-401	Plant Mix Bituminous Pavement
Item P-501	Portland Cement Concrete Pavement
Item P-610	Structural Portland Cement Concrete

#### **IV. PROJECT CLOSEOUT**

During the project closeout phase of the project, the Engineer will assist the Sponsor with compiling all of the reports, documents, and other items necessary to successfully close out the associated grant and provide an accurate historical record for the project.

Activities include:

1. Prepare Summary of Tests report to document the acceptance testing performed on the project.
2. Assist the Sponsor with completing all necessary grant closeout certifications and forms,
3. Update Pavement Strength Survey form as necessary to reflect new pavement construction.
4. The Airport Layout Plan will not require an update as part of this project.
5. Prepare record drawings, indicating changes made to the design during construction. The FAA and Sponsor will each receive one copy of the record drawings in half size (11"x17") format as well as one in electronic format on a CD.
6. Prepare Final Engineers Report. The final report will follow the current FAA AIP Final Report guidance. The Final Engineer's Report must be submitted to and approved by the FAA prior to final payment authorization to the Contractor and Engineer.
7. Assist Sponsor in preparing final SF425 and SF271 forms and grant closeout letter.

## Ben Johnson

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**From:** Marc.C.Miller@faa.gov  
**Sent:** Friday, February 19, 2016 10:18 AM  
**To:** etrinklein@armstrongconsultants.com; Brian Harrison; Ty Minnick; Ted Balbier; Chance Ballegeer; Ben Peck; Ben Johnson  
**Cc:** dennis@armstrongconsultants.com; david@armstrongconsultants.com; Steve Wood; chris@armstrongconsultants.com  
**Subject:** RE: GJT Terminal Air Carrier Apron | Construction Phase I (Scope of Work)

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Good morning,

We have reviewed the Scope of Work (SOW) for the Rehabilitation of the Terminal Air Carrier Apron (Phase 1). Please add the submittal of an Engineer's Report to the Bidding Services section in conjunction with the preparation and submittal of the Plans and Contract Specifications. Otherwise, it looks good and we have no objection to the SOW.

Thank you for providing our office the opportunity to review and comment, and please do not hesitate to contact us if you have any questions or concerns.

Sincerely,

Marc Miller  
Colorado Engineer / Compliance Specialist  
Federal Aviation Administration  
Denver Airports District Office  
303.342.1282  
303.342.1260 (fax)

---

**From:** Eric Trinklein [mailto:etrinklein@armstrongconsultants.com]  
**Sent:** Friday, January 29, 2016 10:21 AM  
**To:** bharrison@gjairport.com; Miller, Marc C (FAA); Ty Minnick; tbalbier@gjairport.com; cballegeer@gjairport.com; bpeck@gjairport.com  
**Cc:** Dennis Corsi; David Hartmann; Steve Wood <SWood@gjairport.com> ; Chris Nocks  
**Subject:** GJT Terminal Air Carrier Apron | Construction Phase I (Scope of Work)

Attached is a draft scope of work for Bidding and Construction Services for Phase I of the Terminal Apron Construction. Please provide any comments and we will incorporate those comments into the Final Scope.

Once everyone agrees on the Scope language, we can begin calculating Fees.

Feel free to contact us with any questions.

Thank you,



Eric W. Trinklein, P.E.  
Airport Engineering Project Manager

861 Rood Avenue, Grand Junction CO 81501  
O: 970.242.0101 F: 970.241.1769  
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## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Non-Standard aeronautical ground lease agreement with Colorado Parks and Wildlife
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board consent to the non-standard aeronautical lease agreement between the CPW and the Grand Junction Regional Airport, and authorize the Board Chairman to execute the Agreement.
LAST ACTION:	N/A
DISCUSSION:	Currently the CPW has a ground lease agreement with the airport that has been extended yearly for the past 2 years. CPW Hangar is located just south west of the self-fueling station. CPW wants to move to the new standard ground lease. But because CPW is a state entity and they cannot oblige with some of the requirements in our typical aeronautical ground lease agreement, this agreement is now considered a non-standard aeronautical use ground lease and must be board approved.
FISCAL IMPACT:	CPW lease agreement for 15-16 is \$942.30 annually
COMMUNICATION STRATEGY:	N/A
ATTACHMENTS:	Aeronautical use ground lease between GJRAA and CPW with comments from CPW about the requirements they cannot oblige too.
STAFF CONTACT:	Chance Ballegeer Airport Security Coordinator Email: <a href="mailto:cballegeer@gjairport.com">cballegeer@gjairport.com</a> Office: 970-248-8586

**AERONAUTICAL USE GROUND LEASE**

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

**Between**

**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY  
800 Eagle Drive  
Grand Junction, CO 81506  
("GJRAA")**

**And**

**STATE OF COLORADO  
acting by and through the  
Department of Natural Resources,  
for the use and benefit of the Division of Parks and Wildlife  
and the Parks and Wildlife Commission  
1313 Sherman Street Denver, CO 80203**

**("Lessee")**

**Dated: April 1, 2016**



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## AERONAUTICAL USE GROUND LEASE

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

### Recitals

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

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

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

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

### 1. Article 1: Basic Lease Information

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

1.1 Date of Mutual Execution. April 1, 2016

1.2 Lessee. Colorado Division of Parks and Wildlife

1.3 Lessee's Trade Name. CDOW

1.4 Lessee's Address and Telephone Number. 1313 Sherman St; Denver, CO 80203

1.5 GJRAA'S Address and Telephone Number. 800 Eagle Drive, Grand Junction, Colorado 81506; (970) 244-9100

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

1.7 Commencement Date. April 1, 2016

1.8 Expiration Date. June 30, 2026

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

1.10 Monthly Ground Rent. The Monthly Ground Rent shall initially be \$ (THIS SHALL BE AT THE MARKET RATE SET BY THE AUTHORITY) per year, paid monthly at \$78.52, based on the area of the Premises, other than the Object Free Area ("OFA"). Lessee will not be obligated to pay rent for the OFA, but Lessee will be responsible for all maintenance and other improvements required for the OFA. For the remaining (non-OFA) area of 0 square feet of the Premises, (6,650 - 0 = 6,650) the above rent will be calculated as follows: \$ .1417 per square foot x 6,650 square feet = \$ 942.30 + 12 months = \$ 78.52.

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

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

1.13 Premises Square Footage. The Premises consist of a total of 6,650 square feet, which includes 0 square feet of OFA and 0 square feet of other area

1.14 Date to Complete Improvements. (INSERT DATE IF APPLICABLE)

1.15 Additional Provisions. (INSERT IF APPLICABLE)

1.16 Improvements. Improvements shall include the aircraft hangar or other structure that has been constructed and erected, or which is to be constructed or erected on the Premises, as well as all hangar flooring, lighting, paving, fencing, grating and surfacing, underground and overhead wires, doors, cables, pipes, tanks and drains, and all property of every kind and nature, which is attached to the Premises or which may not be removed without material injury to the Premises.

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

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

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

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

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

2.4 Inspection by GJRAA. The GJRAA, through its authorized agents, shall have the right, at all reasonable times, and after notice to Lessee when practical, to enter upon the Premises to inspect, to observe the performance by Lessee of its obligations hereunder, and to do any act which the GJRAA may be obligated to do or have the right to do under this Lease, any other agreement to which the GJRAA is a party, or pursuant to any applicable law or regulation. Without

diminishing the GJRAA's rights to inspect and perform under this paragraph, the acts of the GJRAA shall not unduly burden or interfere with Lessee's operations on the Premises.

**3. Article 3: Lease Term and Options**

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

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

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

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

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

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

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

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

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

(c) The granting of any Additional Option would not violate any FAA Grant Assurance or the provisions of any applicable law or regulation.

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

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

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

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

#### 3.4 Repair and Maintenance Punch-List.

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



maintenance to be completed by Lessee shall be for the purpose of restoring the Improvements on the Premises to their original state, excepting reasonable wear and tear.

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

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

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

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

4.2 CPI Adjustment. The Monthly Ground Rent for the Premises may be adjusted by the increase or decrease in the Consumer Price Index, using the U.S. City Average for all urban consumers ("CPI-U"), all items index, set forth in the October to October report published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twenty-four (24) month period ending in the calendar year immediately preceding the calendar year in which the annual cost-of-

living adjustment is to be made, or the period since the Commencement Date of this Lease, whichever is less. The initial CPI adjustment under this Lease shall be made on April 1st of the first even calendar year after the calendar year in which the Commencement Date falls, and every even year thereafter. If the CPI-U index is no longer published by the U.S. Department of Labor, the parties to this Lease, as well as any successors or assigns, shall use the U.S. Department of Labor index or report most closely approximating the CPI-U.

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

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

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

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

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

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

Commented [jpc1]: DELETED SECURITY DEPOSIT SECTION. State doesn't pay security deposits

## **5. Article 5: Improvements**

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

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

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

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

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

5.2 **Cost of Improvements; Bond.** Lessee shall construct all Improvements, alterations, and additions to the Premises at its own expense. If Lessee constructs improvements, alterations and/or additions, the same shall be constructed at Lessee's sole initiative and behest, and nothing herein shall be construed as an agreement by the GJRAA to be responsible for paying for them, and neither the Premises, nor the GJRAA's interest in said Premises or any Improvements, alterations or additions constructed thereon, shall be subjected to a mechanic's lien for any Improvements or alterations constructed by Lessee hereunder.

5.3 **Timing of Construction.** The Parties to this Lease, as well as their successors and/or assigns, hereby agree that Lessee shall have eighteen (18) months from the Commencement Date to obtain a Certificate of Occupancy or to otherwise fully develop the Premises. If such development is not timely commenced or completed, or if due diligence in pursuing such development is not demonstrated to the satisfaction of the GJRAA, then the GJRAA, in its sole discretion, shall have the right to terminate this Lease, and all of Lessee's interest in the Premises shall revert back to the GJRAA. If, however, Lessee has commenced development and is diligently pursuing completion of the development, but such development will not be completed within the eighteen (18) month period allowed, then Lessee may petition, in writing, the GJRAA for an extension of time to complete the development. An extension of time to complete the development is not automatic upon application, but may be granted at the sole discretion of the GJRAA. If such

extension is not granted, then the GJRAA shall have the right to declare the Lease void, and all of Lessee's interest in the Premises shall revert back to the GJRAA. The GJRAA makes no representations or warranties with regard to the above contingencies, and Lessee undertakes such efforts solely at its own risk.

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

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

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

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

**Commented [jpc2]:** State can't indemnify and hold harmless.

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

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

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

## 7. Article 9: Assignment and Subleasing

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

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

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

9.4 Assignment by the GJRAA. The GJRAA may assign its interest herein, without the consent of Lessee, to any successor operator or proprietor of the Airport. The GJRAA shall

**Commented [jpc3]:** For this entire section: 1) state is self-insured and 2) can't indemnify/hold harmless.

give prior written notice to Lessee of any such assignment and of its rights and obligations hereunder.

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

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

10.2 Subordination. This Lease shall also be subject and subordinate to the requirements of any existing or future contracts or agreements between the GJRAA and Federal, State, or local governments, or any agencies thereof, and to the requirements of any Federal, State, or local statutes, rules, regulations, or directives governing the operation of the Airport, and the GJRAA shall not owe any damages to Lessee, such as lost profits or revenues, as a result of its compliance with said contracts, statutes, rules, regulations, or directives. The GJRAA shall also be excused from its obligations to pay Lessee eminent domain compensation under Article 12, below, or to provide substitute leasehold premises pursuant to Article 13, below, unless the payment of compensation or provision of substitute premises is specifically directed by the contract, statute, rule, regulation or directive involved.

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

10.4 Security. Lessee is wholly and completely responsible for, and shall comply with, all requirements of the Transportation Security Administration of the United States Department of

**Commented [jpc4]:** This is, again, in effect an indemnification. I hope the Airport knows after 30 years with DOW/CPW that we appropriately will take care of any violations.

**Commented [jpc5]:** LANGUAGE TO BE DELETED: If the Airport insists in leaving the latter part of this section alone, then we will 1) need to get a waiver from the State Controller and 2) limit a maximum amount.

Homeland Security with respect to security of the gates, doors or other entryways leading to the Airport's air operations area from the Premises.

**9. Article 11: Nondiscrimination**

**Commented [jpc6]:** Unfortunately, this entire section includes indemnification and incurring potential obligations for unappropriated expenses.

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

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

11.3 This Lease is subject to the requirements of the US Department of Transportation's regulations governing nondiscrimination. Lessee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, age, religion, sex, or disability, in connection with the award or performance of any operating agreement relating to this Lease. Lessee further agrees to include the preceding statements in any subsequent sub-operating agreements at the Airport that it enters into and to cause those businesses to similarly include the statements in further agreements, as required by FAA Rules, Regulations and Directives.

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

11.5 Lessee assures that it shall undertake an affirmative action program if so required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E on the grounds of race, creed,

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

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

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

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

12.3 The GJRAA has the right to substitute Comparable Areas for all or any portion of the Premises, and any additions, alterations or improvements thereon, should the GJRAA, in its sole discretion, determine that a taking of the Premises, or any portion thereof or any Improvement thereon, is required for Airport purposes. In the event that the GJRAA elects to exercise its right to substitute, all title, right and interest to the portion of Premises that is taken shall immediately vest in the GJRAA. Furthermore, the GJRAA may require Lessee to vacate the portion of the Premises taken. For the purposes of this Article, the term "Comparable Areas" is defined to mean a parcel of land within the Airport, or any additions or extensions thereof, similar in size to the Premises and brought to the same level of improvement as the Premises. The GJRAA shall bear all expenses of bringing the substituted area to the same level of improvement as the Premises, and of moving Lessee's improvements, equipment, furniture, and fixtures to the substituted area. If any of Lessee's improvements, equipment, furniture, or fixtures cannot be relocated, the GJRAA shall



replace, at GJRAA's expense, such non-relocatable improvements and other property with comparable property in the Premises, and the GJRAA shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Lessee, or any other third party whomsoever. It is the specific intent of this subparagraph that Lessee be placed, to the extent possible, in the same position it would have been, had the GJRAA not substituted new premises for the Premises; provided, however, that the GJRAA shall not be obligated to reimburse Lessee for any damages, including lost profits or revenues, due to such substitution, should the GJRAA elect to exercise its right to substitute.

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

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

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

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

revenues, that Lessee may incur, and without being deemed to have terminated this Lease as a result thereof.

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

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

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

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

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

## **12. Article 14: Cooperation with GJRAA in Collecting Fees**

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

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

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

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

### **13. Article 15: Expiration and Termination**

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

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

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

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

#### **14. Article 16: Default and Remedies**

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

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

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

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

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

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

16.2.1 The GJRAA may, with or without terminating this Lease, bring and maintain any action for any amount due and unpaid and/or for specific performance. The GJRAA's damages shall be the total of all rent and costs and expenses of performance of all other covenants of the Lessee as herein provided due or to become due for the remainder of the lease term, together with the GJRAA's costs, incurred in retaking possession of the Premises, and bringing and pursuing the action. However, if the GJRAA obtains a judgment against Lessee for damages due to Lessee's breach or default of this Lease, and the GJRAA then leases the Premises to a third-party, the GJRAA shall offset the judgment against the Lessee with any amounts the GJRAA may realize from leasing the Premises to that third-party for the remainder of the lease term with

Commented [jpc7]: Can't pay attorney's fees.

Lessee, after deducting the GJRAA's costs and expenses incurred in connection with obtaining the judgment against the Lessee, as well as leasing the Premises to that third-party, which includes, but is not limited to, redecorating, altering, building, constructing, etc., to prepare the Premises for the lease to the third-party. The GJRAA shall have the sole discretion to determine the terms and conditions of leasing the Premises to the third-party.

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

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

Commented [jpc8]: Can't pay attorney's fees.

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

Commented [jpc9]: Can't pay attorney's fees.

16.3 In the event the GJRAA re-leases the Premises as authorized above, any and all of Lessee's improvements, structures, furniture, furnishings, equipment, and trade fixtures that are in or on or about the Premises may be used by the GJRAA or its new Lessee until the expiration of the term, without any liability for rent, compensation, or other charge therefor; however, in such case, if on the expiration of the term or on an earlier termination of this Lease, the total net amount so collected or received by the GJRAA from and through any such re-leasing or operation has exceeded the total amount accrued and due and unpaid from the Lessee, then such excess shall be applied to the Lessee.

16.4 Whenever a right of reentry is given to the GJRAA by the terms of this Lease, the GJRAA may exercise the same by agent or attorney, and with or without legal process, such

process and demand for possession of the Premises being expressly waived by Lessee, and GJRAA may use all force necessary to make such entry and/or hold the Premises after such entry and/or to remove Lessee and/or any other person and property from the Premises; and the GJRAA shall be entitled, on application to a court of competent jurisdiction, to have a receiver appointed in aid of the enforcement of any remedy herein provided.

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

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

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

#### **15. Article 17: Miscellaneous Provisions**

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

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

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

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

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

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

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



17.8 Lessee Representations. Lessee represents that Lessee is the owner of, or fully authorized to use any and all services, processes, machines, articles, marks, names, or slogans used by Lessee in Lessee's operations under this Lease. Lessee, and those individuals executing this Lease on behalf of Lessee, represent that they are familiar with C.R.S. §18-8-301, *et seq.* (Bribery and Corrupt Influences) and C.R.S. §18-8-401, *et seq.* (Abuse of Public Office) and that they are unaware of no violations of the provisions thereof with respect to this Lease or operations to be conducted hereunder. With respect to Lessee, the undersigned represents he/she is authorized to execute this Lease on Lessee's behalf, and Lessee shall be bound as a signatory to this Lease by his/her execution of this Lease. Lessee also certifies, by signing this Lease, that neither it nor its principals, members, or managers are presently debarred, suspended, proposed for debarment, declared ineligible, or are voluntarily excluded from participation in this Lease by any federal department or agency. Lessee further agrees, by signing this Lease, that it will include this clause, without modification, in all subleases.

Commented [jpc10]: Can't indemnify/hold harmless.

Commented [jpc11]: State can't warrant.

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

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

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

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

Commented [jpc12]: Cannot pay attorney's fees

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

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

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

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

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

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

## 18 COLORADO SPECIAL PROVISIONS

These Special Provisions apply to all Contracts except where noted in italics.

### 18.1 1. CONTROLLER'S APPROVAL. CRS §24-30-202 (1).

This Contract shall not be valid until it has been approved by the State Controller or designee.

Commented [jpc13]: These are the OSC Special Provisions

**18.2**                    **2. FUND AVAILABILITY. CRS §24-30-202(5.5).**

Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

**18.3**                    **3. GOVERNMENTAL IMMUNITY.**

No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

**18.4**                    **5. COMPLIANCE WITH LAW.**

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

**Commented [jpc14]:** The reason for the dual numbering (i.e. 18.4, the no. 5) is that only certain of the Special Provisions are included.

**18.5**                    **6. CHOICE OF LAW.**

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Contract, to the extent capable of execution.

**18.6**                    **7. BINDING ARBITRATION PROHIBITED.**

The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this Contract or incorporated herein by reference shall be null and void.

**18.7**                    **10. VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4.**

Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.

**Commented [jpc15]:** Assuming GJRAA is a governmental entity, we can strike this provision.

Done and entered into on the date first above written.

**GRAND JUNCTION REGIONAL AIRPORT  
AUTHORITY**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**LESSEE: STATE OF COLORADO**  
acting by and through the  
**Department of Natural Resources,**  
for the use and benefit of the **Division of Parks and Wildlife**  
and the **Parks and Wildlife Commission**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Margaret Taylor-Veach  
Its: Assistant Director – Capital, Parks and Trails

**EXHIBIT A**  
**Description of the Premises**

**EXHIBIT B**

**Survey Including Common and Particular Description of the Premises**



## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Ground Lease Agreement Termination and New Lease Agreements: Rocky Mountain Hangar Association
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board approve the ground lease termination with Rocky Mountain Hangar Association, and approve the new ground lease agreements with 1) Rocky Mountain Hangar Association, Inc., 2) Dr. John Herr, 3) Mr. Glen Songer, and 4) Mr. Robert Barry, and authorize the board Chairman to execute the four leases.
LAST ACTION:	<p>This topic was brought up at the February board meeting. After discussion the board decided to table the matter as it was unclear what exactly Rocky Mountain Hangar Association wanted to do and how the four hangers would be split and who truly would be leasing the four spaces. The Grand Junction Regional Airport Authority entered into a lease agreement with Rocky Mountain Hangar Association, Inc. in July 1997. The members of the Association have requested the ground lease agreement be separated into individual ground leases with the respective hangar owners. After more research and newly received documentation, staff believes that the new information that will be provided will allow the board to make a decision on the original lease, and the four new leases.</p> <p>The association and respective owners have commissioned new lease surveys, which are reflected in the leases. Additionally, the ground leases have been moved onto the new standard form lease.</p> <p>As the Lease Agreements are lengthy, they have not been included in this Board Packet. The Lease Agreements are standard form.</p>
FISCAL IMPACT:	Instead of one payment monthly from Rocky Mountain Hangar Association, the Airport Authority will receive four separate monthly payments from the parties listed above.
ATTACHMENTS:	<ol style="list-style-type: none"><li>1. Termination of Ground Lease Agreement</li><li>2. Ground Lease Agreements Overview</li><li>3. Ground Lease Exhibits<ol style="list-style-type: none"><li>a. Rocky Mountain Hangar Association, Inc.</li><li>b. Dr. John Herr</li><li>c. Mr. Glen Songer</li><li>d. Mr. Robert Barry</li></ol></li><li>4. Letter from RMHA regarding desire to divide leased area.</li></ol>
STAFFCONTACT:	Chance Ballegeer Office: 970.248.8586 Email: <a href="mailto:cballegeer@gjairport.com">cballegeer@gjairport.com</a>



**ROCKY MOUNTAIN HANGAR, INC.**  
P.O. BOX 4125  
GRAND JUNCTION, COLORADO 81502

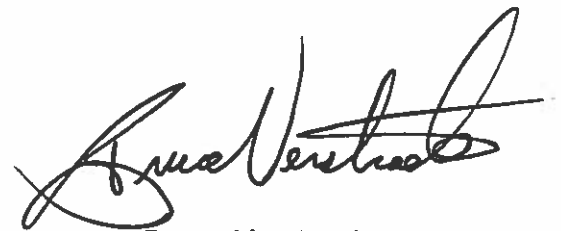
August 17, 2015

Amy Jordan, C.M.  
Grand Junction Regional Airport  
Grand Junction, Colorado

Ms. Jordan,

It is the wish of Rocky Mountain Hangar to divide that portion of our lease known as the First Addendum (July 1, 1997), and that sits under the four hangars we built in 1997, into four separate leases so that each hangar owner leases from the Airport that ground upon which his hangar building sits.

Anything you might do to facilitate this change for us would be appreciated.

A handwritten signature in black ink, appearing to read "Bruce Verstraete". The signature is fluid and cursive, with a large initial "B" and "V".

Bruce Verstraete  
Hangar Secretary

RockyMountain Hangar  
P.O. Box 4125  
Grand Junction, CO 81502

The four owners of the referenced hangars:

Robert Barry  
2161 Channel Way  
North Fort Myers, Florida 33917  
[dkbarry@acsol.net](mailto:dkbarry@acsol.net)

Dr. John Herr  
240 Garfield Dr.  
Henderson, Nevada 89074  
[sjherr@juno.com](mailto:sjherr@juno.com)

Glen Songer  
2017 East Desert Palms Dr.  
Fort Mohave, Arizona 86426  
[gsglen10@gmail.com](mailto:gsglen10@gmail.com)

RockyMountain Hangar  
P.O. Box 4125  
Grand Junction, CO 81502  
[bruceverstraete@hotmail.com](mailto:bruceverstraete@hotmail.com)

**TERMINATION OF GROUND LEASE AGREEMENT**

**BETWEEN**

**THE GRAND JUNCTION REGIONAL  
AIRPORT AUTHORITY**

**AND**

**ROCKY MOUNTAIN HANGAR, INC.**

This release agreement made on February 1, 2016 by Grand Junction Regional Airport Authority herein referred to as "GJRAA" and Rocky Mountain Hangar Inc., herein referred to as "Tenant".

On July 1, 1997, a ground lease agreement was executed between GJRAA and tenant for premises located at Grand Junction Regional Airport in Grand Junction, CO.

The parties desire to terminate all obligations of either party effective on February 1, 2016.

The tenant is responsible for contractual obligations of the ground lease agreement through the termination date including all unpaid rents and fees.

GJRAA will refund security deposits and any pre-paid rents after tenant has settled unpaid rents, fees and other contractual obligations through the termination date.

**GRAND JUNCTION REGIONAL  
AIRPORT AUTHORITY**

Dated: \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**ROCKY MOUNTAIN HANGAR, INC:**

Dated: \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**DR. JOHN HERR:**

Dated: \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**GLEN SONGER:**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_

**Its** \_\_\_\_\_

**ROBERT BARRY:**

**Dated:** \_\_\_\_\_

**By** \_\_\_\_\_

**Its** \_\_\_\_\_



## EXHIBIT A

### LEASE DESCRIPTION – PARCEL 309A

A parcel of land situated in the n of the northwest quarter and the northwest quarter of the northeast quarter of Section 31, Township 1 North, Range 1 East of the Ute Meridian, County of Mesa, State of Colorado, being more particularly described as follows:

Commencing at a Mesa County Survey Marker for the northwest corner of said Section 31 whence a brass cap for the north sixteenth corner on the west line of said Section 31 bears South 1°54'34" West, with all bearings herein relative thereto;

Thence South 59°23'31" East, a distance of 2824.60 feet:

Thence North 37°07'04" East, a distance of 155.18 feet to the Point of Beginning;

Thence North 37°07'04" East, a distance of 107.32 feet;

Thence South 52°52'56" East, a distance of 41.00 feet;

Thence South 37°07'04" West, a distance of 107.32 feet;

Thence North 52°52'56" West, a distance of 41.00 feet to the Point of Beginning.

Containing 4,400 square feet (0.101 acres), more or less.

The distances hereon are ground distance and the bearings hereon are reported relative to the Grand Junction Regional Airport coordinate system.

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This description was prepared by:  
K. Scott Thompson  
Colorado P.L.S. 18480  
744 Horizon Court - #110  
Grand Junction, CO 81506

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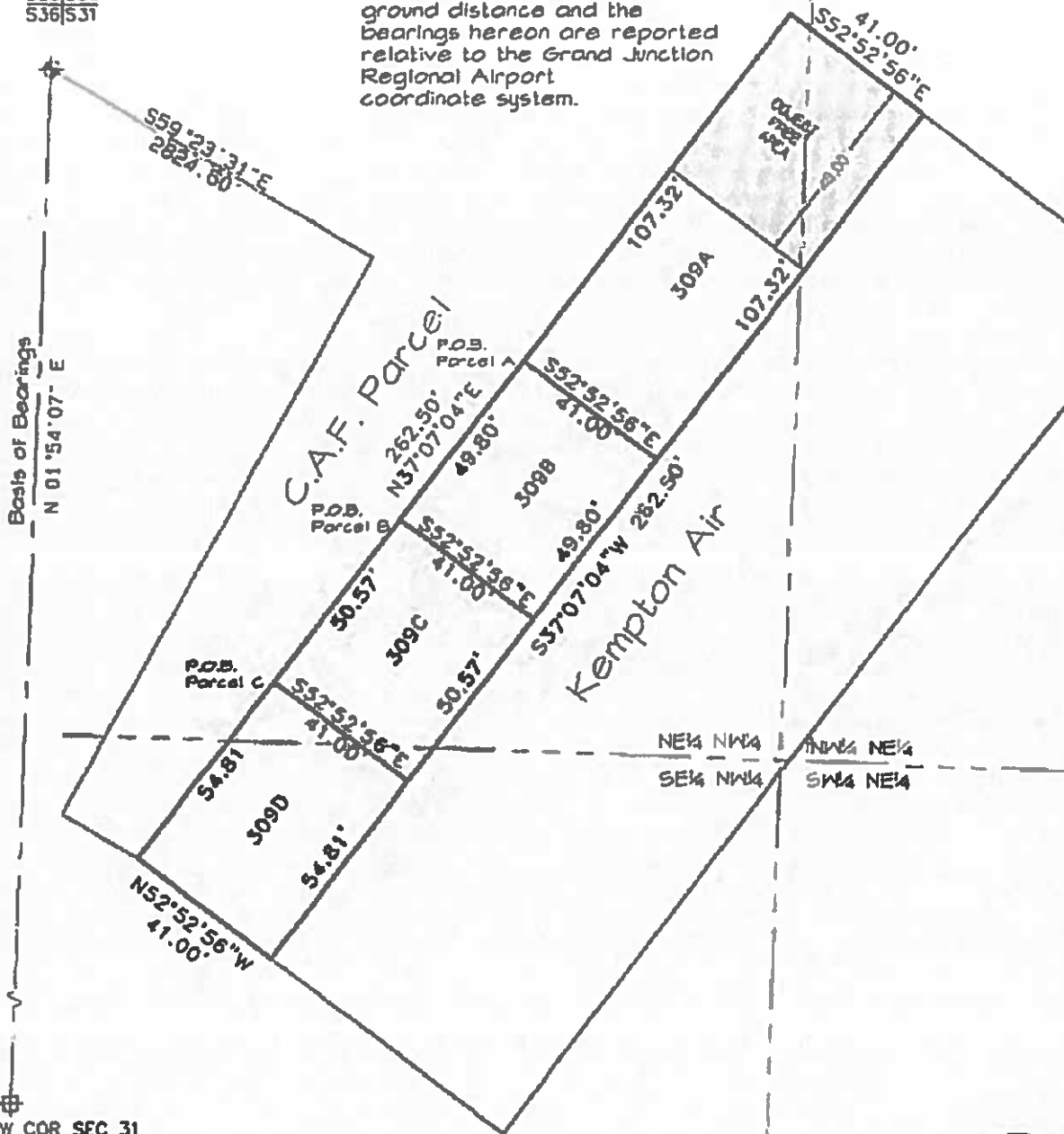
NOTICE: Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

# EXHIBIT B

## C.A.F. Parcel Addition

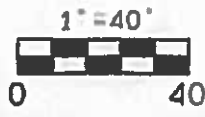
Mesa County  
Survey Marker  
S25|S30  
S36|S31

The distances hereon are ground distance and the bearings hereon are reported relative to the Grand Junction Regional Airport coordinate system.



SW COR SEC 31  
3" GLO BRASS CAP  
"TIN R1W R1E  
S36|S31 S1|S6 T1S"

**RIVERCITY CONSULTANTS**  
744 Horizon Ct.  
Suite 110  
Grand Junction  
CO 81506  
970-241-4722



Drawn.kst	Checked:	Aug 12, 2015
S:\PROJECTS\4 C.A.F. VCAF.pro		

THIS EXHIBIT IS FOR THE PURPOSE OF GRAPHICALLY REPRESENTING A WRITTEN DESCRIPTION - IT DOES NOT REPRESENT A MONUMENTED BOUNDARY SURVEY

## EXHIBIT A

### LEASE DESCRIPTION – PARCEL 309B

A parcel of land situated in the northeast quarter of the northwest quarter of Section 31, Township 1 North, Range 1 East of the Ute Meridian, County of Mesa, State of Colorado, being more particularly described as follows:

Commencing at a Mesa County Survey Marker for the northwest corner of said Section 31 whence a brass cap for the north sixteenth corner on the west line of said Section 31 bears South 1°54'34" West, with all bearings herein relative thereto;

Thence South 59°23'31" East, a distance of 2824.60 feet:

Thence North 37°07'04" East, a distance of 105.38 feet to the Point of Beginning;

Thence North 37°07'04" East, a distance of 49.80 feet;

Thence South 52°52'56" East, a distance of 41.00 feet;

Thence South 37°07'04" West, a distance of 49.80 feet;

Thence North 52°52'56" West, a distance of 41.00 feet to the Point of Beginning.

Containing 2,042 square feet (0.047 acres), more or less.

The distances hereon are ground distance and the bearings hereon are reported relative to the Grand Junction Regional Airport coordinate system.

---

This description was prepared by:  
K. Scott Thompson  
Colorado P.L.S. 18480  
744 Horizon Court - #110  
Grand Junction, CO 81506

---

NOTICE: Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

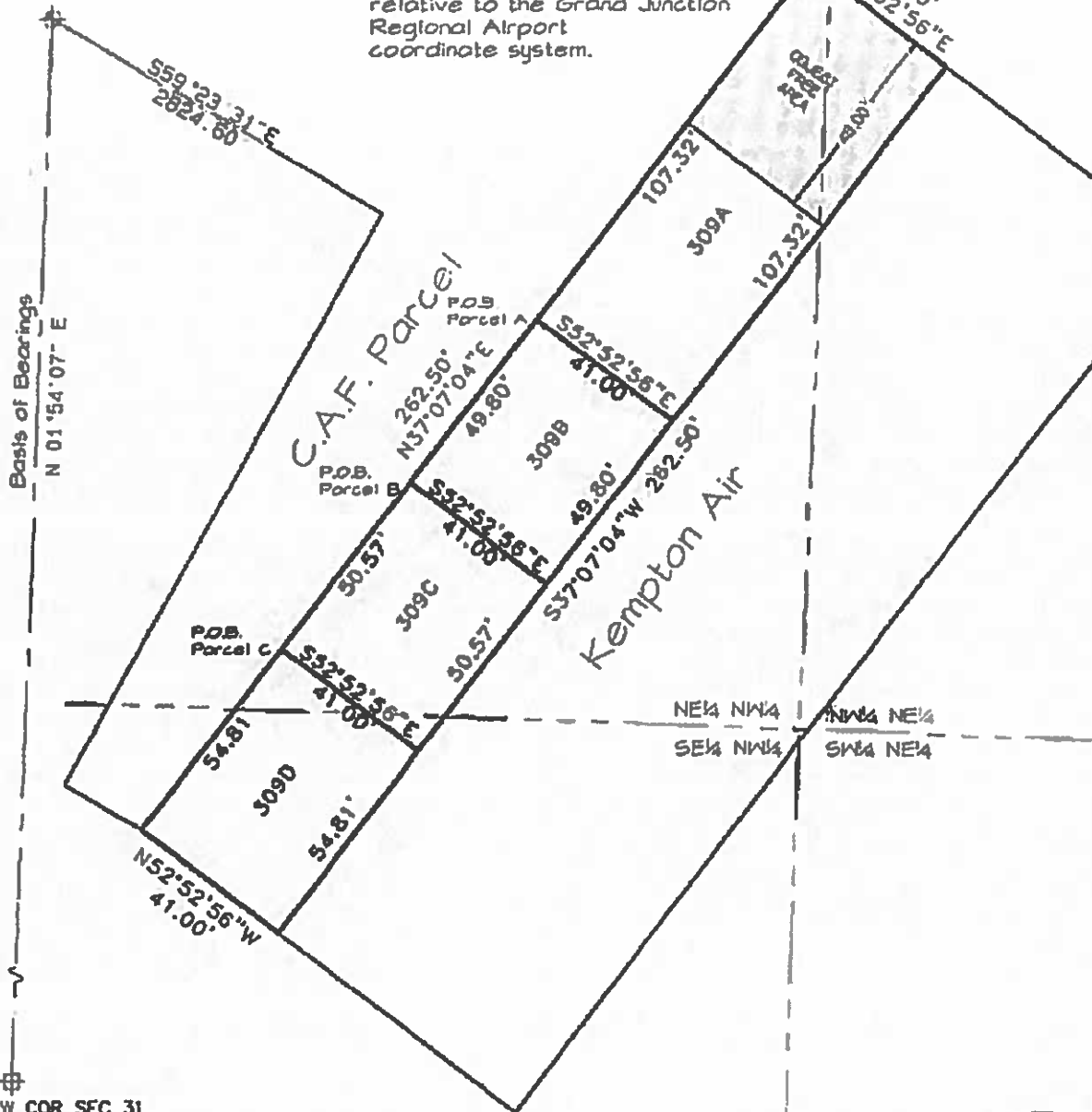


# EXHIBIT B

## C.A.F. Parcel Addition

Mesa County  
Survey Marker  
S25|S30  
S36|S31

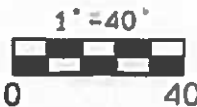
The distances hereon are ground distance and the bearings hereon are reported relative to the Grand Junction Regional Airport coordinate system.



SW COR SEC 31  
3" GLO BRASS CAP  
T1N R1W R1E  
S36|S31 S1|S6 T1S"

**RIVERCITY**  
CONSULTANTS

744 Horizon Ct.  
Suite 110  
Grand Junction  
CO 81506  
970-241-4722



THIS EXHIBIT IS FOR THE PURPOSE OF GRAPHICALLY REPRESENTING A WRITTEN DESCRIPTION - IT DOES NOT REPRESENT A MONUMENTED BOUNDARY SURVEY

Drawn: kst    Checked:    Aug 12, 2015

5 \PROJECTS\4 C.A.F. \CAF.pro

## EXHIBIT A

### LEASE DESCRIPTION – PARCEL 309C

A parcel of land situated in the northeast quarter of the northwest quarter and the southeast quarter of the northwest quarter of Section 31, Township 1 North, Range 1 East of the Ute Meridian, County of Mesa, State of Colorado, being more particularly described as follows:

Commencing at a Mesa County Survey Marker for the northwest corner of said Section 31 whence a brass cap for the north sixteenth corner on the west line of said Section 31 bears South 1°54'34" West, with all bearings herein relative thereto;

Thence South 59°23'31" East, a distance of 2824.60 feet:

Thence North 37°07'04" East, a distance of 54.81 feet to the Point of Beginning;

Thence North 37°07'04" East, a distance of 50.57 feet;

Thence South 52°52'56" East, a distance of 41.00 feet;

Thence South 37°07'04" West, a distance of 50.57 feet;

Thence North 52°52'56" West, a distance of 41.00 feet to the Point of Beginning.

Containing 2,073 square feet (0.048 acres), more or less.

The distances hereon are ground distance and the bearings hereon are reported relative to the Grand Junction Regional Airport coordinate system.

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This description was prepared by:  
K. Scott Thompson  
Colorado P.L.S. 18480  
744 Horizon Court - #110  
Grand Junction, CO 81506

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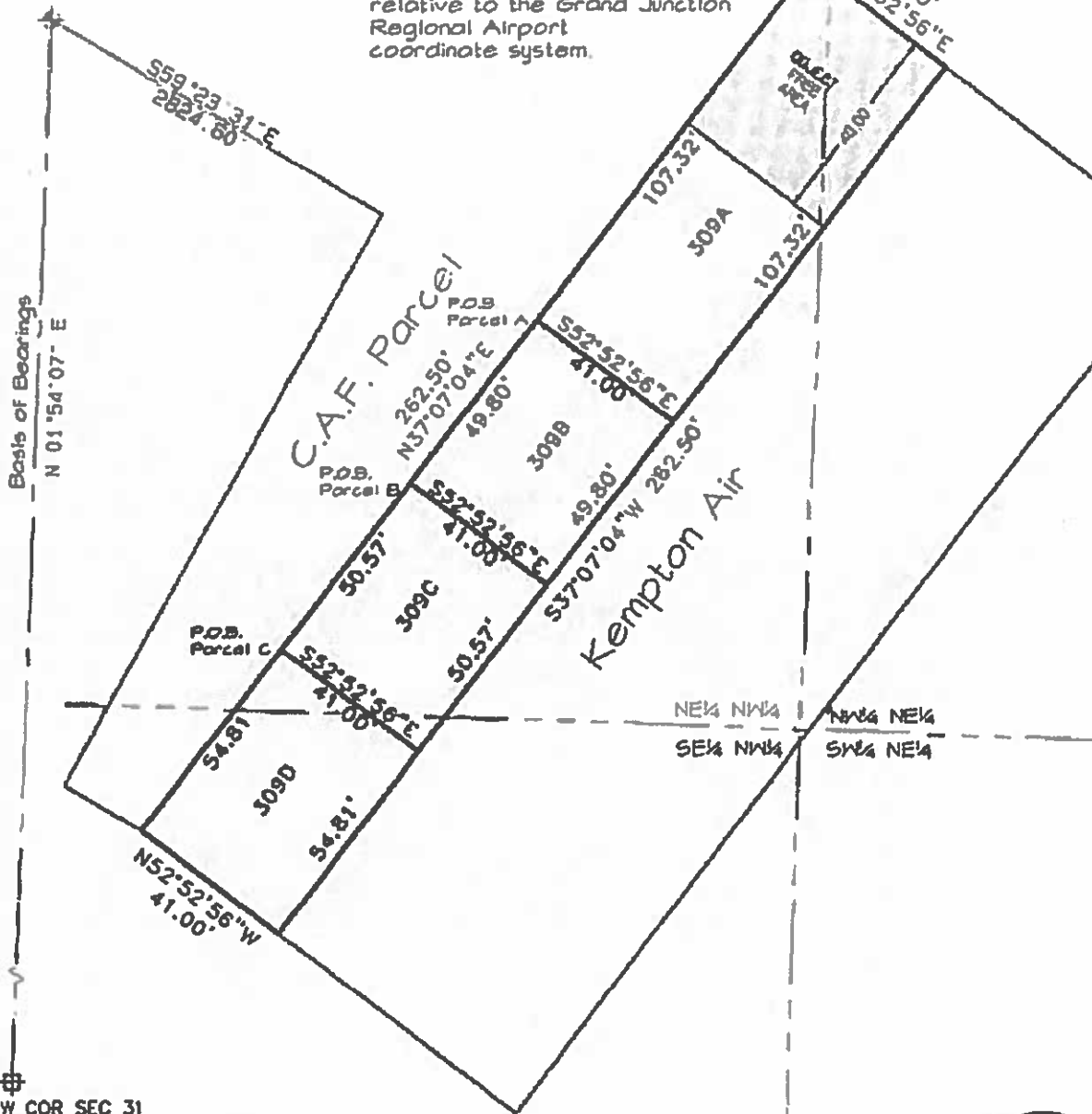
NOTICE: Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

# EXHIBIT B

## C.A.F. Parcel Addition

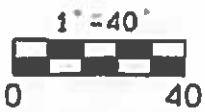
Mesa County  
Survey Marker  
S25|S30  
S36|S31

The distances hereon are ground distance and the bearings hereon are reported relative to the Grand Junction Regional Airport coordinate system.



SW COR SEC 31  
3" GLO BRASS CAP  
"TIN R1W R1E  
S36|S31 S156 T15"

**RIVERCITY CONSULTANTS**  
744 Horizon Ct.  
Suite 110  
Grand Junction  
CO 81506  
970-241-4722



Drawn kst | Checked: | Aug 12, 2015 |  
S\PROJECTS\4 C.A.F. \CAF.pro

THIS EXHIBIT IS FOR THE PURPOSE OF GRAPHICALLY REPRESENTING A WRITTEN DESCRIPTION - IT DOES NOT REPRESENT A MONUMENTED BOUNDARY SURVEY

## EXHIBIT A

### LEASE DESCRIPTION – PARCEL 309D

A parcel of land situated in the northeast quarter of the northwest quarter and the southeast quarter of the northwest quarter of Section 31, Township 1 North, Range 1 East of the Ute Meridian, County of Mesa, State of Colorado, being more particularly described as follows:

Commencing at a Mesa County Survey Marker for the northwest corner of said Section 31 whence a brass cap for the north sixteenth corner on the west line of said Section 31 bears South 1°54'34" West, with all bearings herein relative thereto;

Thence South 59°23'31" East, a distance of 2824.60 feet to the Point of Beginning;

Thence North 37°07'04" East, a distance of 54.81 feet;

Thence South 52°52'56" East, a distance of 41.00 feet;

Thence South 37°07'04" West, a distance of 54.81 feet;

Thence North 52°52'56" West, a distance of 41.00 feet to the Point of Beginning.

Containing 2,247 square feet (0.052 acres), more or less.

The distances hereon are ground distance and the bearings hereon are reported relative to the Grand Junction Regional Airport coordinate system.

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This description was prepared by:  
K. Scott Thompson  
Colorado P.L.S. 18480  
744 Horizon Court - #110  
Grand Junction, CO 81506

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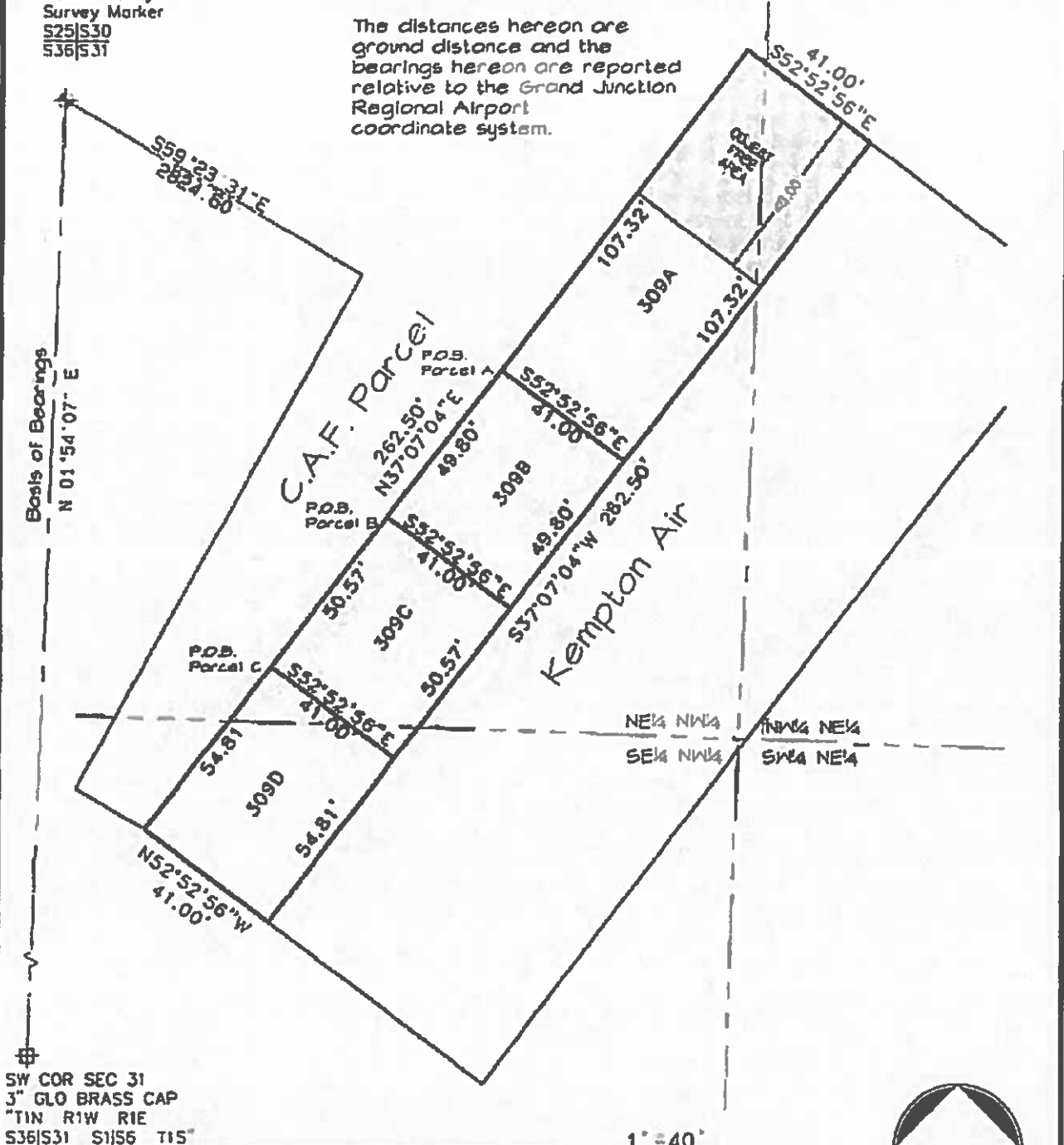
**NOTICE:** Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

# EXHIBIT B

## C.A.F. Parcel Addition

Mesa County  
Survey Marker  
S25|S30  
S36|S31

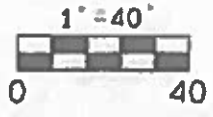
The distances hereon are ground distance and the bearings hereon are reported relative to the Grand Junction Regional Airport coordinate system.



SW COR SEC 31  
3" GLO BRASS CAP  
"T1N R1W R1E  
S36|S31 S1|S6 T1S"

**RIVERCITY CONSULTANTS**  
744 Horizon Ct., Suite 110, Grand Junction, CO 81506, 970-241-4722

Drawn:kst	Checked:	Aug 12, 2015
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**Grand Junction Regional Airport Authority**

**Agenda Item Summary**

<b>TOPIC:</b>	Ground Lease Agreement: Junction AeroTech		
<b>PURPOSE:</b>	Information <input checked="" type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
<b>RECOMMENDATION:</b>	Staff recommends that the Board approve the transition of Junction AeroTech to the new standard form lease, and authorize legal counsel to assure inclusiveness and compliance, in regards to approvals or other documents required for the transfer.		
<b>LAST ACTION:</b>	At the February 17, 2015 Regular Board Meeting, the Board consented to lease assignments of P&L Properties to Junction AeroTech, LLC. P&L Properties assigned three (3) separate Ground Leases Agreements to Junction AeroTech, LLC.  At the January 19, 2016 this item was tabled.		
<b>DISCUSSION:</b>	Junction AeroTech has requested that their three ground leases be moved onto the new standard form ground lease.  All three ground leases commenced on different dates and currently expire on different dates, as set forth below.  <u>Commencement Date.</u> TRACT 1: 12/31/2004 TRACT 2: 9/1/2005 TRACT 3: 08/15/2008  <u>Expiration Date.</u> 8/15/2028  Section 3.3 – Additional Option Terms, has been modified to assure lease terms do not exceed 50-years. Please see page 5, Section 3.3 and 3.3.2 (a).		
<b>FISCAL IMPACT:</b>	None.		

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**ATTACHMENTS:**

1. Junction AeroTech New Standard Form Ground Lease Agreement
2. Parcel Survey

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**STAFFCONTACT:**

Benjamin M. Wegener  
Attorney at Law  
Younge & Hockensmith, P.C.  
743 Horizon Court, Suite 200  
Grand Junction, Colorado 81506  
(970) 242-2645; Ext. 203

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# **AERONAUTICAL USE GROUND LEASE**

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

**Between**

**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY  
800 Eagle Drive  
Grand Junction, CO 81506  
("GJRAA")**

**And**

**JUNCTION AEROTECH, LLC  
1001 N. 19<sup>th</sup> Street, Suite 930  
Arlington, VA 22209  
("Lessee")**

**Dated: April 1, 2016**

*LEASE NUMBER:  
GJT-2016-011*



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## **AERONAUTICAL USE GROUND LEASE**

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

### **Recitals**

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

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

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

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

### **1. Article 1: Basic Lease Information**

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

1.1 Date of Mutual Execution. **April 1, 2016**

1.2 Lessee. **JUNCTION AEROTECH, LLC**

1.3 Lessee's Trade Name. **Not Applicable.**

1.4 Lessee's Address and Telephone Number. **1001 N. 19th Street, Suite 930,  
Arlington, VA 22209, (970) 241-8515**

1.5 GJRAA'S Address and Telephone Number. 800 Eagle Drive, Grand Junction, Colorado 81506; (970) 244-9100

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

1.7 Commencement Date.

1.7.1 TRACT 1: 12/31/2004

1.7.2 TRACT 2: 9/1/2005

1.7.3 TRACT 3: 08/15/2008

1.8 Expiration Date.

1.8.1 8/15/2028

1.9 Initial Minimum Insurance Coverage Amount.

Automobile, general liability, bodily injury and property damage insurance, written on an occurrence basis, with a limit of \$2,000,000 per occurrence, and which names the GJRAA as an additional insured (See paragraph 8.1.1 below).

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

1.11 Monthly Ground Rent. The Monthly Ground Rent shall initially be \$211,174.58 per year, paid monthly at \$17,597.88, based on the area of the Premises, other than the Object Free Area ("OFA"). Lessee will not be obligated to pay rent for the OFA, but Lessee will be responsible for all maintenance and other improvements required for the OFA. For the remaining (non-OFA) area of 1,334,477 square feet of the Premises,  $(1,334,477.00 - 0 = 1,334,477.00)$  the above rent will be calculated as follows:  $\$0.1582$  per square foot  $\times$  1,334,477.00 square feet =  $\$211,174.58 \div 12$  months =  $\$17,597.88$ .

1.12 Permitted Uses. The permitted uses shall include but not be limited to, all commercial aeronautical services and activities set forth in the Airport's approved minimum standards for a Fixed Base Operator (FBO) and Maintenance, Repair & Overhaul (MRO) services.

1.13 Premises. The property shown on the attached Exhibits A and B and any Improvements existing thereon when Lessee first takes possession.

1.14 Premises Square Footage. The Premises consist of a total of 1,334,477.00 square feet, which includes zero (0) square feet of OFA and 1,334,477.00 square feet of other area

1.15 Date to Complete Improvements. NOT APPLICABLE.

1.16 Additional Provisions. NOT APPLICABLE.

1.17 Improvements. Improvements shall include the aircraft hangar or other structure that has been constructed and erected, or which is to be constructed or erected on the Premises, as well as all hangar flooring, lighting, paving, fencing, grating and surfacing, underground and overhead wires, doors, cables, pipes, tanks and drains, and all property of every kind and nature, which is attached to the Premises or which may not be removed without material injury to the Premises.

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

1.19 Security Deposit. **DEPOSIT ON FILE: \$69,222.85**

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

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

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

2.3 Quiet Enjoyment. Upon the payment of Rent when due, as well as upon the payment of any other fees when due, and upon the performance of any and all other conditions stated herein, Lessee shall peaceably have, possess and enjoy the Premises and other rights granted

herein, without hindrance or disturbance from the GJRAA, subject to the GJRAA's rights as discussed herein and/or pursuant to any applicable law or regulation.. Notwithstanding the provision set forth in the preceding sentence or any other provision of this Lease, the GJRAA and any Lessee of the GJRAA shall have the right to traverse that portion of the Premises not occupied by a hangar or other structure, if the GJRAA, in its sole discretion, believes that such access is necessary or desirable for the efficient operations of the Airport, the GJRAA, or another Lessee.

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

### **3. Article 3: Lease Term and Options**

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

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

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

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

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

(a) the Improvements on the Premises have not been properly maintained (including painting) and do not meet current Minimum Standards as approved of by the GJRAA, the Improvements on the Premises do not meet any applicable code

requirements, or the Improvements on the Premises are not in a condition expected to be serviceable in any respect for the additional four (4) year Additional Option term,

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

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

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

(e) The granting of any Additional Option would not violate any FAA Grant Assurance or the provisions of any applicable law or regulation.

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

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

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

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



Lessee. "Storage Lessee" shall mean any Aeronautical Use Lessee other than a Commercial Lessee as defined above.

### 3.4 Repair and Maintenance Punch-List.

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

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

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

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

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

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

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

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

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

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

was due until the date on which it is paid in full, with accrued interest. Any payments received shall be applied first to accrued interest, and then to the reduction of principal.

4.6 Security Deposit. Lessee shall deposit with the GJRAA, a security deposit in the amount set forth in paragraph 1.19 above. This deposit is to be held by the GJRAA as security during the entire term of the Lease for all of Lessee's obligations hereunder. Any and all accrued interest on Lessee's security deposit shall be applied to Lessee's account, on an annual basis. The security deposit shall be made at the time the Lease is signed by Lessee, unless the same has been previously paid in the full amount set forth above. The GJRAA reserves the right to withhold some or all of the deposit if Lessee abandons the leasehold in a condition that requires the GJRAA to expend money or labor to repair. A detailed list of expenses shall be provided to Lessee if any or all of the security deposit is withheld.

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

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

## 5. Article 5: Improvements

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

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

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

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

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

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

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

5.4 Signs. No exterior signs, logos or advertising displays identifying Lessee or its successors, assigns, sub lessees or customers shall be painted on or erected in any manner upon the Premises, or in or on any Improvements or additions upon the Premises, without the prior written

approval of the GJRAA, which approval shall not be unreasonably withheld. Any such signs, logos or advertising shall conform to reasonable standards to be established by the GJRAA, with respect to type, size, design, materials and location. All signs shall comply with all applicable city, county and state regulations.

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

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

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

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

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

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

**7. Article 7: Taxes and Assessments**

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

**8. Article 8: Insurance and Indemnification**

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

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

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

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

8.2 Certificate of Insurance. Lessee shall provide a certificate of insurance to the GJRAA of the kinds and amounts of said insurance coverage and shall acquire policies that shall not be subject to cancellation without at least thirty (30) days advance written notice to the GJRAA.

Such policies shall provide that they may not be materially changed or altered by the insurer during its term without first giving at least ten (10) days written notice to the GJRAA.

8.3 Indemnification. Lessee agrees that: :

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

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

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

**9. Article 9: Assignment and Subleasing**

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

9.2 Subletting. Lessee may not sublease all or any portion of the Premises, or all or any portion of the improvements thereon, without first obtaining written consent of the GJRAA for the sublease, which consent shall not be unreasonably withheld. Any such sublease must be in writing and in a form and for a rental amount and other consideration acceptable to the GJRAA, pursuant to the requirements of the Minimum Standards, by which such sub lessee is authorized to do

business at the Airport. Any sublease shall be in the form required by the GJRAA for all subleases, as the same may be amended from time to time, or in a form specifically approved by the GJRAA, including those forms that are created or amended after the Commencement Date of this Lease. The existence of any sublease or subleases shall not in any way relieve Lessee from its responsibilities as to the entire Premises under this Lease. Any default by a sub lessee of its obligations to the GJRAA under any sublease shall constitute a default by Lessee of its obligations under this Agreement. Lessee shall not allow any sub lessee to enter onto the Premises until the sub lessee has properly executed a sublease and that sublease has been consented to by the GJRAA.

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

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

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

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

10.2 Reimbursement for Violations. Should Lessee, or Lessee's board members, officers, agents, employees, customers, guests, invitees, sub lessees, assigns, successors, contractors, or subcontractors violate any local, State, or Federal law, rule, or regulation applicable to the Airport, and should said violation result in a damage award, citation, or fine against the GJRAA, then Lessee shall fully reimburse the GJRAA for said damage award, citation, or fine and



for all costs and expenses, including reasonable attorney's fees, incurred by the GJRAA in defending against or satisfying the award, citation or fine.

10.3 Subordination. This Lease shall also be subject and subordinate to the requirements of any existing or future contracts or agreements between the GJRAA and Federal, State, or local governments, or any agencies thereof, and to the requirements of any Federal, State, or local statutes, rules, regulations, or directives governing the operation of the Airport, and the GJRAA shall not owe any damages to Lessee, such as lost profits or revenues, as a result of its compliance with said contracts, statutes, rules, regulations, or directives. The GJRAA shall also be excused from its obligations to pay Lessee eminent domain compensation under Article 12, below, or to provide substitute leasehold premises pursuant to Article 13, below, unless the payment of compensation or provision of substitute premises is specifically directed by the contract, statute, rule, regulation or directive involved.

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

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

10.6 Hazardous Materials.

10.6.1 Lessee shall not cause or permit any Hazardous Material, except those necessary to provide services permitted in section 1.12 (Permitted Uses), to be brought upon, kept or used in or about the Premises by Lessee, its agents, employees, representatives, sub lessees, contractors, subcontractors, licensees, or invitees, without the prior written consent of the GJRAA. If Lessee breaches this obligation, or if the presence of Hazardous Material on the Premises is caused or permitted by Lessee and results in contamination of the Premises, then Lessee shall indemnify, defend and hold the GJRAA harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, the diminution in value of the Premises, damages for the loss or restriction on the use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on the marketing of space, sums paid in settlement of claims, attorney fees, consultant fees and expert fees) which arise during or after the term of this Lease as a result of such contamination. This indemnification of the GJRAA by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, or any removal or restoration work required by any Federal, State, or local government agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises is caused or permitted by Lessee and it

results in any contamination of the Premises, Lessee shall promptly take all actions, at its sole expense, that are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises, provided that the GJRAA's approval of such actions shall first be obtained. Lessee's obligations in Paragraph 10 of this Lease shall survive the termination of this Lease.

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

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

## **11. Article 11: Nondiscrimination**

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

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

11.3 This Lease is subject to the requirements of the US Department of Transportation's regulations governing nondiscrimination. Lessee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, age, religion, sex, or disability, in connection with the award or performance of any operating agreement relating to this Lease. Lessee further agrees to include the preceding statements in any subsequent sub-operating agreements at the Airport that it enters into and to cause those businesses to similarly include the statements in further agreements, as required by FAA Rules, Regulations and Directives.

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

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

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

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

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

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

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

12.5 This Lease and all provisions hereof shall be subject and subordinate to the terms and conditions of all existing and future instruments, documents, contracts, or agreements between the GJRAA and any Federal, State, or local government, or any agency thereof, as well as subject and subordinate to the requirements of any current or future Federal, State, or local statute, rule, regulation, ordinance, or directive governing the operation of the Airport, and the GJRAA shall

not owe any damages to Lessee, such as for lost profits or revenues, as a result of the GJRAA's compliance with said instruments, documents, contracts, agreements, statutes, rules, regulations, ordinances, or directives. The GJRAA shall also be excused from its obligations to pay Lessee eminent domain compensation or to provide substitute leasehold premises pursuant to this Article for its compliance with said instruments, documents, contracts, agreements, statutes, rules, regulations, ordinances, or directives, unless specifically directed otherwise by those instruments, documents, contracts, agreements, statutes, rules, regulations, ordinances, or directives.

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

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

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

13.3 It shall be a condition of this Lease that Lessee reserves unto itself, its successors, and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation

of or flight in the said airspace, and for use of said airspace for landing on, taking off from, or operating at the Airport.

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

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

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

#### **14. Article 14: Cooperation with GJRAA in Collecting Fees**

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

14.2 Lessee shall provide to the GJRAA, or third-party governmental agency involved, such additional information or clarifications as may be requested, to (a) enable the GJRAA to calculate the landing fees, access fees, and other fees owed by aircraft and ground transportation operators to the GJRAA pursuant to the GJRAA's Fees and Charges, as the same may be amended from time to time, including those amounts established or amended after the Commencement Date of this Lease; (b) further the GJRAA's ability to market, promote and manage the Airport; or (c)

to comply with governmental monetary collections and reporting requirements. Any subsequent changes or corrections in the information provided by Lessee shall be reported to the GJRAA and/or governmental agency involved within seven (7) days of Lessee's discovery of said changes or corrections.

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

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

#### **15. Article 15: Expiration and Termination**

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

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

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

that decision is made by the GJRAA. However, Lessee agrees that this additional period of time to remove any personal property or trade fixtures from the Premises, or any work necessary to return the Premises to a good condition and repair, will not create a new tenancy for any additional period of time and that the GJRAA will maintain its rights to terminate the Lease. Following the expiration or termination of the Lease, Lessee shall, at the option of the GJRAA, either (a) leave the Improvements on the Premises in place, or (b) demolish the Improvements on the Premises, returning the Premises to a flat and level condition, and if the Premises was paved, re-paving the Premises to the same depth and specifications as it existed prior to the expiration or termination of the Lease. If the GJRAA elects to have Lessee demolish the Improvements on the Premises, Lessee will have sixty (60) days to complete this work, but the time period for Lessee to complete this work will not create a new tenancy for any additional period of time.

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

## **16. Article 16: Default and Remedies**

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

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

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

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

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

16.2 Upon an Event of Default as defined in paragraph 17.1, the GJRAA shall have the right to, and at its option may, exercise any one or more of the following rights and remedies, each



of which shall be cumulative, as well as in addition to any and all other rights and remedies authorized by law or equity:

16.2.1 The GJRAA may, with or without terminating this Lease, bring and maintain any action for any amount due and unpaid and/or for specific performance. The GJRAA's damages shall be the total of all rent and costs and expenses of performance of all other covenants of the Lessee as herein provided due or to become due for the remainder of the lease term, together with the GJRAA's costs, including reasonable attorneys' fees, incurred in retaking possession of the Premises, and bringing and pursuing the action. However, if the GJRAA obtains a judgment against Lessee for damages due to Lessee's breach or default of this Lease, and the GJRAA then leases the Premises to a third-party, the GJRAA shall offset the judgment against the Lessee with any amounts the GJRAA may realize from leasing the Premises to that third-party for the remainder of the lease term with Lessee, after deducting the GJRAA's costs and expenses incurred in connection with obtaining the judgment against the Lessee, as well as leasing the Premises to that third-party, which includes, but is not limited to, redecorating, altering, building, constructing, etc., to prepare the Premises for the lease to the third-party. The GJRAA shall have the sole discretion to determine the terms and conditions of leasing the Premises to the third-party.

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

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

16.2.4 The GJRAA may, on reasonable notice to Lessee (except that no notice need be given in case of emergency), cure any breach at the expense of Lessee and the cost of such cure,

including attorneys' fees incurred by the GJRAA in doing so, shall be deemed additional rent payable on demand.

16.3 In the event the GJRAA re-leases the Premises as authorized above, any and all of Lessee's improvements, structures, furniture, furnishings, equipment, and trade fixtures that are in or on or about the Premises may be used by the GJRAA or its new Lessee until the expiration of the term, without any liability for rent, compensation, or other charge therefor; however, in such case, if on the expiration of the term or on an earlier termination of this Lease, the total net amount so collected or received by the GJRAA from and through any such re-leasing or operation has exceeded the total amount accrued and due and unpaid from the Lessee, then such excess shall be applied to the Lessee.

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

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

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

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

## **17. Article 17: Miscellaneous Provisions**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Done and entered into on the date first above written.

**GRAND JUNCTION REGIONAL AIRPORT  
AUTHORITY**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**LESSEE:**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**

**Description of the Premises**

**EXHIBIT B**

**Survey Including Common and Particular Description of the Premises**







