



# Board Packet



**Regular Board Meeting**

*May 24, 2016*

# GRAND JUNCTION REGIONAL AIRPORT AUTHORITY

Date: MAY 24, 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: 4:00PM – 5:00PM

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### I. Call to Order

### II. Motion into Executive Session

*To discuss the employment offer and contract for the Executive Director's position and to obtain legal advice on specific legal questions relating thereto as authorized by C.R.S. § 24-6-402(4)(b) and C.R.S. § 24-6-402(e)(I), as well as to confer with legal counsel for the purpose of receiving legal advice relating to a pending investigation and other related matters and to determine positions relative to these matters as authorized by C.R.S. § 24-6-402(4)(b) and C.R.S. § 24-6-402(e)(I).*

### III. Adjourn Executive Session

## REGULAR BOARD MEETING

Time: 5:15PM

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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.

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**VII. Discussion Items**

A. Financial Update (Presented by: Ty Minnick)	9
B. Projects Update (Presented by: Ben Johnson)	

**VIII. Action Items**

- A. Employment Agreement – Executive Director

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

**X. 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**  
**Board Meeting and Workshop**  
Meeting Minutes (**CORRECTED**)  
January 19, 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 about the ongoing litigation with Shaw Construction and to discuss the potential resolution of that litigation and the terms and conditions upon which that matter could be finalized and concluded, as authorized by C.R.S. §24-6-402(4)(b) and (4)(e)(I), and to discuss personnel matters as authorized by CRS §24-6-402(4)(f).*

**III. Adjourn Executive Session**

**REGULAR BOARD MEETING**

**Time: 5:15PM**

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**I. Call to Order**

Mr. Rick Wagner, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 6:14 PM on January 15, 2015 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

*Airport Staff:*

David Fiore, Executive Airport Director

Victoria Villa, Clerk

Ty Minnick

*Other:*

Dennis Corsi, Armstrong

Brad Barker, CAP

Bill Marvel, GJAUTA

Wayne Clark, GJAUTA

Dale Beede, Hangar owner

Leslie Henderson, Sky Adventures

Brian Harrison, GJRAA

Fidel Lucero, GJRAA

James Grady, Hangar owner

Shannon Kinslow, TOIL

Erin Trinklein, Armstrong

Bob Linehart, Republic Parking

Ben Peck  
Chance Ballegeer

Suzanne Lay, CMU  
Shawn Stratton, GJRAA  
Tony Martin, GJRAA  
Jimmy Ruiz, GJRAA  
Ted Albier, GJRAA  
Matt Powers, GJRAA  
Rich Baker, GJRAA

## **II. Approval of Agenda**

Chairman Wagner approved the agenda by major motion.

## **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

## **IV. Commissioner Comments**

Commissioner Wood commented on a meeting that he, Mr. Ballegeer and Mr. Johnson attended with tenants in regards to the phased implementation of the security solution. Commissioner Wood said that it was very well attended and presented by staff very well. Dynetics is scheduled to be at the airport late January to early February and that will be the start of phase one.

## **V. Citizen Comments.**

## **VI. Consent Agenda**

### **A. December 15, 2015 Regular Meeting Minutes**

- B. December 31, 2015 Special Meeting Minutes**
- C. Ground Sublease (Non-Aeronautical)**
  - i. Barnabas Counseling Center**
  - ii. Executive Command Dynamics, Inc.**
- D. Ground Lease Assignment: Skunkworks**
- E. Pay Request: InterVistas**
- F. Pay Request: Armstrong Consultants**
- G. Pay Request: Mead & Hunt**
- H. Pay Request: CED, Inc.**
- I. Pay Request: G4S**

Correction: Commissioner Langley and Commissioner Taggart were in attendance at the December 31, 2015 meeting.

*Commissioner Nelson moved to approve the consent agenda. Commissioner Wood 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 audit for year for year end is happening now. Mr. Minnick stated that on the balance sheet the cash was significantly higher this year at year end versus last year, mainly due to the admin building expenses in 2014. Mr. Minnick noted that the biggest item on the balance sheet is the net pension liability for \$2,000,000. Mr. Minnick noted that there is a PERA video the Board could watch if they wanted more information on GASB 68 and why it's there. Mr. Minnick briefly went over the income statement and noted that the current format is consistent with the FAA 127 report, which breaks down the department level expenses. Mr. Minnick said that enplanements came in a little bit off compared to prior year but are pretty good.

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

The update was given during Commissioner Comments.

### **C. Food, Beverage & Retail Request for Proposal Evaluation Committee Appointment**

Mr. Minnick requested for a couple of Board members to join in on the process for choosing the new food, beverage and retail vendor. Commissioner Murray and Commissioner Taggart volunteered. The Committee includes; Commissioner Murray, Commissioner Taggart, Mr. Ty Minnick and Mr. Chance Ballegeer.

## **VIII. Action Items**

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

Item tabled due to the wrong C.R.S. being cited.

**B. Election of 2016 Officers and Committee Appointments**

Election of Chairman: *Commissioner Ball nominated Commissioner Wood, Commissioner Nelson seconded. Voice Vote. All Ayes. Commissioner Wood abstained*

Election of Vice Chairman: *Commissioner Wagner nominated Commissioner Nelson. Commissioner Ball seconded. Voice Vote. All Ayes. Commissioner Nelson Abstained.*

The Board appointed the following:

1. *Ty Minnick – Treasurer*
2. *N/A – Deputy Treasurer*
3. *Victoria Villa - Clerk*
4. *Chance Ballegeer – Deputy Clerk*

No changes were made to any committees except for the removal of Mr. Johnson from the Security Solutions Committee and the removal of Ms. Amy Jordan from the Compliance Committee and replace her with Mr. Chance Ballegeer.

**C. Resolution 2016-002: Resolution Concerning Execution of Documents Pertaining to Bank Accounts.**

Mr. Minnick stated that the only change will be that Mr. Steve Wood will go in as “Chairman” and Mr. Ben Peck is replacing Mr. Ben Johnson as a secondary signer from staff.

*Commissioner Wagner moved to adopt resolution number 2016-002 Resolution Concerning Execution of Documents Pertaining to Bank Accounts. Commissioner Murray seconded. Roll Call Vote. Commissioner Murray: Aye, Commissioner Langley: Aye, Commissioner Nelson: Aye, Commissioner Wagner: Aye, Chairman Wood: Aye, Commissioner Taggart: Aye, Commissioner Ball: Aye.*

**D. IT Services Agreement Addendum**

Mr. Peck briefed the Board. Mr. Peck noted that it has become apparent that they needed to look at their bandwidth to support the security solution. Sequent Information Systems attended a meeting with Dynetics and recommended to tie into a fiber optic line that was put into the terminal building last year and this should end up being the primary IT communication.

*Commissioner Nelson made a motion to approve the IT services agreement addendum, to change, modify and add on to the internet connection. Commissioner Wagner seconded. Voice Vote. All Ayes*

**E. Rocky Mountain Hangar Association Lease Split**

Mr. Wegener briefed the Board. Mr. Wegener stated that Rocky Mountain Hangar Inc. has requested that they go in the new standard form lease. This request is different from any other lease request because they have some various members involved with that Inc. and they each have a little of separate lease space.

Item Tabled. Clarification needed.

**F. Grand Valley Power Easement Modification**

Mr. Wegener briefed the Board and stated that the Board approved the easement agreement at a Board meeting and it was sent off to Grand Valley Power for review and signature, then they came back and said they wouldn't sign it because they didn't like the indemnity language. So they want the Airport of modify the easement agreement and take out the indemnity language and that's the language the Board added.

The Board did not modify the agreement and want to keep the language.

**G. Parking Management Services**

Mr. Bob Linehart with Republic Parking System briefed the Board and mentioned they are bringing two things before the Board. First, is a hold over agreement because their contract expires March 31<sup>st</sup> and they're required to have a 60 day notification. Secondly, they gave the Board a revision to the proposal that they made last year.

*Commissioner Wagner moved to authorize staff to execute the hold over agreement of republic parking and to defer the addendum to the agreement until the Board has read on the RFP process more thoroughly. Commissioner Nelson seconded. Voice Vote. All Ayes.*

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

Tabled.

**I. Junction Aerotech LLC Lease Addendums**

Tabled.

**J. Discussion of Resolution of Shaw Construction Litigation and Related Action**

Ms. Julie Walker briefed the Board on the final settlement agreement with Shaw Construction. The agreement is not confidential and is included with the Board packet for this meeting on the Airport's website.



*Commissioner Wagner moved to approve the agreement, as drafted, and to authorize the Chairman to execute it. Commissioner Murray seconded. Voice Vote. All Ayes.*

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

Commissioner Murray thanked the staff for all of their hard work and wished everyone a very happy holiday season.

**X. Adjourn**

*Commissioner Murray moved to adjourn. Commissioner Wagner seconded. Voice Vote. All Ayes. Meeting adjourned at 7:51PM.*

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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  
April 15, 2016

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**EXECUTIVE SESSION**

**Time: 4:00PM**

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**I. Call to Order**

**II. Approval of Agenda**

**III. Motion into Executive Session**

*Motion into Executive Session to discuss the Executive Director's position with potential candidates as authorized by C.R.S. §24-6-402(4)(c) and (4)(f).*

**III. Adjourn Executive Session**

**SPECIAL COMMITTEE MEETING**

**Time: Following Executive Session**

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**I. Call to Order**

**II. Citizen Comments**

- III. 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.

**IV. Discussion Items**

**V. Adjournment**

**REGULAR BOARD MEETING**

**Time:**

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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 6:15 PM on April 15, 2016 in Grand Junction, Colorado and in the County of Mesa.

**Present:**

*Commissioners Present:*

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

*Other:*

Gary Harmon  
Kip Turner  
Ben Wegener

*Airport Staff:*

Ben Johnson  
Ben Peck  
Chance Ballegeer

**II. Approval of Agenda**

*Commissioner Wagner motioned to approve the agenda. Commissioner Ball seconded.*

*Voice Vote. All Ayes.*

**III. Conflict Disclosures**

Chairman Wood – Hangar Owner  
Commissioner Nelson - None  
Commissioner Ball – None  
Commissioner Wagner - None  
Commissioner Langley- None  
Commissioner Taggart - None

**IV. Commissioner Comments**

**V. Citizen Comments.**

**VI. Consent Agenda**

**VII. Discussion Items**

**VIII. Action Items**

**IX. Any other Business**

On behalf of the search committee, Commissioner Ball recommended that the Board name Mr. Kip Turner as the finalist for the position of Airport Director at the Grand Junction Regional Airport.

**X. Adjourn**

*Commissioner Nelson moved to adjourn. Commissioner Wagner seconded. Voice Vote. All Ayes.*

*The meeting adjourned at 6:23PM.*

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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  
April 19, 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**

III. 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).

**IV. Adjourn Executive Session**

4:46PM

**SPECIAL COMMITTEE 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 5:15PM on April 19, 2016 in Grand Junction, Colorado and in the County of Mesa.

<i>Commissioners Present:</i> Steve Wood, Chairman Paul Nelson, Vice Chairman Dave Murray Rick Langley Rick Taggart Rick Wagner  <i>Airport Staff:</i> Victoria Villa, Clerk Ty Minnick Ben Johnson Ben Peck Chance Ballegeer Fidel Lucero Brian Harrison	<i>Other:</i> Shannon Kinslow, TOIL Brad Barker, CAP Bill Marvel, GJAUTA Clay Tufly Debbie Kovalick Christie Pollard Diane Schwenke Eric Trinkline, Armstrong David Hartman, Armstrong Gary Harmon, Daily Sentinel Lisa Meachem, EKS&H
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**II. Approval of Agenda**

Chairman Wood suggested to move the annual audit report presentation up in the agenda so Ms. Meachem can catch her flight.

*Agenda was approved with the change by major motion*

**III. Conflict Disclosures**

Commissioner Murray – None  
Commissioner Langley – None  
Commissioner Nelson – None  
Chairman Wood – Hangar Owner  
Commissioner Wagner – None  
Commissioner Taggart – None  
Commissioner Ball – Absent

**IV. Commissioner Comments**

*None.*

**V. Citizen Comments**

*None.*

**VI. Presentations**

**A. Annual Audit Report**

Ms. Lisa Meachem with EKS&H gave an overview presentation of the 2015 financial audit.

**Results of Audit (Audit report created by EKS&H )**

"We have reviewed the accounting practices, which include policies estimates, and financial statement disclosures, related to the following areas of focus:

**Revenue Recognition**

- Obtained revenue recognition memo describing each type of revenue stream to gain an understanding of the Authority's various revenue streams.
- Tested a sample of revenue transactions from each revenue stream by agreeing to cash receipt documentation and related invoice or agreement, as applicable.
- Analytically tested 2015 revenues as a percentage of various key performance indicators.
- Obtained and tested the future lease revenues schedule (see Note 7 in the financial statements).

**Accounts Receivables and Allowances**

- Independently confirmed a selection of receivable balances as of December 31, 2015.

- Performed alternative procedures on balances for which confirmations were not received, including vouching of subsequent receipts.
- Tested the aging to assess the need for an allowance for doubtful accounts.

#### **Capital Assets**

- Obtained a rollforward schedule of capital asset balances from January 1, 2015 through December 31, 2015.
- Agreed the rollforward schedule of capital assets to supporting detailed schedules.
- Selected a sample of capital asset additions during the year to vouch to supporting documentation.
- Analytically tested depreciation expense year over year.

#### **Passenger Facility Charge (“PFC”) Program**

- Reviewed and tested the PFC schedule and activity in the PFC program in 2015 in accordance with the PFC Audit Guide issued by the Federal Aviation Administration.
- Testing included recalculation of PFC charges revenue remittances, and allowability of disbursements.

#### **GASB 68 GASB 71**

- Reviewed and tested the Authority’s adoption of applicable new standards related to pensions as of December 31, 2104 amount in the financial statements.

#### **Accounts Payable and Accrued Expenses**

- Tested actual expenditures subsequent to year-end to support year-end accruals.
- Reviewed other supporting documentation as considered necessary.”

Ms. Meachem reported that they did not identify any deficiencies in internal control over compliance that they consider to be material weakness.

*Full Financial Statements and Independent Auditors’ Report available to review at [www.gjairport.com](http://www.gjairport.com)*

### **VII. Consent Agenda**

- A. March 15, 2016 Regular Meeting Minutes
- B. Pay Request: G4S February Billing
- C. ~~Purchase Request/Asset Disposal—Riding Mowers~~
- D. Pay Request: Mead and Hunt – AIP 49
- E. ~~Pay Request: Mead and Hunt – TAP Update~~
- F. Pay Request: InterVistas – Air service Development Project
- G. CPW Non-Standard Form Lease

Items “C” and “E” were requested to be removed from the Consent Agenda for further discussion.

*Commissioner Wagner made a motion to approve the consent agenda as amended.  
Commissioner Taggart seconded. Voice Vote. All Ayes*

## **VIII. Discussion Items**

### **A. Financial Update**

Mr. Minnick briefed the Board on the airport’s current financial status. (Financial Results report created by Mr. Ty Minnick)

#### **Financial Results**

##### **Assets**

1. Prepaid expenses are consistently being amortized over the term of the insurance policy. The annual policy is up for renewal in June 2016.
2. Restricted assets are consistent with the use of the PFC cash received. Customer facility charge is showing net decrease due to the \$116,000 payment in March for the quarterly SIB loan payment.

##### **Liabilities**

1. Accounts payable showed a large amount decrease in the balance due to the payment to Shaw in January 2015
2. Accrued expenses are higher from December 2015 to March 2016 as the 07 Revenue Bond interest is being accrued monthly for the semi-annual interest payment.

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

**Non-Aeronautical Revenue** – parking revenue is higher than prior due to the increase in the maximum parking rate from \$9 to \$10 and higher than budget due to the increase in enplanements year over year.

##### **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.

**Non-operating Revenue/Expense** – CFC’s are greater than budget and prior year with the increase in the CFC rate in February from \$3.80 to \$4.00 per rental day and higher than budgeted enplanements.

#### **Enplanements**

**2016 vs 2015**



	Month	Year to Date
2015	16,647	45,923
2016	18,023	49,267
Difference	1,376	3,344

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

Chairman Wood briefed the Board. Chairman Wood stated that at the last meeting they informed everyone that the contractor, Dynetics, was to be on site soon and they were on schedule. They are still awaiting a 7460 from the FAA for one pole.

#### **C. Projects Update**

Mr. Johnson briefed the Board. Mr. Johnson said that with AIP 49, the environmental assessment (EA) for the new runway, they did receive the finding of no significant impact (FONSI) and record of determination. Mr. Johnson said that the FAA has approved the EA and has signed off on it. Staff now has to publish a notice in the paper and it will be available for public review at their office for 15 days.

#### **D. Air Service Development Committee Update**

Commissioner Taggart presented a power point to the Board about the Grand Junction Air Service Alliance. Commissioner Taggart stated that the goal of the Grand Junction Air Service Alliance is to “Support the economic development efforts of the community by providing greater access to the west for current and potential business”. After a few weeks of organizing the Alliance raised \$463,900 in cash and in-kind contributions to be used toward a Small Community Air Service Development grant. The grant would focus on improving air service from Grand Junction to the western United States and international destinations. Commissioner Taggart reported that the Department of Transportation did not grant the funds to the Alliance. Commissioner Taggart says that the Alliance continues to meet and has been an active participant in InterVista’s Air Passenger Demand Survey. Commissioner Taggart stated that the Alliance continues to look for opportunities to seek additional routes from an existing carrier or recruit a new carrier into the area.

##### **1. Air Service Incentive Program**

Mr. Minnick briefed the Board on the possibility of offering an Air Service Incentive Program to attract more airlines to The Grand Junction Regional Airport. Some incentive options discussed were; free landing fees for the first year 100% and 50% for the second year, a marketing incentive of \$5000 such as a banner add on the website or advertising at the baggage belt and airline ticket office rent. Mr. Minnick stated that another option is to give credit to common space rent but that is a revenue impact because the common space is allocated to all airlines pro-rate on enplanements and anything that is given out as a credit to a new service will reduce the revenue that the airport gets.

## **IX. Action Items**

### **A. Pay Request: Mead and Hunt – AIP 49**

*Commissioner Langley moved to accept and approve the payment to Mead and Hunt, invoice number 259517 in the amount of \$14,543.14. Commissioner Nelson seconded. Voice Vote. All Ayes.*

### **B. Purchase Request/Asset Disposal – Riding Mower**

Commissioner Murray asked for clarification on the requirement for putting out a request for proposal.

Mr. Johnson said \$50,000

*Commissioner Murray moved to accept and authorize the purchase request/asset disposal request. Commissioner Taggart seconded. Voice Vote. All Ayes*

### **C. Resolution 2016-004 – Updated Rates and Charges**

Mr. Minnick stated that on page 16 he added items E and F. Mr. Minnick said that they have had requests from some tenants to do work that are outside of their normal scope, so he wanted to make sure that they could charge out at a proper rate and also for internet and phone.

*Commissioner Wagner moved to adopt the amended resolution and authorize the Chairman to sign it. Commissioner Nelson seconded. Roll Call Vote. Commissioner Taggart: Aye, Commissioner Wagner: Aye, Chairman Wood: Aye, Commissioner Nelson: Aye, Commissioner Langley: Aye, Commissioner Langley: Aye. All Ayes*

### **D. Contract Awards – AIP 52**

#### **1. Taxiway Rehabilitation**

#### **2. Lighting/Segmented Circle Modifications**

Mr. Johnson briefed the Board. Mr. Johnson said that the FAA has provided its concurrence on the recommendation of award for the two remaining projects of AIP 52. Project one is the rehabilitation of the main taxiway connectors. Project two is the modification of lighting and the moving of the segmented circle. Bid opening took place in February and they have reviewed all of the contracts and all of the proposals. Staff concurs with Armstrong's recommendation to award project one to Elam Construction for \$1,191,844.50 and project two to Pro Electric for \$97,977.00. Staff recommends for the Board to Authorize the Chairman to execute the notice of award and contracts pending the contractors getting the airport their bonds and everything they are required to provide. Mr. Johnson said that the total project cost for AIP 52, which includes the fog seal restripe project, is just over 3million dollars and the total grant is for 2.76 million for the FAA with some state and local money as well.

*Commissioner Nelson made a motion to approve contract award of AIP 52 on the taxiway rehabilitation to Elam Construction and to authorize the Chairman to sign the agreement. Commissioner Wagner seconded. Voice Vote. All Aye.*

*Commissioner Wagner made a motion for the Board to adopt the agreement and award the contract to modify runway 22 edge-lighting and relocate the wind-cone and segmented circle, project two, to Pro Electrical and to authorize the Chairman to execute the agreement. Commissioner Nelson seconded. Voice Vote. All Ayes.*

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

**None**

**XI. Adjourn**

*Commissioner Murray motioned to adjourn. Commissioner Nelson seconded. Voice Vote. All Ayes.*

*The meeting adjourned at 6:20PM.*

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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  
April 29, 2016

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**EXECUTIVE SESSION**

**Time: 12:00PM**

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**I. Call to Order**

**II. Approval of Agenda**

**III. Motion into Executive Session**

*To discuss the Executive Director's Position and related personnel matters with respect to that position as authorized by C.R.S. §24-6-402(4)(b).*

**III. Adjourn Executive Session**

12:46PM

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**SPECIAL BOARD MEETING**

**Time: Following Executive Session**

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**I. Call to Order**

Mr. Paul Nelson, Board Vice-Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 12:48 PM on April 29, 2016 in Grand Junction, Colorado and in the County of Mesa.

**Present:**

*Commissioners Present:*

Steve Wood, Chairman (Present by phone)

Paul Nelson, Vice Chairman

Rick Langley

Rick Taggart

Dave Murray (Present by phone)

*Other:*

Gary Harmon, Daily Sentinel

Ben, Wegener, Airport Attorney

*Airport Staff:*

Ben Johnson

Ben Peck

Ty Minnick

Chance Ballegeer

## **II. Approval of Agenda**

*Commissioner Wagner motioned to approve the agenda. Commissioner Ball seconded. Voice Vote. All Ayes.*

## **III. Conflict Disclosures**

Chairman Wood – Hangar Owner

Commissioner Nelson - None

Commissioner Langley- None

Commissioner Taggart - None

## **IV. Commissioner Comments**

## **V. Citizen Comments.**

## **VI. Discussion Items**

➔ The Finalist for the Executive Director's Position and related matters

## **VII. Action Items**

- A. The Executive Director's Position and actions related to that position if the discussion warrants any action be taken.

*Commissioner Taggart made a motion for the Board to extend an offer to Mr. Kip Turner, the finalist for the Airport Executive Director, consistent with the offer letter that has been discussed with the points of compensation and benefits. Commissioner Langley seconded. Roll Call Vote. Commissioner Langley: Aye, Commissioner Nelson: Aye, Commissioner Taggart: Aye, Chairman Wood: Aye, Commissioner Murray: Aye.*

*Commissioner Taggart moved for the Board to extend authorization to their labor attorney, Ms. Danielle Urban, to negotiate the points of the offer letter with Mr. Kip Turner and bring back any changes in the form of a final agreement that the Board can then vote on. Commissioner Langley seconded. Voice Vote. All Ayes*

### **B. Junction Aerotech Sublease Request**

Mr. Wegener briefed the Board. Mr. Wegener said that Grand Junction Aerotech went on to the standard form lease agreement in March and they have some prior subleases in place, one being West Star, and they now need to work with West Star on getting on to a standard form sub-lease. The people involved in Junction Aerotech as well as some of their finance people needed an approval from the Board that the sub-leases that they had in place for the last 10 to 20 years, remain in place while they work out getting all of the subleases onto one sublease.

*Commissioner Langley made a motion to approve the Vice-Chairman, Paul Nelson, to sign the agreement to allow the approval of any new subleases for Junction Aerotech LLC, in moving in applicable subleases onto a new sublease within a reasonable amount of time. Commissioner Murray seconded. Voice Vote. All Ayes.*

**VIII. Any other Business**

**IX. Adjourn**

*Commissioner Taggart moved to adjourn. Commissioner Langley seconded. Voice Vote. All Ayes.*

*The meeting adjourned at 12:58PM.*

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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

TOPIC:	G4S Invoice		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board authorize the payment of G4S Invoice 7712235 for the amount of \$11,545.91		
LAST ACTION:	N/A		
DISCUSSION:	<p>This invoice is the monthly billing for April 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>		
FISCAL IMPACT:	\$11,545.91		
COMMUNICATION STRATEGY:	N/A		
ATTACHMENTS:	G4S Invoice 7712235		
STAFF CONTACT:	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: 7712235  
Amount Due: \$11,545.91  
Invoice Date: 04/30/2016  
Terms: Payment Due 30 Days  
Due Date: 05/30/2016  
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: 04/01/2016 through 04/30/2016

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>											
03/28/2016	04/03/2016	0.00	0.00	0.00	0.00	0.00	0.00	5.33	5.33	0.00	
04/04/2016	04/10/2016	10.50	7.25	8.00	6.75	0.00	0.00	5.75	38.25	0.00	
04/11/2016	04/17/2016	10.50	6.50	8.00	6.75	0.00	0.00	5.75	37.50	0.00	
04/18/2016	04/24/2016	10.50	6.50	8.00	6.67	0.00	0.00	5.75	37.42	0.00	
04/25/2016	05/01/2016	9.50	7.00	7.75	7.00	0.00	0.00	0.00	31.25	0.00	
<b>Baughman, John B</b>											
03/28/2016	04/03/2016	0.00	0.00	0.00	0.00	12.83	0.00	0.00	12.83	0.00	
04/04/2016	04/10/2016	7.00	7.00	5.50	6.00	13.75	0.00	0.00	39.25	0.00	
04/11/2016	04/17/2016	7.00	7.00	5.75	6.00	8.00	0.00	0.00	33.75	0.00	
04/18/2016	04/24/2016	7.00	7.00	4.75	6.08	8.00	0.00	0.00	32.83	0.00	
04/25/2016	05/01/2016	8.00	0.00	6.00	6.00	7.00	7.00	0.00	34.00	0.00	
<b>Falk, Darin H</b>											
03/28/2016	04/03/2016	0.00	0.00	0.00	0.00	0.00	11.00	0.00	11.00	0.00	
04/04/2016	04/10/2016	0.00	0.00	0.00	0.00	0.00	11.00	0.00	11.00	0.00	
04/11/2016	04/17/2016	0.00	0.00	0.00	0.00	0.00	11.00	0.00	11.00	0.00	
04/18/2016	04/24/2016	0.00	0.00	0.00	0.00	0.00	13.00	0.00	13.00	0.00	
04/25/2016	05/01/2016	0.00	7.00	0.00	0.00	0.00	4.00	0.00	11.00	0.00	
<b>Troncoso, Daniel L</b>											
03/28/2016	04/03/2016	0.00	0.00	0.00	0.00	0.00	0.00	7.17	7.17	0.00	
04/04/2016	04/10/2016	0.00	0.00	0.00	0.00	0.00	0.00	7.00	7.00	0.00	
04/11/2016	04/17/2016	0.00	0.00	0.00	0.00	5.08	0.00	7.00	12.08	0.00	
04/18/2016	04/24/2016	0.00	0.00	0.00	0.00	5.75	0.00	7.00	12.75	0.00	
04/25/2016	05/01/2016	0.00	0.00	0.00	0.00	6.00	0.00	0.00	6.00	0.00	
<b>Armed CPO-REGULAR</b>											
				404.41	Regular Hours	at		28.55			11,545.91
<b>Subtotal</b>									404.41		11,545.91
<b>Invoice Total</b>											11,545.91



## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Mead & Hunt FINAL Pay Request for AIP 49		
PURPOSE:	Information <input checked="" type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board approve the payment to Mead & Hunt for Invoice No. 260676, in the amount of \$21,445.79.		
LAST ACTION:			
DISCUSSION:	<p>This invoice is the final billing from Mead &amp; Hunt for the Environmental Assessment for the re-location of Runway 11/29. The FAA signed the Finding of No Significant Impact/Record of Determination which represents completion of this project. All items in the scope of work are completed and all deliverables have been received by the Airport.</p> <p>Staff has submitted a final request for reimbursement to the FAA for this project and once received, the grant will be closed.</p>		
FISCAL IMPACT:	\$21,445.79 (90% FAA Reimbursed)		
COMMUNICATION STRATEGY:	None.		
ATTACHMENTS:	1. Mead & Hunt Invoice No. 260676		
STAFFCONTACT:	Ben Johnson Office: 970.248.8596 Email: <a href="mailto:bjohnson@gjairport.com">bjohnson@gjairport.com</a>		



Remit payment to:  
Mead & Hunt | Accounts Receivable  
2440 Deming Way | Middleton, WI 53562-1562  
1-888-364-7272 | AccountsReceivable@meadhunt.com

## Invoice

Grand Junction Regional Airport  
2828 Walker Field Drive, Suite 301  
Grand Junction, Colorado 81506

May 11, 2016

Project No: R2331300-121332.01  
Invoice No: 260676

Project R2331300-121332.01 GJT Grand Junction Regional Airport EA

Phase 2  
Previous Project Number: 540-091111

o See attached Progress Report.

### Professional Services from April 1, 2016 to April 30, 2016

Phase	000001	Community Involvement & Coord
Task	00001A	Task 1.1. Study Project Management
Fee		

Phase	Fee	Percent Complete	Earned	Current
1.1. Study Project Management	20,896.00	100.00	20,896.00	0.00
1.2.1 Public Involvement	16,400.00	100.00	16,400.00	0.00
1.2.2. General Agency Coordination	10,348.00	100.00	10,348.00	0.00
1.2.3. Project Communication Plan	7,698.00	100.00	7,698.00	0.00
Total Fee	55,342.00		55,342.00	0.00
		Previous Fee Billing	55,342.00	
Total				0.00
		Total this Task		0.00
		Total this Phase		0.00

Phase	000002	Prepare EA/RMP Amendment
Task	00020A	2.1.1. Identify Range of Alternatives
Fee		

Phase	Fee	Percent Complete	Earned	Current
2.1.1. Identify Range of Alternatives	8,408.00	100.00	8,408.00	0.00
2.1.2. Planning and Engineering Support	587,848.00	100.00	587,848.00	5,878.48
2.2.1. Air Quality	1,696.00	100.00	1,696.00	0.00

Project	R2331300-121332.01	GJT Grand Junction Regional Airport EA			Invoice	260676
2.2.2. Compatible Land Use	3,368.00	100.00	3,368.00	0.00		
2.2.3. Dept of Transp. Act: Section 4(f)	7,632.00	100.00	7,632.00	0.00		
2.2.4. Fish, Wildlife, and Plants	7,608.00	100.00	7,608.00	0.00		
2.2.5. Floodplains	1,304.00	100.00	1,304.00	0.00		
2.2.6. Haz Materials, Pollution, Waste	1,902.00	100.00	1,902.00	0.00		
2.2.7. Hist, Arch, Archeo, Cult Resource	6,848.00	100.00	6,848.00	247.90		
2.2.8. Light Emissions & Visual Impacts	2,520.00	100.00	2,520.00	0.00		
2.2.9. Natural Resources & Energy Supply	2,956.00	100.00	2,956.00	0.00		
2.2.10. Noise	7,932.00	100.00	7,932.00	0.00		
2.2.11. Socioeconomics	2,956.00	100.00	2,956.00	147.80		
2.2.12. Water Quality	2,956.00	100.00	2,956.00	147.80		
2.2.13. Wetlands and Waters of the U.S.	11,580.00	100.00	11,580.00	0.00		
2.2.14. Surface Transportation Analysis	3,380.00	100.00	3,380.00	0.00		
2.2.15. Wild and Scenic Rivers	315.00	100.00	315.00	15.75		
2.2.16. Other Resource(s) Uses as ID'd	11,872.00	100.00	11,872.00	593.60		
2.2.17. Geographic IS Data Sets	8,008.00	100.00	8,008.00	0.00		
2.2.18. Biological & Cultural Res Inv	175,000.00	100.00	175,000.00	0.00		
2.2.19. Working Paper 1	8,728.00	100.00	8,728.00	0.00		
2.3.1. Air Quality	2,956.00	100.00	2,956.00	147.80		
2.3.2. Coastal Resources	125.00	100.00	125.00	6.25		
2.3.3. Compatible Land Use	3,804.00	100.00	3,804.00	190.20		
2.3.4. Construction Impacts	2,196.00	100.00	2,196.00	109.80		
2.3.5. Cumulative Impacts	2,956.00	100.00	2,956.00	147.80		
2.3.6. Dept of Trans Act: Section 4(f)	20,594.00	100.00	20,594.00	0.00		
2.3.7. Farmlands	1,260.00	100.00	1,260.00	63.00		
2.3.8. Fish, Wildlife, and Plants	14,480.00	100.00	14,480.00	0.00		
2.3.9. Floodplains	1,684.00	100.00	1,684.00	84.20		
2.3.10. Haz Materials Pollution, Waste	5,440.00	100.00	5,440.00	272.00		
2.3.11. Hist, Arch, Archeo, Cult Resourc	7,412.00	100.00	7,412.00	0.00		
2.3.12. Light Emissions & Visual Impacts	2,520.00	100.00	2,520.00	126.00		
2.3.13. Natural Resources& Energy Supply	2,196.00	100.00	2,196.00	109.80		
2.3.14. Noise	8,932.00	100.00	8,932.00	0.00		
2.3.15. Secondary (Induced) Impacts	3,392.00	100.00	3,392.00	169.60		
2.3.16. Socioeconomic, Environ, Children	3,392.00	100.00	3,392.00	169.60		
2.3.17. Water Quality	2,196.00	100.00	2,196.00	109.80		
2.3.18. Wetlands	11,000.00	100.00	11,000.00	550.00		
2.3.19. Wild and Scenic Rivers	125.00	100.00	125.00	6.25		

Project	R2331300-121332.01	GJT Grand Junction Regional Airport EA	Invoice	260676
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2.3.20. Other Resource(s) Uses as ID'd	13,744.00	100.00	13,744.00	0.00
2.3.21. Summary of Potential Impacts	6,088.00	100.00	6,088.00	304.40
2.3.22. Detailing of Mitigation	5,328.00	100.00	5,328.00	0.00
2.3.23. Working Paper 2, Environmental	8,728.00	100.00	8,728.00	0.00
2.4.1. Prelim Draft EA/RMP Amen Sp Rvw	12,032.00	100.00	12,032.00	0.00
2.4.2. Prelim Draft EA/RMP Amen FAA Rw	17,412.00	100.00	17,412.00	0.00
2.4.3. Prelim Design Eng for US Waters	7,276.00	100.00	7,276.00	363.80
2.4.4. Draft 404/401 Permit App Prep	26,648.00	100.00	26,648.00	0.00
2.4.5. Draft EA/RMP Amend Preparation	11,532.00	100.00	11,532.00	576.60
2.4.6. Local Land Use & Site Plan Review	37,928.00	100.00	37,928.00	6,447.76
Total Fee	1,108,193.00		1,108,193.00	16,985.99

Previous Fee Billing 1,091,207.01

Total 16,985.99

Total this Task \$16,985.99

Total this Phase \$16,985.99

Phase	000003	Meetings
Task	00003A	Task 3.1 Staff Progress Meetings
Fee		

Phase	Fee	Percent Complete	Earned	Current
3.1. Staff Progress Meetings	32,756.00	100.00	32,756.00	0.00
3.2. Airport Authority Board Meetings	6,396.00	100.00	6,396.00	0.00
3.3. Conduct Public Hearing	15,092.00	100.00	15,092.00	0.00
Total Fee	54,244.00		54,244.00	0.00

Previous Fee Billing 54,244.00

Total 0.00

Total this Task 0.00

Total this Phase 0.00

Phase	000004	Incorporate Comments & Prep Final EA/RMP
Task	00004A	Task 4.1 Assist FAA & BLM Decision Docs
Fee		

Project	R2331300-121332.01	GJT Grand Junction Regional Airport EA	Invoice	260676
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Phase	Fee	Percent Complete	Earned	Current
4.1. Assist w/FAA & BLM Deecision Docs	15,076.00	100.00	15,076.00	753.80
4.2. Administrative Record	9,265.00	100.00	9,265.00	3,706.00
Total Fee	24,341.00		24,341.00	4,459.80
		Previous Fee Billing	19,881.20	
	Total			4,459.80
		Total this Task		\$4,459.80
		Total this Phase		\$4,459.80
		Total this invoice		\$21,445.79

## **Technical Memorandum**



**To:** Ben Johnson  
Grand Junction Regional Airport  
**From:** Ryan Hayes  
**Date:** May 11, 2016  
**Subject:** EA Progress Report

The purpose of this memorandum is to provide the Airport with a progress report on the Environment Assessment for the relocation of Runway 11/29 and the associated transfer of BLM land to the airport authority.

The FAA issued their FONSI/ROD in April which effectively finishes the EA project. FAA has also requested the project and associated grant be closed out. This is the final invoice for the project and all tasks are now 100% complete.

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## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Non-Aeronautical Ground Sublease: 1. Sky Adventures, LLC & Gateway Canyons, LLC (Renewal)		
PURPOSE:	Information <input checked="" type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board consent to the Ground Subleases between Sky Adventures, LLC and Gateway Canyons, LLC, and authorize the Airport Chairman to sign the documents.		
LAST ACTION:	The Board approved a Standard Form Sublease for SkyAdventures in June 2015. The approval allowed staff to execute Aeronautical-Use Ground Subleases for SkyAdventures, but required Board approval for Non-Aeronautical Ground Subleases.		
DISCUSSION:	This Ground Sublease runs for a term of 1-year, commencing on July 1, 2016 and ending on June 30, 2017. The Ground Sublease for the following:		
	ENTITY	SQUARE FOOTAGE OF LEASE	% OF TOTAL SQUARE FOOTAGE
	GATEWAY CANYONS, LLC	150	0.87%
	<b>TOTAL BUILDING</b>	<b>17,333</b>	<b>0.87%</b>
ATTACHMENTS:	Ground Sublease: 1. Sky Adventures, LLC & Gateway Canyons, LLC 2. Sky Adventures Building Percentage as of 6/1/2016		
STAFFCONTACT:	Chance Ballegeer Airport Security Coordinator Cell: 970.712.0969 Office: 970.248.8586 Email: cballegeer@gjairport.com		

**GROUND SUBLEASE**  
**BETWEEN**  
**SKY ADVENTURES, LLC**  
**AND**  
**GATEWAY CANYONS, LLC**  
**SUITE 208**



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## **Airport Sublease Agreement**

This Airport Sublease Agreement (the "Sublease") is made and entered into on the date set forth in Paragraph 1.1, below, by and between the Tenant and Subtenant, as those terms are defined below.

### **Article 1: Basic Sublease Information**

In addition to the terms which are defined elsewhere in this Sublease, the following defined terms are used in this Sublease:

- 1.1 DATE: May 8, 2016
- 1.2 PRIMARY TENANT: Sky Adventures, LLC
- 1.3 TENANT'S TRADE NAME: Sky Adventures, LLC
- 1.4 TENANT'S ADDRESS AND PHONE:  
817 Falcon Way  
Suite 201  
Grand Junction, Colorado 81506  
  
PHONE: (970) 255-6422
- 1.5 SUBTENANT: Gateway Canyons, LLC
- 1.6 SUBTENANT'S TRADE NAME: Gateway Canyons Resort
- 1.7 SUBTENANT'S ADDRESS AND PHONE:  
43200 Hwy 141, Suite 101  
Gateway, Colorado 81522  
  
PHONE: (970) 306-8716 (Craig Bronson)  
EMAIL: craig.bronson@gatewaycanyons.com
- 1.8 GRAND JUNCTION REGIONAL AIRPORT AUTHORITY ADDRESS AND PHONE:  
  
800 Eagle Drive  
Grand Junction, CO 81506  
(970) 244-9100

1.9 AIRPORT:

The Grand Junction Regional Airport, which is located in Grand Junction, Colorado. Several attached Exhibits to the Lease may reference the Walker Field, Colorado, Public Airport Authority and/or the Walker Field, Colorado, Public Airport. However, on May 15, 2007, the Board of Commissioners changed the name of the Airport's governing authority from the Walker Field, Colorado, Public Airport Authority ("WFAA") to the Grand Junction Regional Airport Authority ("GJRAA"), and the name of the Airport from Walker Field to the Grand Junction Regional Airport.

1.10 COMMENCEMENT DATE OF SUBLEASE: July 1, 2016

1.11 LEASE: The Ground Lease Agreement between GJRAA and Tenant ("Lease"), dated May 16, 2000, which is attached to this Sublease as Exhibit C, and which is fully incorporated herein by reference.

1.12 EXPIRATION DATE OF SUBLEASE: June 30, 2017

1.13 INITIAL MINIMUM INSURANCE COVERAGE AMOUNT: \$1,000,000 per occurrence/\$1,000,000 in aggregate per the terms of Article 7 of this Sublease

1.14 RENT: \$2,256.00

A. Payment schedule: \$188.00 per month due on the 1st day of each month, beginning July 1, 2016

B. Late payment and due date: \$15.00 fee is not paid by the 5th of each month

1.15 PERMITTED USES: The following activities shall be considered "Permitted Uses" under this Sublease:  
Office use Resort Shuttle Service

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

1.16 PREMISES: The Premises shown on the attached Exhibit A and Exhibit B to this Sublease and any improvements thereon.

A. Building and office areas: Suite 208 of Sky Adventures Building

B. Vehicle and aircraft parking areas: Vehicle parking to include 5 Shuttle vehicles to be parked in area designated by Building Manager.

C. Common Areas: All Common Areas in the Sky Adventures Building

- 1.17 PREMISES SQUARE FOOTAGE: The Premises consist of a total of 150 square feet.
- 1.18 MAINTENANCE AND UTILITIES: Maintenance of Leased Premises by Subtenant; maintenance of common Areas by Primary Tenant; utilities paid by Primary Tenant, with the exception of telephone and internet. Tenant is responsible for upkeep of lease space including cleaning and lighting.
- 1.19 SECURITY DEPOSIT: NONE

**Article 2: Sublease and Term:**

2.1 In consideration of the payment of the rent and the keeping and performance of the covenants, promises, and agreements by Subtenant set forth herein, Tenant does hereby sublease unto Subtenant 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. Subtenant shall be subleasing the Premises in an "as is" and "with all faults" condition and without any warranties or representations, expressed or implied, from either Tenant or 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 Subtenant is also granted Tenant's non-exclusive right under the Lease 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 Subtenant to provide the Permitted Uses from the Premises. Subtenant's use of said airfield areas and other Airport rights of way shall be on a non-exclusive, non-preferential basis with other authorized users thereof. Subtenant agrees to abide by all directives of Tenant, GJRAA, the Federal Aviation Administration ("FAA"), and any other governmental entity having jurisdiction over the Airport, governing Subtenant's use of said airfield areas and other Airport rights of way, either alone or in conjunction with other authorized users thereof.

2.3 Unless sooner terminated by agreement of Tenant and Subtenant, or under other provisions of the Lease or this Sublease, this Sublease shall terminate on the Expiration Date identified above. However, if the Expiration Date identified above is a date later than the expiration or termination of the Lease, then the Expiration Date of this Sublease will automatically become the date on which the Lease expires and/or terminates.

2.4 Subject to the other provisions of this Sublease, Tenant hereby grants Subtenant the exclusive right to use the Premises, and all of the improvements thereon (if any), to conduct, on a non-exclusive basis at the Airport, the Permitted Uses.

2.5 Tenant and GJRAA may, at any time, inspect the Premises, and/or any improvements, fixtures or equipment thereon. Subtenant shall cooperate with any such inspection.

**Article 3: Rent, Security Deposit & Other Fees:**

3.1 The ground rent for the Premises is set forth in Article 1, above.

3.2 The following provisions shall apply to the miscellaneous fees applicable to Subtenant or relating to the Premises:

3.2.1 Subtenant shall pay the GJRAA such fees as set forth in the GJRAA's Fees and Charges, a copy of which is available from the GJRAA, as the same now exists or as it may be amended from time to time, for, among other things, the usage of the Airport's disposal station by Subtenant, or by Subtenant's authorized assigns and subtenants, if any.

3.2.2 Subtenant shall pay the GJRAA the amount established by the GJRAA from time to time for stand-by services provided by the employees of the GJRAA to Subtenant, or to Subtenant's assigns and subtenants, including, but not limited to, the following stand-by services: Aircraft Rescue & Fire Fighting (ARFF); emergency first aid; custodial, maintenance and security services; and special events on Airport property.

3.2.3 Subtenant shall pay the GJRAA's landing fees for all aircraft owned or leased by Subtenant that utilize its hangar or tie-down facilities, in the amount of the landing fees required by the GJRAA's Fees and Charges, as said amount may be amended from time to time.

3.2.4 Subtenant shall pay the GJRAA such fuel flow fees for fuel purchased by Subtenant, or Subtenant's assigns or subtenants, from authorized fuel vendors on the Airport, as required by the GJRAA's Fees and Charges, as said amount may be amended from time to time. Said fuel flow fee is in addition to any gasoline taxes or fuel flow fees Subtenant may be required to pay under the State of Colorado's Aviation Fuel Tax Program or otherwise.

3.2.5 Subtenant shall pay the GJRAA for all identification badges required for use by Subtenant, or its assigns or subtenants, at a rate established by the GJRAA from time to time. Subtenant shall also pay such fees as established by the GJRAA from time to time for the replacement of said badges.

3.2.6 Subtenant shall pay the GJRAA such other fees and charges as may be imposed by the GJRAA in the future, for services and facilities provided by the GJRAA to Subtenant, or Subtenant's assigns and subtenants, on a pro rata, non-discriminatory basis with the other users of said services or facilities.

3.3 Payment of all fees owed to the GJRAA, if any, shall be made in accordance with procedures adopted by the GJRAA from time to time.

3.4 All ground rental payments shall be made to Tenant at its address listed in Article 1 or at such other address as may be specified by Tenant. All fees due to the GJRAA shall be made to the GJRAA at its address listed in Article 1, or at such other address as may be specified by the GJRAA.

3.5 Any payment due from Subtenant to the GJRAA which is not received on the due date will be subject to a late charge pursuant to the GJRAA Fees and Charges, as amended from time to time.

3.6 Any agreed upon security deposit is to be held by Tenant as security and will be for all of Subtenant's obligations hereunder. Any such security deposit shall be made at the time the Sublease is signed by the Subtenant.

**Article 4: Improvements:**

4.1 During the term of this Sublease, Subtenant 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 Subtenant's authorized use of the Premises, provided that:

4.1.1 The improvements, alterations, and additions are performed by qualified and licensed contractors or subcontractors; and

4.1.2 Prior to the construction of any improvements, alterations or additions to the Premises including, but not limited to, new buildings, major exterior changes to any buildings, changes in pavement, fences and utility lines, interior renovations that affect the structural integrity or office and hangar configuration of any improvements:

4.1.2.1 Subtenant must submit the proposed plans, drawings, and/or specifications to GJRAA and Tenant for their review and approval; and

4.1.2.2 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, GJRAA's Development and Architectural Covenants, and GJRAA's Requirements and Minimum Standards for Services and Activities at the Airport ("Minimum Standards"), as the same may be amended from time to time.

4.1.3 Tenant must obtain the written approval of Tenant and the GJRAA before it can commence any construction of any improvements, alterations or additions to the Premises, as described in more detail above. If Subtenant begins construction of any improvements, alterations or additions to the Premises without the written approval of Tenant or the GJRAA, then Tenant and the GJRAA will have any and all available remedies and relief to them and against Subtenant, including, but not limited to, requiring Tenant to deconstruct and/or remove any unauthorized construction of any improvements, alterations, or additions to the Premises.

4.2 Subtenant shall construct all improvements, alterations, and additions to the Premises at its own expense. If Subtenant constructs improvements, alterations, and/or additions, the improvements, alterations, and additions shall be constructed at Subtenant's sole initiative and behest, and nothing herein shall be construed as an agreement by Tenant or the GJRAA to be responsible for paying for them, and neither the Premises, nor Tenant's or the GJRAA's interests in said Premises, or any improvements, alterations or additions constructed thereon, shall be subjected to a mechanic's lien for any improvements, alterations or additions constructed by Subtenant. Tenant and/or the GJRAA may require Subtenant to post a bond, or such other security as Tenant and/or the GJRAA deems appropriate, guarantying payment for construction of the improvements, alterations or additions involved, as a condition precedent to the commencement of construction of the improvements, alterations or additions. Subtenant 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 statutes, regulations, rules, or codes. Subtenant shall reimburse Tenant and the GJRAA for all costs and expenses, including surveying and attorney's fees, that Tenant or the GJRAA incurs, (a) as a result of the fact that the improvements, additions, or alterations do not comply with local, state and federal statutes, regulations, rules, or codes, (b) in defending against, settling or satisfying any claim that Tenant or the GJRAA is responsible for paying due to the improvements, alterations, and additions to the Premises, or (c) in defending against, settling or satisfying any mechanic's lien claims, asserted as a result of non-payment for improvements, alterations, and additions to the Premises.

**Article 5: Maintenance, Utilities, and Use:**

5.1 During the term of this Sublease, Subtenant 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 Subtenant or Subtenant's assigns or subtenants, and any of Subtenant's improvements, fixtures, or equipment located elsewhere on the Airport, in good operating and physical condition and repair. Subtenant shall repair any utility lines located on or under its Premises which are utilized by other third parties (but not by Subtenant or Subtenant's assigns or subtenants), if the damage to said utility lines was caused by Subtenant, or by Subtenant's board members, officers, agents, employees, contractors, subcontractors, assigns, subtenants, customers, guests, invitees, or anyone acting under Subtenant's direction and control.

5.2 Subtenant shall not permit any liens (including, but not limited to, liens for utilities) to be levied against the Premises and, in the event that any liens are so levied, agrees to indemnify Tenant and the GJRAA and hold them harmless for the same.

5.3 During the term of this Sublease, Subtenant 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 on the Airport, in a safe and clean condition, and to 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 in the sole discretion of the GJRAA.

5.4 Subtenant may not store items unrelated to its business at the Airport (including, but not limited to, boats, recreational vehicles, motorcycles, campers, and personal motor vehicles) on the Premises for more than two (2) weeks without the prior written consent of the GJRAA.

5.5 During the term of this Sublease, Subtenant, or Subtenant's assigns or subtenant's may only use the Premises for aviation-related purposes unless otherwise approved of by Tenant, the GJRAA, the FAA, and any other applicable local, state, or federal entity or agency. Subtenant or Subtenant's assigns or subtenant's failure to comply with this provision will result in the immediate termination and/or expiration of this Sublease. Further, Subtenant will indemnify and hold Tenant and the GJRAA harmless for any penalty, fine, claim, demand, cause of action, expense, or charge Tenant or the GJRAA may incur as a result of Subtenant's or Subtenant's assigns or subtenant's failure to follow this provision.

**Article 6: Taxes and Assessments:**

Subtenant shall timely pay all real and personal property taxes related to its operations hereunder or elsewhere; all local, state and federal income, payroll, aviation fuel 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, 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 Subtenant, or that become a lien upon Subtenant, Tenant, the GJRAA, the Premises, or any improvements thereon, by reason of Subtenant's activities under this Sublease or elsewhere.

**Article 7: Insurance:**

7.1 At all times during the term of this Sublease, Subtenant shall maintain automobile, general liability, bodily injury and property damage insurance naming Tenant and the GJRAA as additional insureds covering all of the services, operations, and activities of Subtenant, and Subtenant's assigns or subtenants at the Airport. The initial amount of coverage provided to Tenant and the GJRAA shall be at least the Initial Minimum Insurance Coverage Amount, as that term is defined in Article 1, above. The GJRAA or Tenant may from time to time, in their sole discretion (which shall be reasonably exercised), increase the amount of required insurance due hereunder.

7.2 At all times during the term of this Sublease, Subtenant shall maintain such hazard insurance as necessary to cover the full replacement cost of each of the improvements Subtenant, Subtenant's assigns or subtenants, the GJRAA, or Tenant 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.

7.3 Subtenant 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



subcontractors' employees who perform any work for Subtenant in connection with the rights granted to Subtenant hereunder.

7.4 Subtenant shall provide a certificate of insurance to Tenant and the GJRAA of the kinds and amounts of said insurance coverages and shall acquire policies that shall not be subject to cancellation without at least thirty (30) days advance written notice to Tenant and 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 Tenant and the GJRAA.

**Article 8: Assignment and Subleasing:**

8.1 Subtenant shall not assign Subtenant's interest herein without the written consent of Tenant and the GJRAA, which consent shall not be unreasonably withheld. If an assignment is made, Subtenant shall continue to be liable, jointly and severally with the assignee, for the fulfillment of all terms and conditions arising under this Sublease subsequent to the assignment, unless Tenant and the GJRAA specifically release Subtenant, in writing, for such liability for future obligations. All subsequent assignors and assignees shall be subject to this Sublease as if they were the original Subtenant/assignor.

8.2 Subtenant 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 Tenant and the GJRAA for the sublease, which consent shall not be unreasonably withheld. Any sublease shall be in writing in the form ("Form Ground Sublease") required by the GJRAA for all subleases, as the same may be amended from time to time, or in a form specifically approved of by the GJRAA. A copy of the Form Ground Sublease is available in the GJRAA's offices. The existence of any sub-lease or sub-leases shall not in any way relieve Tenant from its responsibilities as to the entire Premises under this Sublease. Any default by a subtenant of its obligations to the GJRAA under the Form Ground Sublease shall constitute a default by Subtenant and Tenant of their obligations under this Sublease or the Lease. Subtenant shall not allow any subtenant to enter onto the Premises until the subtenant has signed a sublease.

8.3 Tenant's or the GJRAA's consent to one sublease or assignment shall not be construed as consent or waiver of its right to object to any subsequent sublease or assignment. Tenant's or the GJRAA's acceptance of rent from any sublessee or assignee shall not be construed to be a waiver of the GJRAA's right to void any sublease or assignment.

**Article 9: Compliance with Applicable Law; Environmental Covenants:**

9.1 Subtenant 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, Transportation Security Administration ("TSA") and the Environmental Protection Agency ("EPA"). Subtenant further agrees to perform all of its operations authorized hereunder in accordance with all of the terms and conditions of the GJRAA's Requirements and Minimum Standards for Services and Activities

for the Grand Junction Regional Airport ("Minimum Standards"), Development and Architectural Covenants ("Architectural Standards"), Fees and Charges ("GJRAA's Fees and Charges"), AOA Safety Procedures ("Safety Procedures"), Fuel Handling and Storage Procedures ("Fuel Procedures"), and Noise Compatibility Procedures ("Noise Procedures"), as the same now exist and as they may be amended from time to time. Copies of each of these documents are available from the GJRAA at the GJRAA's office, the address of which is set forth in Article 1, hereof. If any inconsistency exists between the terms of this Sublease, and the terms of the Minimum Standards, Architectural Standards, the GJRAA's Fees and Charges, Safety Procedures, Fuel Procedures, and Noise Procedures, the terms of the Minimum Standards, Architectural Standards, the GJRAA's Fees and Charges, Safety Procedures, Fuel Procedures, and Noise Procedures shall control. Subtenant further agrees to comply with all oral and written directives of the GJRAA regarding Subtenant's use of the Premises, the Airport's airfield areas, and other common areas elsewhere on the Airport.

9.2 Should Subtenant, or Subtenant's board members, officers, agents, employees, customers, guests, invitees, subtenants, assigns, 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 Tenant and/or the GJRAA, then Subtenant shall fully reimburse Tenant and/or the GJRAA for said damage award, citation, or fine and for all costs and expenses, including reasonable attorney's fees, incurred by Tenant or the GJRAA in defending against or satisfying the award, citation or fine.

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

9.4 Subtenant shall use propylene glycol as a deicing agent unless Subtenant receives written authorization or instruction from the GJRAA to use a different deicing agent.

9.5 Subtenant is wholly and completely responsible for security of the gates, doors or other entryway leading to the Airport's air operations areas from the Premises.

9.6 Subtenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Subtenant, Subtenant's agents, employees, contractors or invitees, without the prior written consent of the GJRAA and Tenant, except for substances and in quantities usually and customarily used in airport hangar operations. If Subtenant breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by Subtenant results in contamination of the

Premises, then Subtenant shall indemnify, defend and hold Tenant and the GJRAA harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages, arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorney fees, consultant fees and expert fees) which arise during or after the lease term as a result of such contamination. This indemnification of Tenant and the GJRAA by Subtenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, 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. Further, Subtenant's indemnity obligations hereunder are not limited by any insurance coverage Subtenant may have. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Subtenant results in any contamination of the Premises, Subtenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises, provided that Tenant's and GJRAA's approval of such actions shall first be obtained. Subtenant's obligations set forth in this Article 9 shall survive the termination of this Sublease. Tenant's obligations set forth in this Article 9 shall also survive the termination of this Sublease.

9.7 As used in Paragraph 9.6, above, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, 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 appropriate state law provisions; (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.

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

**Article 10: Nondiscrimination:**

10.1 Subtenant, for Subtenant, Subtenant's personal representatives, successors in interest, and assigns, as part of the consideration hereof, warrants 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

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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) Subtenant 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.

10.2 Subtenant 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 Subtenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

10.3 This Sublease is subject to the requirements of the U.S. Department of Transportation's regulations governing nondiscrimination. Subtenant 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 Sublease. Subtenant further agrees to include the preceding statements in any subsequent sub-operating agreements at the Airport that Subtenant enters into and to cause those businesses to similarly include the statements in further agreements, as required by any applicable rules, regulations and directives.

10.4 Non-compliance with subparagraphs 10.1, 10.2, and 10.3 above, after written finding, shall constitute a material breach thereof and, in the event of such non-compliance, Tenant or the GJRAA shall have the right to terminate this Sublease and the estate hereby created without liability therefor or at the election of the GJRAA or the United States either or both said governments shall have the right to judicially enforce said subparagraphs 10.1, 10.2, and 10.3.

10.5 Subtenant assures that it shall undertake an affirmative action program if so required by 14 CFR Part 152, Subpart E, to insure that no person shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E on the grounds of race, creed, color, religion, national origin, age, disability, or sex. Subtenant 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. Subtenant assures that Subtenant shall require that Subtenant's covered sub-organizations, sub-Subtenants and assignees provide assurances to Subtenant that they similarly shall undertake affirmative action programs and that they shall require assurances from their sub-organizations, if so required by 14 CFR Part 152, Subpart E, to the same effect.

**Article 11: Indemnity of Tenant and the GJRAA:**

11.1 Subtenant shall and hereby agrees to indemnify and forever save Tenant, the GJRAA, any heirs, successors, assigns, or legal representatives, board members and employees of the GJRAA or Tenant and the Premises free and harmless from and against:

11.1.1 Any and all liability, penalties, losses, damages, costs and expenses, causes of action, claims, or judgments arising from or growing out of any injury or injuries to any person or persons or any damage or damages to any property as a result of any accident or other occurrence during the term of this Sublease occasioned by any act or acts, omission or omissions of the Subtenant, Subtenant's officers, employees, agents, servants, subtenants, concessionaires, licensees, contractors, invitees, or permittees, or arising from, growing out of, or in any way related to the use, maintenance, occupation, or operation of the Premises during the term of this Sublease;

11.1.2 From and against all legal costs, expenses, and charges, including reasonable attorneys' fees, incurred in and about such matters and the defense of any action arising out of the same 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 or omission of the Subtenant or Subtenant's agents, employees, representatives, assigns, contractors, subcontractors, subtenants, licensees, invitees, or by any or person or entity in any way related to Subtenant; and

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

11.2 Subtenant's indemnity obligations under this section shall be supported by insurance, but this insurance requirement shall be a separate and distinct obligation from Subtenant's indemnity obligations, and the insurance and indemnity obligations shall be separately and independently enforceable. Further, Subtenant's indemnity obligations hereunder are not limited by any insurance coverage Subtenant may have.

**Article 12: Eminent Domain:**

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, exercising its powers of eminent domain (or in the event that all or any portion of the Premises is conveyed to such a condemning authority in settlement and acceptance of such condemning authority's offer to purchase all or any portion of the Premises in connection with its threat to take said areas under power of condemnation or eminent domain), the proceeds, if any, from such taking or conveyance shall be allocated between Tenant, the GJRAA and Subtenant according to the applicable Colorado 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 reasonably to continue the authorized purposes contemplated by this Sublease in an economically viable manner, then this Sublease

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, Subtenant shall surrender the Premises to Tenant and all of Tenant's fixtures and personal property thereon, and Subtenant may remove its improvements, fixtures and personal property located upon the Premises, in accordance with the provisions of this Sublease. No severance damages shall be paid by Tenant or the GJRAA to Subtenant as the result of the condemnation nor shall any damages be paid to Subtenant as the result of the termination of this Sublease.

12.2 The GJRAA may grant or take easements or rights-of-way across the Premises if it determines it is in its best interests and in accordance with applicable Colorado law of eminent domain. If the GJRAA grants or takes such an easement or right-of-way across any of the Premises, Subtenant shall be entitled to compensation in accordance with applicable Colorado law of eminent domain.

**Article 13: Substitution of Premises:**

13.1 Subtenant acknowledges that in addition to the GJRAA's other rights set forth in this Sublease, the GJRAA has the right (but not the obligation) 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 taking of the Premises, any portion thereof, or any improvement thereon, is required for other 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 taken shall immediately vest in the GJRAA. Furthermore, the GJRAA may require Subtenant to vacate the portion of the Premises taken. For the purposes of this Article 13, 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 have the option of bringing the substituted area to the same level of improvement as the Premises, and of moving Subtenant's improvements, equipment, furniture, and fixtures to the substituted area. If any of Subtenant's improvements, equipment, furniture, or fixtures cannot be relocated, the GJRAA has the right (but not the obligation) to replace, at the 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 Subtenant, or any other third party whomsoever. It is the intent of this subparagraph that Subtenant be placed, to the extent possible, in the same position it would have been, had new premises not been substituted for the Premises; provided, however, that the GJRAA shall not be obligated to reimburse Subtenant for any damages, including lost profits or revenues, due to such substitution.

13.2 Nothing in subparagraph 13.1, above, shall be construed to adversely affect the GJRAA's rights to condemn Subtenant's leasehold rights and interests in the Premises, and improvements thereon, should the GJRAA, in its sole discretion, determine that it requires all or any portion of the Premises, and improvements thereon, for other Airport purposes. The GJRAA may, at its sole discretion, exercise its leasehold condemnation rights under Article 12, above, in lieu of the GJRAA's substitution rights set forth in subparagraph 13.1, above. Nothing in this

Article 13 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, subparagraph 13.1 shall not apply, and Subtenant shall be entitled to compensation for its leasehold interests in that portion of the Premises, and improvements thereon, so taken, in accordance with applicable Colorado condemnation law.

**Article 14: Airport Development Rights; Emergency Use of Premises:**

14.1 Subtenant acknowledges that in addition to the GJRAA's other rights set forth in this Sublease, the GJRAA may 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 Subtenant, and without further interference or hindrance from Subtenant. Furthermore, the GJRAA may from time to time increase or decrease the size or capacity of any airfield areas and Airport rights of way/facilities (other than the Premises), 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 may be caused Subtenant thereby, and without being deemed to have terminated this Sublease as a result thereto.

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

**Article 15: Cooperation with Tenant in Collecting Fees:**

15.1 Subtenant understands that commercial ground transportation operators who pick up their patrons at the 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. Accordingly, in order to assist the GJRAA in determining the fees owed to the GJRAA by said ground transportation operators, Subtenant will, to the best of Subtenant's 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 the Premises during the preceding month:

15.1.1 the name, business address, and telephone number of each operator involved; and

15.1.2 the date and time of each customer picked up by each such operator during the preceding month.

15.2 Subtenant shall provide to the GJRAA or third party governmental agency involved such additional information or clarifications as the GJRAA or governmental agency may request, 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; (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 Subtenant shall be reported to the GJRAA and/or governmental agency involved within seven (7) days of Subtenant's discovery of said changes or corrections.

15.3 Subtenant 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 Subtenant instructing Subtenant to cease providing its services or access to said operator.

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

**Article 16: Signs:**

No exterior signs, logos, or advertising displays identifying Subtenant or its assigns, subtenants, 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 Tenant and the GJRAA, which approval shall not be unreasonably withheld. Any such signs,



logos, or advertising shall conform to reasonable standards to be established by Tenant and the GJRAA, with respect to type, size, design, materials and location. All signs shall comply with all applicable city, county, state, and federal rules, regulations, and laws.

**Article 17: Damage to Airport; Waste:**

17.1 Subtenant shall be liable for any damage to the Airport and to any improvements thereon caused by Subtenant, or by Subtenant's board members, officers, agents, employees, contractors, subcontractors, assigns, subtenants, guests, invitees, or anyone acting under its direction and control, ordinary wear and tear excepted. All repairs for which Subtenant is liable shall be made, at the GJRAA's option, (a) by Subtenant 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 Subtenant, then by the GJRAA at Subtenant's expense or (b) by Tenant at Subtenant's expense.

17.2 Subtenant may not commit waste upon the Premises. Additionally, Subtenant may not conduct mining or drilling operations, remove sand, gravel, or kindred substances from the ground, commit waste of any kind, nor in any manner that changes the contour or condition of the Premises without prior written permission of Tenant and the GJRAA.

**Article 18. Quiet Enjoyment:**

Tenant expressly covenants and represents that upon payment of fees when due and upon performance of all other conditions required herein, Subtenant shall peaceably have, possess and enjoy the Premises and other rights herein granted, without hindrance or disturbance from Tenant, subject to Tenant's rights contained elsewhere in this Sublease. Notwithstanding the provision set forth in the preceding sentence or any other provision of this Sublease, the GJRAA, Tenant, and any of their tenants shall have the right to traverse the Premises if the GJRAA, in its sole discretion, believes that such traversing is necessary or desirable for the efficient operations by the GJRAA, Tenant, or the other tenants.

**Article 19: Surrender Upon Termination; Holding Over:**

19.1 Upon the expiration or sooner termination of this Sublease, Subtenant shall peaceably surrender to Tenant possession of the Premises, together with any improvements, fixtures, or personal property of Tenant and/or the GJRAA thereon in as good a condition as the Premises, and improvements, fixtures, and personal property were initially provided to Subtenant, ordinary wear and tear excepted, without any compensation whatsoever, and free and clear of any claims of interest of Subtenant or any other third party whomsoever.

19.2 Subject to Tenant's and/or the GJRAA's lien rights under applicable Colorado law, upon expiration or sooner termination of the Lease, Subtenant shall have thirty (30) days from such date of expiration or termination to remove from the Premises all personal property, improvements, and fixtures belonging to Subtenant, its customers, or any third parties, including, but not limited to, its hangar building thereon. Following its removal of any improvements,

fixtures or other personal property from the Premises or from any improvement on the Premises, Subtenant shall restore the Premises, and other improvements from which the fixtures or property were taken, to good condition and repair. Following the exercise of its right to remove any improvement from the Premises, Subtenant shall restore the Premises upon which such removed improvements were located to a flat and level condition, and if paved, then re-paved to the same depth and specifications as existing at the expiration or sooner termination of this Sublease. Title to all personal property, fixtures, and improvements not removed by Subtenant from the Premises within thirty (30) days of the expiration or sooner termination of this Sublease, including any building it has constructed thereon shall automatically vest in Tenant, without payment by Tenant to Subtenant of any compensation whatsoever, and said personal property, fixtures, and improvements shall thereafter be owned by Tenant free and clear of any claim of interest by Subtenant or of any third party whomsoever. Tenant also shall receive the standard rental payment from Subtenant for the use of the Premises for the personal property, fixtures, and improvements thereon until such time as Subtenant removes said personal property, fixtures, and improvements from the Premises, or Subtenant provides Tenant with written notice of its decision not to remove said personal property, fixtures, and improvements from the Premises.

19.3 If Subtenant holds over or remains in possession or occupancy of the Premises after the expiration of this Sublease without any written renewal thereof, such holding over or continued possession or occupancy shall not be deemed as a renewal or extension of this Sublease, and it shall create only a tenancy from month to month which may be terminated at any time by Tenant or the GJRAA upon thirty (30) days written notice. Such holding over shall otherwise be upon the same terms and conditions as set forth in this Sublease.

**Article 20: Default and Remedies:**

20.1 The Subtenant shall be in default of this Sublease upon the happening of any of the following events or conditions ("Events of Default"):

20.1.1 Default by Subtenant or any of its assignees or subtenants in payment or performance of any obligation, covenant or liability contained or referred to in the Lease or this Sublease.

20.1.2 The Subtenant'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 Subtenant, or the general assignment of Subtenant's rights, title and interest hereunder for the benefit of creditors;

20.1.3 The Premises being left vacant or unoccupied or apparently abandoned by Subtenant for a period of 30 days.

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

20.2 Upon an Event of Default, Tenant and/or the GJRAA shall have the right to, and at their option may, exercise any one or more of the following rights and remedies, each of which shall be cumulative and in addition to all other rights and remedies authorized by law or equity:

20.2.1 Tenant and/or the GJRAA may, with or without terminating this Sublease, bring and maintain any action for any amount due and unpaid and/or for specific performance. Tenant's and/or the GJRAA's damages shall be the total of all rent and cost and expenses of performance of all other covenants of the Subtenant as herein provided due or to become due for the remainder of the lease term together with Tenant's and/or the GJRAA's costs, including reasonable attorneys' fees, incurred in retaking possession of the Premises and bringing the action. Tenant shall have the sole discretion to determine the terms and conditions of reletting the Premises.

20.2.2 Tenant and/or the GJRAA may reenter and take possession of the Premises, remove all persons and property therefrom, and declare this Sublease and the leasehold estate hereby created to be, and thereupon the same shall be and become, terminated and ended.

20.2.3 Tenant and/or the GJRAA may, at their option, with or without declaring this Sublease 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 reletting, and may relet the Premises or any part thereof in order to mitigate Tenant's and/or the GJRAA's damages. The terms and conditions of such reletting shall be in the discretion of Tenant and the GJRAA. All rent received by Tenant and/or the GJRAA for the remainder of the lease term shall be applied first to the payment of expenses that Tenant and/or the GJRAA may have incurred in connection with recovery of possession of the Premises and/or preparing it for reletting, and the reletting, 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 Subtenant as herein provided. Subtenant shall, whether or not Tenant or the GJRAA has relet, pay Tenant or the GJRAA all rent and other sums herein agreed to be paid by Subtenant, less the net proceeds of the reletting, if any, as ascertained from time to time, and the same shall be payable by Subtenant upon demand. If Tenant or the GJRAA elects, pursuant hereto, to actually occupy and use the Premises or any part thereof during any part of the balance of the lease terms as originally fixed or since extended, there shall be allowed against Subtenant's obligation for rent or other charges as herein defined, during the period of Tenant's or the GJRAA's occupancy, the reasonable value of such occupancy, not to exceed in any event the rent herein reserved, and such occupancy shall not be construed as a release of Subtenant's liability hereunder.

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

20.3 In the event Tenant and/or the GJRAA relets the Premises, any and all of Subtenant's improvements, structures, furniture, furnishings, equipment, and trade fixtures that are in or on or about the Premises may be used by Tenant, the GJRAA or a new Subtenant until the expiration of the natural term without any liability for rent, compensation, or other charge therefor; however, if, on the expiration of the natural term or on an earlier termination of this Sublease, the total net amount so collected or received by Tenant or the GJRAA from and through any such reletting or operation has exceeded the total amount accrued and due and unpaid from the Subtenant, then such excess shall be applied to the Subtenant.

20.4 Whenever a right of reentry is given to Tenant or the GJRAA by the terms of this Sublease or the terms of the Lease, Tenant or 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 Subtenant, and Tenant or the GJRAA may use all force necessary to make such entry and/or hold the Premises after such entry and/or to remove Subtenant and/or any other person and property from the Premises; and Tenant or 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.

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

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

20.7 Any defaults by either of the parties in the performance of any of the terms and conditions contained herein 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 Tenant, the GJRAA, or Subtenant must comply.

**Article 21: Representations Regarding Legalities:**

21.1 All notices and communications hereunder shall be given by (a) hand delivery, (b) depositing the same in the United States mail, postage prepaid, registered or certified mail, or (c) nationally recognized overnight express service which provides for written acknowledgment of receipt, and addressed to the relevant addresses as set forth in Article 1, above, or to such other address as either party may by notice in writing given to the other, respectively, specify. Notices shall be deemed given on the date of hand delivery, or on the date of receipt from mailing or deposit with the express service company. Notice given in a manner other than as specified herein shall be ineffective.

21.2 Subtenant'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 Subtenant will, at Tenant's or the GJRAA's request, sign such subordination agreements or statements as such lenders may from time to time require.

21.3 The failure of either party or the GJRAA to insist upon the strict and prompt performance of any of the terms, covenants, agreements, and conditions herein contained shall not constitute or be construed as a waiver or relinquishment of the GJRAA's or the 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 herein contained 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.

21.4 If the permitted uses described herein includes the construction of improvements on the Premises, this Sublease shall be contingent upon any necessary approval by the GJRAA, FAA, or any other federal or state agency of any construction or development plans prepared and submitted by Subtenant.. 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 Subtenant. Subtenant shall have 60 days from the date set forth in Paragraph 1.1, above, to satisfy the foregoing approval contingencies. If, at the end of such 60 day period Subtenant has not provided to Tenant and the GJRAA clear evidence that such contingencies have been satisfied, or that substantial progress has been made toward satisfaction of same, then Tenant or the GJRAA may terminate this Sublease.

21.5 This Sublease constitutes the entire agreement of the parties. Modifications or amendments to this Sublease shall be effective only if made in writing and executed by all the parties hereto with the same formality as and by making reference to this Sublease.

21.6 Time shall be of the essence of this Sublease, and the terms hereof shall be binding upon the heirs, personal representatives, and assigns of each of the parties hereto.

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

21.8 Subtenant represents that Subtenant is the owner of, or is fully authorized to use any and all services, processes, machines, articles, marks, names, or slogans used by Subtenant in Subtenant's operations under this Sublease. Subtenant shall save and hold Tenant and the GJRAA, as well as their 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 Subtenant's operations under, or in connection with, this Sublease.

21.9 Subtenant shall pay all legal and surveying fees and costs associated with the rental of the Premises under this Sublease or any addendum hereto. Furthermore Subtenant shall assist in any way Tenant or the GJRAA deems advisable in preparing, executing or recording a Memorandum of Sublease relating to this Sublease.

21.10 If any term or condition of this Sublease or the application thereof to any person or event shall to any extent be deemed invalid and unenforceable, the remainder of this Sublease 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 Sublease shall be valid and be enforced to the fullest extent permitted by law.

21.11 Tenant expressly covenants and represents that it is the lessee of the Premises, and has the right to enter into this Sublease and grant the rights contained herein to Subtenant. With respect to Subtenant, the undersigned warrants and represents he/she is authorized to execute this Sublease on Subtenant's behalf, and Subtenant shall be bound as a signatory to this Sublease by his/her execution of this Sublease.

21.12 Should Subtenant breach any of its obligations hereunder, Tenant or the GJRAA may, nevertheless, thereafter accept from Subtenant any payment or payments due hereunder, and continue this Sublease in effect, without in any way waiving Tenant's or the GJRAA's right to exercise and enforce all available default rights hereunder, or any other remedies provided by law, for said breach.

21.13 The parties agree that Tenant and the GJRAA are not in any way or for any purpose partner or joint venturers with, or agent of, Subtenant in its use of the Premises or any improvements thereon.

21.14 If litigation is required to interpret or enforce this Sublease, the prevailing party (*i.e.* the GJRAA, Subtenant or Tenant) shall be awarded their reasonable attorney's fees, costs and other expenses incurred in addition to any other relief it receives.

21.15 The other documents referenced in this Sublease (*i.e.* the Minimum Standards, Architectural Standards, GJRAA's Fees and Charges, Safety Procedures, Fuel Procedures, and Mandatory Sublease Provisions) are integral parts of this Sublease and Subtenant is bound by the terms set forth therein. It is Subtenant's responsibility to obtain copies of those documents from Tenant or the GJRAA.

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

21.17 The parties intend the GJRAA to be a third party beneficiary of this Sublease.

21.18 Nothing in this Sublease shall limit or amend in any way the terms of, or the Tenant's liability to the GJRAA under, the Lease executed by the Tenant and the GJRAA, and as to the Premises described in this Sublease, Subtenant agrees to perform all of Tenant's obligations under said Lease.

21.19 Nothing in this Agreement shall be construed or interpreted in any manner whatsoever as limiting, relinquishing, or waiving any rights of ownership enjoyed by the GJRAA in its property, or in any manner waiving or limiting the GJRAA's control over the operation, maintenance, and general administration of the GJRAA's property or operations, nor in derogation of, such governmental rights as the GJRAA possesses, except as is specifically provided herein. Upon termination of this Agreement, all rights of Subtenant with respect to the use of the Airport as granted herein shall at once cease and terminate.

21.20 Nothing contained in this Sublease shall be deemed or construed to nullify, restrict, or modify, in any manner, the provisions of any other leases or contracts between the GJRAA and any other person or entity.

21.21 It is hereby agreed that nothing contained herein 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, and the GJRAA reserves the right to grant to others the privilege and right of conducting any one or all activities that are aeronautical in nature.

21.22 Facsimile or electronic transmission of a signature shall be sufficient to evidence of the execution of this Sublease.

21.23 Any payment obligation or repair obligation that exists as of the termination or cancellation of this Sublease shall extend until the obligation is satisfied. All of the provisions, covenants, and stipulations in this Sublease shall extend to and bind the legal representatives, successors and assigns of Subtenant.

21.24 Subtenant expressly agrees to prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of the Airport or otherwise constitute an airport hazard.

21.25 Subtenant expressly agrees 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 Federal Aviation Regulations, Part 77. Done and entered into on the date first above written.

**TENANT**  
**SKY ADVENTURES, LLC**

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

By \_\_\_\_\_

Its: Building Manager

**SUBTENANT  
GATEWAY CANYONS, LLC**

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

By \_\_\_\_\_  
Rudy Sharp  
General Manager

GJRAA hereby consents to this Sublease, and represents and warrants to Subtenant that as of the date of its signature below, the Lease is in full force and effect and that Tenant is not in default under the Lease.

Agreed, Acknowledged and Consented to:

**GRAND JUNCTION REGIONAL AIRPORT  
AUTHORITY**

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

By \_\_\_\_\_

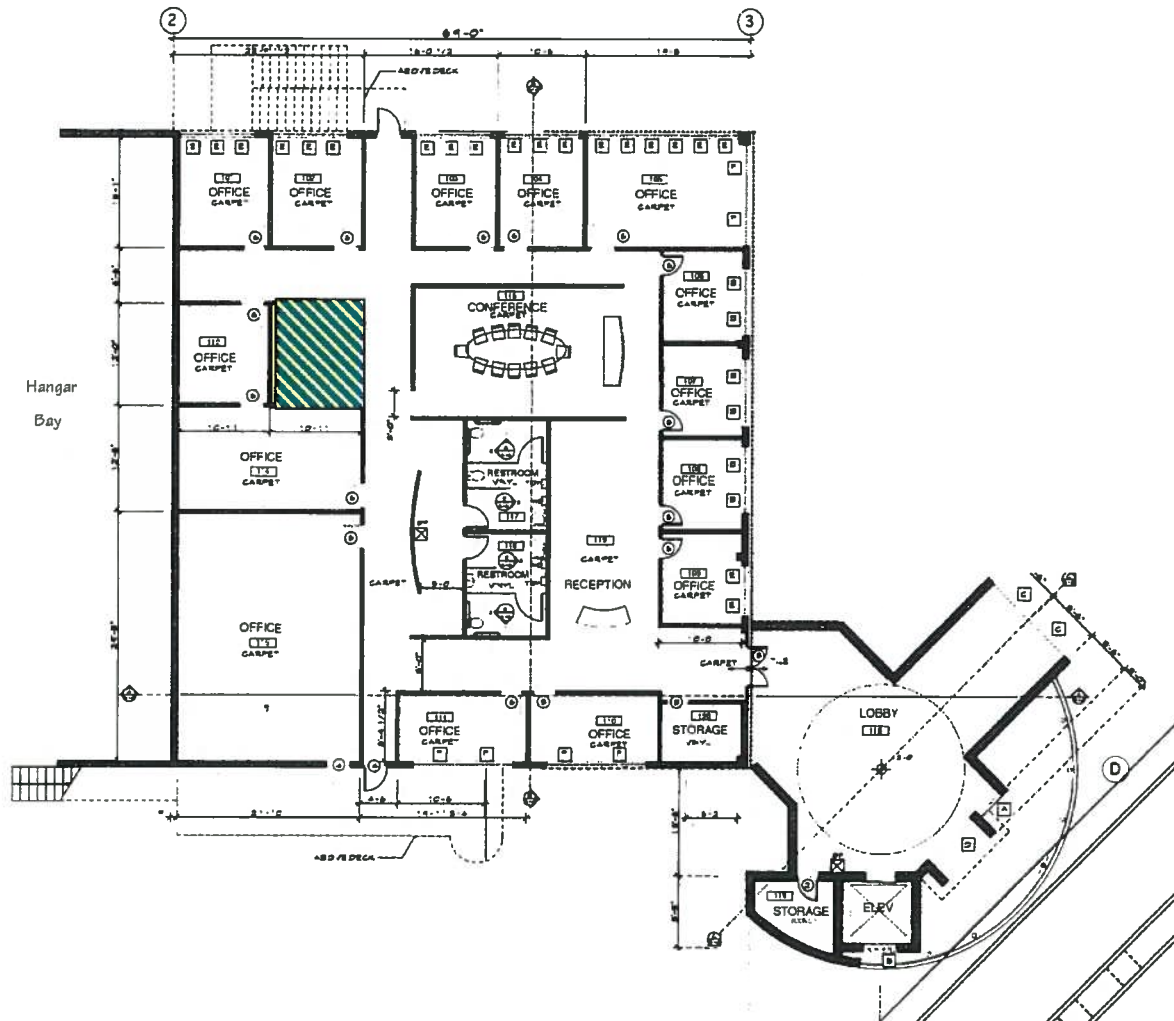
Its \_\_\_\_\_



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

**Suite 208 of the Sky Adventures Building, located at 817 Falcon Way, Grand Junction, Colorado - Consisting of approximately 150 square feet.**

**EXHIBIT B**  
**Suite 208 – Sky Adventures Building**



Sky Adventures Building

**OFFICE LEVEL PLAN**

No Scale



ACTUAL



PROJECT

**SKY ADVENTURES BUILDING  
TENANTS - PERCENTAGE OF BUILDING  
AS OF 6/01/16**

<u>ENTITY</u>	<u>LEASED SQ. FT.</u>	<u>% OF BLD TOTAL SQ. FT.</u>	<u>Aero or Non Aero</u>
Gateway Canyons Air Tours - offices	1202.5	6.94%	Aero
Crestone Aviation	183.0	1.06%	Aero
Executive Command Dynamics	184.0	1.06%	Non Aero
Gateway Canyons Resort	150.0	0.87%	Non Aero
Barnabas Counseling Center	273.0	1.58%	Non Aero
Guido Schulte Real Estate	140.0	0.81%	Non Aero
<b>Sub-total Current Leased Space sq. ft.</b>	<b>2132.5</b>	<b>12.30%</b>	
<b>VACANT SPACES</b>			
Suite 205/206	618.0	3.57%	
Suite 207	275.0	1.59%	
Suite 211	140.0	0.81%	
Hangar	4920.0	28.39%	
Third Floor - unfinished space	5106.0	29.46%	
<b>Sub-total Current Vacant Space Sq. ft.</b>	<b>11059.0</b>	<b>63.81%</b>	
Common Areas	4051.0	23.37%	N/A
Management Office	90.0	0.52%	N/A
<b>TOTAL BUILDING</b>	<b>17333.0</b>	<b>100.00%</b>	

## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	HUB International Insurance invoice renewal			
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>	
RECOMMENDATION:	Staff recommends the Board approve HUB International Insurance invoices			
LAST ACTION:	At the April 2016 Regular Board Meeting, the Board approved the following insurance coverage effective 6/1/16.			
	INVOICE #	Policy	Prior	Current
	521067	Travelers Property & Inland Marine	\$28,071	\$27,516
	521068	ACE General Liability	\$19,059	\$20,012
	521084	Travelers Crime	\$1,970	\$1,970
	521086	Travelers Auto	\$7,789	\$7,574
	521090	ACE POL (D&O)	\$15,000	TBD
	181728	HUB Broker Fee	\$10,000	\$10,000
DISCUSSION:	The remaining policy that was not available to be approved at the April 2016 board meeting was the D&O. This policy is not available for renewal. The insurance coverage will be for the period of 6/1/16-6/1/17.			
FISCAL IMPACT:	The D&O premium will remain \$15,000, same as prior year premium.			
ATTACHMENTS:	Annual insurance invoices to be handed out separately			
STAFF CONTACT:	Ty Minnick, Finance Manager Office: 970.248.8593 Email: <a href="mailto:tminick@gjairport.com">tminick@gjairport.com</a>			



**HUB International Insurance Services  
(COL)**

Please remit payment to:

PO Box 844544

Dallas, TX 75284-4544

Phone: 970-245-8011

Fax: 866-908-6374

Invoice # 317268

Page 1 of 1

ACCOUNT NUMBER	DATE
GRANJUN-02	05/03/2016
BALANCE DUE ON	AMOUNT DUE
06/01/2016	\$15,000.00

**Grand Junction Regional  
Airport Authority  
800 Eagle Drive  
Grand Junction, CO 81506**

Directors & Officers (Private)

PolicyNumber: G2567036A001

Effective: 06/01/2016 to 06/01/2017

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
2854246	06/01/2016	06/01/2016	RENB	D&O/EPL Renewal	\$15,000.00
<b>Policy Invoice Balance:</b>					<b>\$15,000.00</b>
<b>Total Invoice Balance:</b>					<b>\$15,000.00</b>

## **APRIL 2016 PERFORMANCE**

### **FINANCIAL RESULTS**

#### **Assets**

1. Prepaid expenses are consistently being amortized over the term of the insurance policy. The annual policies have been renewed at a cost of approximately \$82,000.
2. The revenue bond sinking fund increases \$128,000 each month to pay for the semi-annual interest due June and December and the annual principal due in December. The interest amount due in June will be \$330,000.

**Liabilities** – liability amounts are consistent and properly increasing for the semi-annual interest payment due in June as previously discussed above in Assets

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

**Non-Aeronautical Revenue** – non-aero revenue amounts are consistent with current pricing, specifically the increase in the parking rate, and enplanements compared to prior year.

#### **Operating Expense**

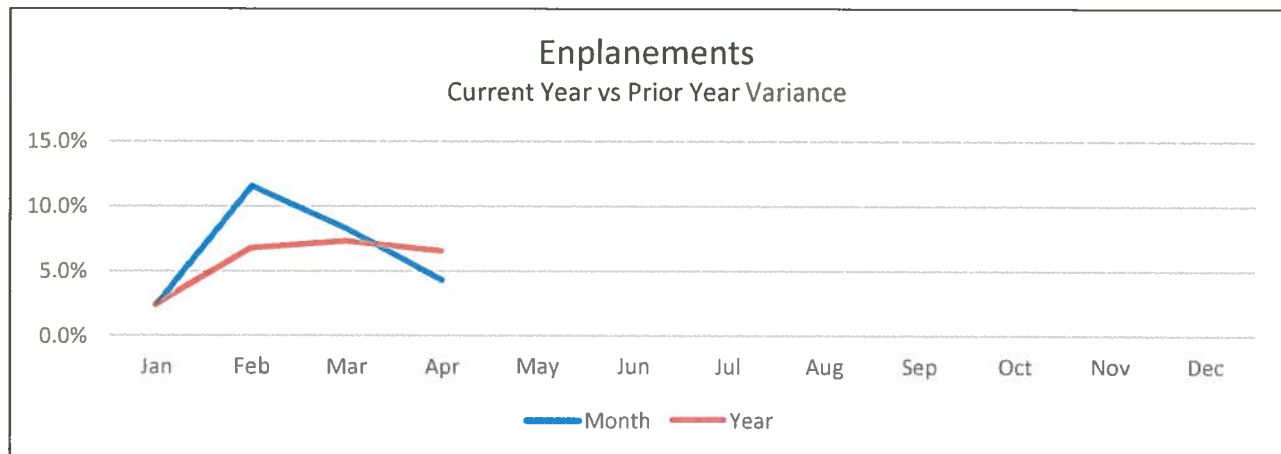
1. Personnel expense is consistent with the reduction of administrative staff in January 2016.
2. Contract services are higher compared to budget and 2015 as legal expenses continue to drive up total operating expenses with a total of over \$200,000 year to date.

**Non-operating Revenue/Expense** – Passenger facility revenue for April is down due to receiving payments late from some airlines.

## ENPLANEMENTS

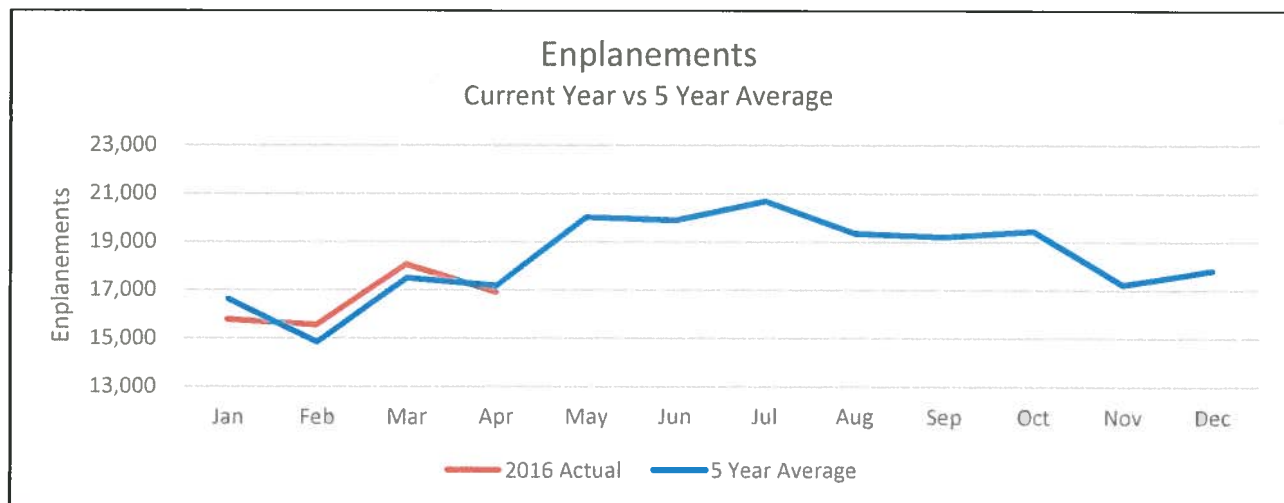
### 2016 vs 2015

	Month	Year to Date
2015	16,189	62,112
2016	16,884	66,151
Difference	695	4,039



### Historical Average

	Month	Year to Date
5 Year Average	17,157	66,058
2016	16,884	66,151
Difference	(273)	93



Grand Junction Regional Airport Authority  
Statements of Net Position

	4/30/2016	12/31/2015
<b>Current assets</b>		
Cash and cash equivalents	6,285,801	6,265,142
Accounts receivable - operations	539,955	501,573
Accounts receivable - grants	-	22,379
Prepaid expenses	25,792	77,851
Total current assets	6,851,548	6,866,945
<b>Restricted assets</b>		
Passenger facility charges	1,530,045	1,779,152
Revenue bond reserve fund	1,376,000	1,460,000
Revenue bond sinking fund	696,110	182,452
Customer facility charge	566,706	538,310
Lease deposits	160,953	150,953
Total restricted assets	4,329,814	4,110,867
Pension deferred outflow	331,456	331,456
Capital assets, net	58,942,759	58,942,759
Total non-current assets	63,604,029	63,385,082
Total assets	70,455,577	70,252,027
<b>Current liabilities</b>		
Accounts payable	105,460	166,671
Accounts payable - capital	97,518	463,701
Accrued expenses	444,922	375,913
Lease deposits	160,953	150,953
Current portion of note payable	423,096	423,096
Current portion of bonds payable	875,547	875,000
Total current liabilities	2,107,496	2,455,334
<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
Total non-current liabilities	16,247,571	16,248,118
Total liabilities	18,355,067	18,703,452
<b>Net position</b>		
Net investment in capital assets	43,638,337	43,638,337
Restricted for debt service and capital assets	3,602,155	3,421,604
Unrestricted	4,860,018	4,488,634
Total net position	52,100,510	51,548,575
Total liabilities and net position	70,455,577	70,252,027



Grand Junction Regional Airport Authority  
Statements of Changes in Net Position

	YEAR TO DATE			MONTH		
	Actual 4/30/2016	Budget 4/30/2016	Actual 4/30/2015	Actual 4/30/2016	Budget 4/30/2016	Actual 4/30/2015
Operating revenue						
Aeronautical revenue						
Passenger airline revenue						
Passenger airline landing fees	148,135	134,000	143,467	35,511	35,000	34,973
Terminal rent	393,948	393,600	393,948	98,487	98,400	98,487
Other	27,575	34,000	29,445	3,675	6,000	11,535
Total passenger airline revenue	569,658	561,600	566,860	137,673	139,400	144,995
Non-passenger airline revenue						
Landing fees from cargo	30,294	26,000	28,948	8,415	7,000	7,742
Cargo and hangar rentals	16,877	16,877	16,877	4,219	4,219	4,219
Aviation fuel tax	73,318	73,000	95,847	15,877	19,000	21,859
Fuel flowage fees	143,748	154,000	136,743	38,381	39,000	33,788
Other	-	-	-	-	-	-
Total non-passenger airline revenue	264,237	269,877	278,415	66,893	69,219	67,608
Total aeronautical revenue	833,895	831,477	845,275	204,566	208,619	212,603
Non-aeronautical revenue						
Land and building leases	201,863	200,123	180,707	45,283	45,781	29,468
Terminal - food and beverage	8,831	13,783	13,974	906	3,446	3,494
Terminal - retail	11,106	8,000	9,770	2,790	2,000	2,356
Terminal - other	80,489	60,000	80,488	20,122	15,000	20,122
Rental cars	337,213	336,744	343,073	90,266	85,118	88,958
Parking and ground transportation	449,985	400,000	324,703	113,396	100,000	94,246
Other	22,978	24,000	25,173	6,855	6,000	4,821
Total non-aeronautical revenue	1,112,465	1,042,650	977,889	279,620	257,345	243,465
Total operating revenues	1,946,360	1,874,127	1,823,163	484,185	465,964	456,068
Operating expenses						
Personnel compensation and benefits	589,122	651,228	587,116	141,671	163,815	138,743
Communications and utilities	95,612	109,975	94,595	19,725	22,038	20,176
Supplies and materials	132,736	181,199	120,281	42,005	55,225	40,939
Contract services	345,361	182,794	145,097	73,832	40,285	33,040
Repairs & maintenance	147,838	181,432	75,625	21,543	30,163	21,535
Insurance	30,331	30,332	29,173	7,583	7,583	7,293
Other	14,397	19,690	19,635	5,355	1,475	704
Total operating expenses	1,355,397	1,356,650	1,071,522	311,714	320,584	262,429
Operating income, before depreciation	590,963	517,477	751,641	172,471	145,380	193,639
Depreciation	-	-	-	-	-	-
Operating gain (loss)	590,963	517,477	751,641	172,471	145,380	193,639
Non-operating revenues (expenses)						
Passenger facility charges	262,505	252,000	264,310	44,687	66,000	97,868
Interest income	8,913	3,600	3,720	2,230	900	1,012
Interest expense	(235,579)	(235,580)	(252,290)	(58,805)	(58,805)	(62,998)
Customer facility charges	171,383	161,000	131,900	50,967	42,000	41,042
Capital contributions	3,740	49,500	-	-	-	-
Capital expenditure	(145,235)	(137,796)	(18,980)	(37,360)	(57,796)	(8,536)
Debt principal payments	(104,746)	(104,746)	(101,708)	-	-	-
Other	-	-	-	-	-	-
Total non-operating revenue	(39,019)	(12,022)	26,952	1,718	(7,701)	68,388
Excess of revenues over (under) expense	551,944	505,455	778,593	174,189	137,679	262,027