

AERONAUTICAL USE GROUND LEASE

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

Between

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

and

("Tenant")

Dated: _____

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AERONAUTICAL USE GROUND LEASE

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

Recitals

A. The GJRAA is owner and operator of the Grand Junction Regional Airport and is authorized to enter into this Lease pursuant in part to Colorado Revised Statute § 41-3-101, et seq.

B. Tenant desires to lease a portion of the Airport for aeronautical uses, which may include the constructing and occupying, or if already constructed occupying, an aircraft hangar or other structures.

C. The GJRAA desires to lease ground on the Airport to Tenant and Tenant desires to lease ground and use the Airport under the terms and conditions of this Lease.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties incorporate by reference the recitals set forth above and agree as follows:

Article 1: Basic Lease Information

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

1.1 Date of Mutual Execution.

1.2 Tenant.

1.3 Tenant's Trade Name.

1.4 Tenant's Address and Phone.

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

1.6 Airport: Grand Junction Regional Airport, formerly known as Walker Field Airport, located in Grand Junction, Colorado.

- 1.7 Commencement Date. (START DATE OF THIS LEASE)
- 1.8 Expiration Date. (DATE SHOULD BE THE ORIGINAL EXPIRATION DATE OF THE ORIGINAL LEASE - USUALLY 20 YEARS)
- 1.9 Initial Minimum Insurance Coverage Amount. \$1,000,000 combined single limit (See paragraph 8.1.1 below).
- 1.10 Rent. Rent shall include both the Monthly Ground Rent, as altered from time to time pursuant to paragraph 4.1 of this Lease, and other fees described in paragraph 4.3 of this Lease.
- 1.11 Monthly Ground Rent. The Monthly Ground Rent shall initially be \$ (THIS SHALL BE AT THE MARKET RATE SET BY THE AUTHORITY) per year, paid monthly at \$ _____, based on the area of the Premises other than the Object Free Area ("OFA"). Tenant will not be obligated to pay rent for the OFA, but Tenant will be responsible for all maintenance and other improvements required for the OFA. For the remaining (non-OFA) area of _____ square feet of the Premises, (_____ - _____ = _____) the above rent will be calculated as follows: \$ _____ per square foot x _____ square feet = \$ _____ ÷ 12 months = \$ _____.
- 1.12 Permitted Uses. The permitted uses shall include the construction and/or occupation of a hangar and/or other structure subject to the provisions of this Lease which, together with the Premises themselves, shall used for aeronautical purposes only, including but not limited to the parking, storing and maintaining aircraft owned or leased by Tenant or other third parties, other activities associated with aircraft ownership, and aeronautical-related businesses, but not to provide fuel to aircraft.
- 1.13 Premises. The property shown on attached **Exhibits A and B** and any Improvements existing thereon when Tenant first takes possession, which is also known as (ADDRESS).
- 1.14 Premises Square Footage. The Premises consist of a total of _____ square feet, which includes _____ square feet of OFA and _____ square feet of other area
- 1.15 Date to Complete Improvements. (INSERT DATE IF APPLICABLE)
- 1.16 Additional Provisions. (INSERT IF APPLICABLE)
- 1.17 Improvements. Improvements shall include the aircraft hangar erected or to be erected on the Premises, all hangar flooring, lighting, paving, fencing, grating and surfacing, underground and overhead wires, doors, cables, pipes, tanks and drains; and all property of every kind and nature, which is attached to the Premises or which may not be removed without material injury to the Premises or any structure thereon.

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

1.19 Security Deposit. (THIS WILL BE AN AMOUNT EQUAL TO FOUR (4) TIMES THE MONTHLY RENTAL SET FORTH ABOVE)

Article 2: Lease of Premises & Airport; Quiet Enjoyment

2.1 Use of Premises. In consideration of the payment of the Rent and the keeping and performance of the covenants and agreements by Tenant hereinafter set forth, GJRAA does hereby lease unto Tenant 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. Tenant leases the Premises in an "as is" condition, without warranties or representations from GJRAA that the Premises, or any portions thereof, are suitable for a particular purpose, or can accommodate any particular weight or size of aircraft.

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

2.3 Quiet Enjoyment. Upon payment of fees when due and upon performance of all other conditions required herein, Tenant shall peaceably have, possess and enjoy the Premises and other rights herein granted, without hindrance or disturbance from GJRAA, subject to GJRAA's rights contained elsewhere in this Lease. Notwithstanding the provision set forth in the preceding sentence or any other provision of this Lease, GJRAA and any tenant of GJRAA shall have the right to traverse that portion of the Premises not occupied by a hangar or other structure, if GJRAA in its sole discretion believes that such traversing is necessary or desirable for the efficient operations of the Airport, GJRAA or another tenant.

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

and perform under this paragraph, the acts of the GJRAA shall not unduly burden or interfere with Tenant=s operations on the Premises.

Article 3: Lease Term and Options

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

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

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

3.3.1 such Tenant requests the same between twelve (12) and eighteen (18) months prior to the expiration of the then-current option or Additional Option term, and

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

(a) the Improvements on the Premises have not been properly maintained (including painting) or are not in a condition expected to be serviceable in any respect for the additional five (5) year Additional Option term,

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

(c) Tenant is in material default under this Lease,

(d) Tenant is in default in any other financial obligation to GJRAA, and/or

(e) the granting of any Additional Option would violate any FAA Grant Assurance or the provisions of any applicable law.

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

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

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

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

3.4 Repair and Maintenance Punch-List.

3.4.1 If GJRAA has not found that other Disqualifying Factors exist, but has found that the Improvements on the Premises have not been properly maintained and/or are not in a condition expected to be serviceable for the additional five (5) year Additional Option term, pursuant to paragraph 3.3.2(a) above, and also finds that such Improvements can be made serviceable through reasonable repair or maintenance, it shall provide Tenant with a "Punch List" of repair and maintenance items to be completed by Tenant, at its sole expense. The repair and maintenance required by GJRAA shall be for the purpose of maintaining improvements in their original state, reasonable wear and tear excepted, and not for new construction.

3.4.2 The Punch List shall be provided to Tenant not more than thirty (30) days after GJRAA's finding of such Disqualifying Factor, and Tenant shall have a 120-day period of time in which to complete repair and/or maintenance of such Punch List items to the

reasonable satisfaction of GJRAA. Provided that Tenant is proceeding with necessary diligence to complete the "Punch List" items, Tenant, upon written notice to GJRAA given prior to the expiration of said 120-day period, may extend the time for completion for a period of time not to exceed an additional sixty (60) days. If such Punch List items are completed to the reasonable satisfaction of GJRAA, Tenant shall then be permitted to exercise the Additional Option.

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

Article 4: Rent, Security Deposit & Other Fees

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

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

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

4.3.1 Tenant shall pay GJRAA such fees as set forth in GJRAA's then current Fees and Charges, adopted by resolution of the GJRAA Board in open meeting (the "Fees and Charges"),

as the same may be amended from time to time, for the usage of the Airport's disposal station, by Tenant, or by Tenant's assigns and subtenants.

4.3.2 Tenant shall pay GJRAA the amount established by GJRAA from time to time for stand-by services provided by GJRAA employees to Tenant, or to Tenant'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; special events on Airport property.

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

4.3.4 Tenant shall pay fuel flow fees for fuel purchased by Tenant, or its assigns or subtenants, from authorized fuel vendors on the Airport, as required by 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 Tenant may be required to pay, under the State of Colorado's Aviation Fuel Tax Program or otherwise.

4.3.5 Tenant shall pay GJRAA for all identification badges required for use by it, or its assigns or subtenant, at a rate established by GJRAA from time to time. Tenant shall also pay such fee as established by GJRAA from time to time for the replacement of said badges.

4.3.6 Tenant shall pay GJRAA such other amounts as may be imposed by GJRAA in its Fees and Charges in the future, for services and facilities provided by GJRAA to Tenant, or its assigns and subtenants, on a pro rata, non-discriminatory basis with the other users of said services or facilities.

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

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

4.6 Security Deposit. Tenant shall deposit with GJRAA a security deposit in the amount set forth in paragraph 1.19 above. This deposit is to be held by GJRAA as security during the entire term of the Lease for all of Tenant's obligations hereunder. The security deposit shall be made at the time the Lease is signed by the Tenant, unless the same has been previously paid in the full amount set forth above.

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

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

Article 5: Improvements

5.1 Construction of Improvements. During the term of this Lease, Tenant 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 Tenant's authorized use of the Premises, provided that:

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

5.1.2 prior to the construction of any Improvements, alterations or additions to the Premises including, but not limited to, new 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 Tenant presently owns or may hereafter construct upon the Premises:

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

(b) 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 if applicable, the Minimum Standards, as the same may be amended from time to time.

5.2 Cost of Improvements; Bond. Tenant shall construct all Improvements, alterations, and additions to the Premises at its own expense. If Tenant constructs improvements, alterations and/or additions, the same shall be constructed at Tenant's sole initiative and behest, and nothing

herein shall be construed as an agreement by GJRAA to be responsible for paying for them, and neither the Premises, nor GJRAA's interest in said Premises or any Improvements, alterations or additions constructed thereon, shall be subjected to a mechanic's lien for any Improvements or alterations constructed by Tenant hereunder. GJRAA may require Tenant to post a bond, or such other security as GJRAA deems appropriate, guaranteeing payment for construction of the Improvements alterations and additions involved, as a condition precedent to the commencement of construction of the Improvements and/or alterations. Tenant shall be responsible for assuring that all of said Improvements, alterations and additions to the Premises are constructed in accordance with applicable local, state and federal law. Tenant shall reimburse GJRAA for all costs and expenses, including surveying and attorney's fees, GJRAA incurs (a) as a result of the fact that the Improvements, additions, or alterations do not comply with local, state and federal law, (b) in defending against, settling or satisfying any claim that GJRAA is responsible for paying in relation to Improvements on the Premises, or (c) in defending against, settling or satisfying any mechanic's lien and/or other claims, asserted as a result of non-payment for Improvements on the Premises.

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

5.4 Signs. No exterior signs, logos or advertising displays identifying Tenant 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 GJRAA, which approval shall not unreasonably be withheld. Any such signs, logos or advertising shall conform to reasonable standards to be established by GJRAA, with respect to type, size, design, materials and location. All signs shall comply with all applicable city, county and state regulations.

Article 6: Maintenance, Utilities, Damage and Storage

6.1 Maintenance of Premise. During the term of this Lease, Tenant 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 Tenant or its assigns or subtenants, and any of Tenant's Improvements, fixtures, or equipment located elsewhere on the Airport, in good operating and physical condition and repair. Tenant shall repair any utility lines located on or under its Premises which are utilized by it or other third parties, if the damage to said utility lines was caused

by Tenant, or by Tenant's board members, officers, agents, employees, contractors, subcontractors, assigns, subtenants, customers, guests, invitees, or anyone acting under Tenant's direction and control. During the term of this Lease, Tenant 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 but reasonable discretion of GJRAA.

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

6.3 Storage on Premises. Tenant may not store items unrelated to its aeronautical uses 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.

6.4 Damage to Airport. Tenant shall be liable for any damage to the Airport and to any Improvements thereon caused by Tenant, or by Tenant'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 Tenant is liable shall be made, at GJRAA's option, (a) by Tenant at its own expense, provided that said repairs are made timely and to GJRAA's satisfaction as to the quality of repair or, if not timely or satisfactorily made by Tenant, then by GJRAA at Tenant's expense or (b) by GJRAA at Tenant's expense.

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

Article 7: Taxes and Assessments

Tenant shall timely pay all real and personal property taxes related to its possession and 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 Tenant, or that become a lien upon Tenant, GJRAA, the Premises, or any Improvements thereon, by reason of Tenant's possession or activities under this Lease or elsewhere.

Article 8: Insurance and Indemnification

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

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

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

8.1.3 Tenant 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 Tenant in connection with the rights granted Tenant hereunder.

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

8.3 Indemnification. Tenant shall and hereby agrees to indemnify and forever save GJRAA, its successors, assigns, or legal representatives, board members and employees of GJRAA and the Premises free and harmless from and against:

8.3.1 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 Lease occasioned by any act or acts, omission or omissions of the Tenant, its officers, employees, agents, servants, subtenants, concessionaires, licensees, contractors, invitees, or permittees, or arising from or growing out of the use, maintenance, occupation, or operation of the Premises during the term of this Lease.

8.3.2 All legal costs 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 Tenant.

8.3.3 Any liability on account of or in respect of 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 Tenant in, on, or about the Premises and, accordingly, Tenant will either satisfy any such lien or, if Tenant disputes the validity thereof, will defend any action for the enforcement thereof (and if Tenant loses any action, will cause such lien to be satisfied and released).

Article 9: Assignment and Subleasing

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

9.2 Subletting. Tenant 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 GJRAA for the sublease, which consent shall not be unreasonably withheld. Any such sublease must be in writing and in a form and for a rental amount and other consideration acceptable to GJRAA, pursuant to the requirements of the Minimum Standards, by which such subtenant is authorized to do business on the Airport. Any sublease shall be in the form required by GJRAA for all subleases, as the same may be amended from time to time, or in a form specifically approved by GJRAA. 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 Lease. Any default by a subtenant of its obligations to GJRAA under any sublease shall constitute a default by Tenant of its obligations under this Agreement. Tenant shall not allow any subtenant to enter onto the Premises until the subtenant has signed a sublease.

9.3 No Consent or Waiver. Consent by GJRAA to one sublease or assignment shall not be construed as consent or waiver of its right to object to any subsequent sublease or assignment. Acceptance by GJRAA of rent from any subtenant or assignee shall not be construed to be a waiver of the right of GJRAA to void any sublease or assignment.

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

Article 10: Compliance with Applicable Law; Environmental Covenants

10.1 Compliance with Law and GJRAA Documents. Tenant shall observe and obey all statutes, rules, regulations, and directives promulgated by GJRAA and other appropriate local, State, and Federal entities having jurisdiction over the Airport, including the FAA, the TSA, and the

Environmental Protection Agency. To the maximum extent applicable, Tenant further agrees to perform all of its operations authorized hereunder in accordance with all of the terms and conditions of GJRAA's Minimum Standards, Development and Architectural Covenants ("Architectural Standards"), Fees and Charges ("Fees and Charges"), the AOA Safety Procedures ("Safety Procedures"), Fuel Handling and Storage Procedures ("Fuel Procedures"), and Noise Compatibility Procedures, copies of which are on file in the offices of GJRAA, as the same may be amended from time to time. Tenant acknowledges that it has reviewed the above documents or has knowingly waived its rights to review such documents. If any inconsistency exists between the terms of this Agreement, and the terms of the Minimum Standards, Architectural Standards, GJRAA's Fees and Charges, Safety Procedures, Fuel Procedures, and Noise Compatibility Procedures, the terms of this Agreement shall control. Tenant further agrees to comply with all verbal and written directives of the Director of Aviation regarding Tenant's use of the Premises, the Airport's airfield areas, and other common areas elsewhere on the Airport.

10.2 Reimbursement for Violations. Should Tenant, or Tenant'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 GJRAA, then Tenant shall fully reimburse GJRAA for said damage award, citation, or fine and for all costs and expenses, including reasonable attorney's fees, incurred by GJRAA in defending against or satisfying the award, citation or fine.

10.3 Subordination. This Lease shall also be subject and subordinate to the requirements of any existing or future contracts or agreements between 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 GJRAA shall not owe any damages to Tenant, such as lost profits or revenues, as a result of its compliance with said contracts, statutes, rules, or directives. GJRAA shall also be excused from its obligations to pay Tenant 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.

10.4 Deicing Limitations. Tenant shall use only propylene glycol as a deicing agent unless Tenant receives written authorization from GJRAA to use a different deicing agent. All deicing operations shall be conducted on the Airport deicing pad, and Tenant shall pay its proportion share of glycol disposal costs in accordance with the Authority's then current Fees and Charges.

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

10.6 Hazardous Materials.

10.6.1 Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, without the prior written consent of GJRAA. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by Tenant results in contamination of the Premises, then Tenant shall indemnify, defend and hold 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 GJRAA by Tenant 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. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant 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 GJRAA's approval of such actions shall first be obtained. Tenant's obligations set forth in this paragraph 10.6 shall survive the termination of this Lease.

10.6.2 As used in paragraph 10.6.1, above, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental GJRAA, the State of Colorado or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under 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.

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

Article 11: Nondiscrimination

11.1 Tenant, for itself, its 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 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) Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

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

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

11.4 Non-compliance with subparagraphs 11.1, 11.2, and 11.3, above, after written finding, shall constitute a material breach thereof and, in the event of such non-compliance, GJRAA shall have the right to terminate this Lease and the estate hereby created without liability therefor or at the election of GJRAA or the United States either or both said Governments shall have the right to judicially enforce said subparagraphs 11.1, 11.2, and 11.3.

11.5 Tenant 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. Tenant 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. Tenant assures that it shall require that its covered sub-organizations, sub-tenants and assignees provide assurances to Tenant 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 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 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 GJRAA and Tenant 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 Lease in an economically viable manner, then this Lease shall be deemed terminated at the end of a period of sixty (60) days following said taking or conveyance. In that event and at that time, Tenant shall surrender the Premises, Improvements (and GJRAA's fixtures and personal property thereon, if any) to GJRAA, and Tenant may remove its fixtures and personal property located upon the Premises, in accordance with the provisions of this Lease. No severance damages shall be paid by GJRAA to Tenant as the result of the condemnation nor shall any damages be paid to Tenant as the result of the termination of this Lease.

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

Article 13: Substitution of Premises

13.1 In addition to GJRAA's other rights set forth in this Lease, 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 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 GJRAA elects to exercise its right to substitute, all title, right and interest to the portion of Premises taken shall immediately vest in GJRAA. Furthermore, GJRAA may require Tenant 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. GJRAA shall bear all expenses of bringing the substituted area to the same level of improvement as the Premises, and of moving Tenant's improvements, equipment, furniture, and fixtures to the substituted area. If any of Tenant's improvements, equipment, furniture, or fixtures cannot be relocated, GJRAA shall replace, at GJRAA's expense, such non-relocatable improvements and other property with comparable property in the Premises, and 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 Tenant, or any other third party whomsoever. It is the specific intent of this subparagraph that Tenant be placed, to the extent possible, in the same position it would have been, had GJRAA not substituted new premises for the Premises; provided, however, that GJRAA shall not be obligated to reimburse Tenant 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 GJRAA's rights to condemn Tenant's leasehold rights and interests in the Premises, and improvements thereon, should GJRAA, in its sole discretion, determine that it requires all or any portion of the Premises, and improvements thereon, for other Airport purposes. GJRAA may, at its sole discretion, exercise its leasehold condemnation rights under Article 12, above, in lieu of GJRAA's substitution rights set forth in subparagraph 13.1, above. Nothing in this Article 13 shall be construed as a promise by GJRAA to substitute Comparable Areas for the Premises. In the event GJRAA proceeds by way of condemnation, subparagraph 13.1 shall not apply, and Tenant 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 In addition to GJRAA's other rights set forth in this Lease, GJRAA reserves the right to further develop or improve all areas within the Airport, including landing areas, as GJRAA may determine, in its sole discretion, to be in the best interests of the Airport, regardless of the desires or views of Tenant, and without further interference or hindrance from Tenant. 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 Tenant thereby, and without being deemed to have terminated this Lease as a result thereto.

14.2 Tenant hereby permits 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 GJRAA determine, in its sole discretion, that 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. GJRAA shall use best efforts to attempt to locate alternative space on the Airport from which Tenant may conduct his business, while GJRAA is utilizing all or a portion of the Premises during the pendency of the emergency or unforeseen circumstances. If GJRAA is not able to find alternate space on the Airport from which Tenant may conduct his business during said emergency or unforeseen circumstances, then Tenant shall be entitled to an abatement of ground rent, allocable to that portion of the Premises utilized by GJRAA, for the length of time GJRAA utilizes said portion of the Premises. Finally, regardless of whether GJRAA is able to locate alternate premises on the Airport for Tenant to conduct its business, Tenant shall not be entitled to any damages, including lost profits or revenues from GJRAA, as a result of GJRAA's utilization of the Premises or other areas of the Airport during the emergency or unforeseen circumstances involved, and Tenant shall continue to owe GJRAA all landing fees and other fees and charges that accrue during said period.

14.3 GJRAA reserves, for the use and benefit of the public, the right of flight for the passage of aircraft in the air space above the surface of the Premises, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft utilizing the Airport.

14.4 GJRAA reserves the right to protect the aerial approaches of the Airport against obstruction, including the right to prohibit Tenant from erecting, or permitting to be erected, any building or other structure on the Premises which would, in the judgment of the GJRAA, limit the usefulness of the Airport or constitute a hazard to aviation. In the event the aforesaid covenant is breached, GJRAA reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Tenant.

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

Article 15: Cooperation with GJRAA in Collecting Fees

15.1 Tenant acknowledges that commercial ground transportation operators who pick up their patrons at Tenant's Premises must pay access fees, as well as other fees and charges, to GJRAA, pursuant to GJRAA's Fees and Charges, as they may be amended from time to time. Accordingly, in order to assist GJRAA in determining the fees owed to GJRAA by said ground transportation operators, Tenant will, to the best of its ability, provide in writing to 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 Tenant's 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 Tenant shall provide to GJRAA or third party governmental agency involved such additional information or clarifications as GJRAA or governmental agency may request, to (a) enable GJRAA to calculate the landing fees, access fees, and other fees owed by aircraft and ground transportation operators to GJRAA pursuant to GJRAA's Fees and Charges, as the same may be amended from time to time; (b) further 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 Tenant shall be reported to GJRAA and/or governmental agency involved within seven (7) days of Tenant's discovery of said changes or corrections.

15.3 Tenant 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 GJRAA, and GJRAA has sent written notice to Tenant instructing Tenant to cease providing its services or access to said operator.

15.4 Tenant 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: Surrender Upon Termination

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

16.2 Subject to GJRAA's lien rights under applicable Colorado law, upon expiration or sooner termination of the Lease, Tenant shall have ninety (90) days from such date of expiration or termination to remove from the Premises all personal property and trade fixtures belonging to Tenant, its customers, or any third parties. Following its removal of any such trade fixtures or other personal property from the Premises or from any Improvement on the Premises, Tenant shall restore the Premises, and other Improvements from which the fixtures or property were taken, to good condition and repair. At the option of GJRAA, Tenant shall then either (a) leave the Improvements in place, or (b) demolish the Improvements and 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 Lease. Title to all such personal property and fixtures not removed by Tenant from the Premises within ninety (90) days of the expiration or sooner termination of this Lease and any building it has constructed thereon shall automatically vest in GJRAA, without payment by GJRAA to Tenant of any compensation whatsoever, and said personal property, fixtures, and Improvements shall thereafter be owned by GJRAA free and clear of any claim of interest by Tenant or of any third party whomsoever. GJRAA also shall receive the standard rental payment from Tenant for the use of the Premises for the personal property, fixtures, and Improvements thereon until such time as Tenant removes said personal property, fixtures, and Improvements from the Premises, or Tenant provides GJRAA with written notice of its decision not to remove said personal property and trade fixtures from the Premises.

Article 17: Default and Remedies

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

17.1.1 default by Tenant, or any of its assignees or subtenants, in payment or performance of any obligation, covenant or liability contained or referred to in this Lease, or any GJRAA approved sublease;

17.1.2 the Tenant'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 Tenant, or the general assignment of Tenant's rights, title and interest hereunder for the benefit of creditors;

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

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

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

17.2.1 GJRAA may, with or without terminating this Lease, bring and maintain any action for any amount due and unpaid and/or specific performance. GJRAA's damages shall be the total of all rent and cost and expenses of performance of all other covenants of the Tenant as herein provided due or to become due for the remainder of the lease term together with GJRAA's costs, including reasonable attorneys' fees, incurred in retaking possession of the Premises, and bringing and pursuing the action. However, as a condition of any judgment rendered against Tenant for damages as herein provided, GJRAA shall be obligated to pay Tenant all amounts GJRAA may realize from reletting the Premises for the remainder of the lease term (not in excess of the rental specified herein) after deducting GJRAA's costs incurred in connection with reletting and redecorating, altering, etc., to prepare the Premises for reletting. GJRAA shall have the sole discretion to determine the terms and conditions of reletting the Premises.

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

17.2.3 GJRAA may, at its option, with or without declaring this Lease or the leasehold estate created hereby terminated or ended, occupy the Premises or cause the Premises to be redecorated, altered, divided, consolidated with other adjoining premises, or otherwise changed or prepared for reletting, and may relet the Premises or any part thereof in order to mitigate GJRAA's damages. The terms and conditions of such reletting shall be in the sole discretion of GJRAA. All rent received by GJRAA for the remainder of the lease term shall be applied first to the payment of expenses 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 Tenant as herein provided. Tenant shall, whether or not GJRAA has relet, pay GJRAA all rent and other sums herein agreed to be paid by Tenant, less the net proceeds of the reletting, if any, as ascertained from time to time, and the same shall be payable by Tenant upon demand. If GJRAA elects, pursuant hereto, actually to 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 Tenant's obligation for rent or other charges as herein defined, during the period of 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 Tenant's liability hereunder.

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

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

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

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

17.6 GJRAA's retaking of possession of the Premises shall not constitute acceptance of surrender, eviction, or forfeiture of the Lease. GJRAA and Tenant hereby expressly agree that if, after Tenant's default, GJRAA retakes possession of the Premises, Tenant shall remain liable for all unaccrued rent, and all other obligations of this Lease for the remainder of the lease term, notwithstanding GJRAA's reentry. Upon default, GJRAA may exercise any and all of the remedies specified in paragraph 17.2, above, in any order.

17.7 Any defaults by either of the parties in the performance of any of the terms and conditions contained herein, other than the payment of Rent, shall be excused where due to force majeure, which, among other things, shall include natural catastrophes such as hurricanes, tornadoes, or floods, acts of God, acts of war, and governmental statutes, regulations, directives, or contracts governing the operation of the Airport, with which GJRAA or Tenant must comply. This paragraph 17.7 shall not apply to a failure to timely pay any monetary amounts due.

Article 18: Miscellaneous Provisions

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

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

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

18.4 Lease Contingent. If improvements on the Premises have not been constructed as of the date of this Lease, this Lease is contingent upon FAA approval of any construction or development plans by Tenant, and upon the approval of any applicable planning agency. The responsibility for obtaining any authorization from or approval of any federal, state, or local governmental agency shall be the sole responsibility and expense of Tenant. Tenant shall have 60 days from the date set forth in paragraph 1.1, above, to satisfy the foregoing contingencies. If, at the end of such 60 day period Tenant has not provided to GJRAA clear evidence that such contingencies have been satisfied, or that substantial progress has been made toward satisfaction of same, then GJRAA may terminate this Lease.

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

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

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

18.8 Tenant Representations. Tenant represents that Tenant is the owner of, or fully authorized to use any and all services, processes, machines, articles, marks, names, or slogans used by Tenant in Tenant's operations under this Lease. Tenant shall save and hold GJRAA, its Board members, officers, employees, agents, and representatives, free and harmless against any loss, liability, expense, suit, or claim for damages in connection with any actual or alleged infringement of any patent, trademark, or copyright, or from any claim of unfair competition or other similar claim, arising out of Tenant's operations under, or in connection with, this Lease. Tenant, and those individuals executing this Lease on behalf of Tenant, represent and warrant that they are familiar with C.R.S. §18-8-301, *et seq.* (Bribery and Corrupt Influences) and C.R.S. §18-8-401, *et seq.* (Abuse of Public Office) and that they are unaware of no violations of the provisions thereof with respect to this Lease or operations to be conducted hereunder. With respect to Tenant, the undersigned warrants and represents he/she is authorized to execute this Lease on Tenant's behalf, and Tenant shall be bound as a signatory to this Lease by his/her execution of this Lease.

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

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

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

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

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

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

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

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

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

18.18 Limitation of Benefit. This Lease does not create in or bestow upon any other person or entity not a party to this Lease any right, privilege or benefit unless expressly provided in this Lease. This Lease does not in any way represent, nor should it be deemed to imply, any standard of

conduct to which the parties expect to conform their operations in relation to any person or entity not a party.

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

Done and entered into on the date first above written.

**GRAND JUNCTION REGIONAL AIRPORT
AUTHORITY**

Dated: _____

By: _____

Its: _____

TENANT:

Dated: _____

By: _____

Its: _____

EXHIBIT A

Description of the Premises

EXHIBIT B

Survey Including Common and Particular Description of the Premises

