



September 13, 2022

Kempton Air Service LLC  
Attn: Larry Kempton, Jr.  
607 26 Road  
Grand Junction, CO 81506

Via E-Mail

Via US Postal Service Mail

Cancellation Notice of Airport Sublease Agreement

Dear Mr. Kempton,

While the City of Grand Junction recognizes, and appreciates, the services your firm has provided under the Airport Sublease Agreement dated June 26, 2014 by and between Kempton Air Service and the City of Grand Junction Colorado, we hereby provide this letter to serve notice that the City of Grand Junction is hereby cancelling our lease agreement with your firm at the end of the lease period of December 31, 2022 as defined in the lease extension dated October 6, 2021, and shall not pursue and further lease extensions under this lease agreement.

Please contact Amber Peck, Civilian Manager – Civilian Services – Police Department 970-549-5005 [amberp@gjcity.org](mailto:amberp@gjcity.org) to coordinate any move-out/exiting procedures, dates, inspections, etc., as required.

Sincerely,

A handwritten signature in black ink, appearing to read "Duane Hoff Jr.", written over a white background.

Duane Hoff Jr.  
Contract Administrator  
City of Grand Junction

CC Matt Smith, Deputy Chief

Amber Peck, Civilian Manager – Civilian Services



General Services Department

**AIRPORT SUBLEASE AGREEMENT EXTENSION EXT-4958-21-SH**

October 6, 2021

Kempton Air Service LLC  
ATTN: Larry Kempton, JR  
607 26 Road  
Grand Junction, CO 81506

Dear Mr. Kempton,

Pursuant to paragraph 1.11 of the Airport Sublease Agreement Dated June 26, 2014, by and between the City of Grand Junction, Colorado, a municipal Corporation in the County of Mesa, State of Colorado, hereinafter in the Contract Documents referenced to as the "Subtenant" and Kempton Air Service, hereinafter in the Contract Documents referred to as the "Tenant", the Airport Sublease Agreement is hereby extended as of this 6th day of October, 2021. This extension shall cover the time period of January 1, 2022 through December 31, 2022.

The Tenant and the Subtenant, in consideration of the mutual covenants, promises, and agreements herein contained, agree to the annual extension of the original terms and conditions with the following Amendment(s):

1.13 Rent: Pursuant to paragraph 1.11 of the Airport Sublease Agreement, the CPI-U adjusted Payment shall be \$5,578.58 per month. This monthly fee shall be adjusted as needed throughout 2022 if warranted by changes in the CPI-U.

In Witness whereof, the parties hereto have caused this Sublease Extension to be duly executed, intending to be bound thereby.

**City of Grand Junction**

DocuSigned by:  
*Jay Valentine*  
By: \_\_\_\_\_  
00BA38D53ED04B7...  
Jay Valentine, General Services Director

10/6/2021  
\_\_\_\_\_  
Date

**Kempton Air Service LLC**

DocuSigned by:  
*Larry Kempton, Jr.*  
By: \_\_\_\_\_  
52244F26A85E4C3...  
Larry Kempton, Jr

10/6/2021  
\_\_\_\_\_  
Date



General Services Department

**AIRPORT SUBLEASE AGREEMENT EXTENSION EXT-4840-20-SH**

October 14, 2020

Kempton Air Service LLC  
ATTN: Larry Kempton, JR  
607 26 Road  
Grand Junction, CO 81506

Dear Mr. Kempton,

Pursuant to paragraph 1.11 of the Airport Sublease Agreement Dated June 26, 2014, by and between the City of Grand Junction, Colorado, a municipal Corporation in the County of Mesa, State of Colorado, hereinafter in the Contract Documents referenced to as the "Subtenant" and Kempton Air Service, hereinafter in the Contract Documents referred to as the "Tenant", the Airport Sublease Agreement is hereby extended as of this 6th day of December, 2019. This extension shall cover the time period of January 1, 2021 through December 31, 2021.

The Tenant and the Subtenant, in consideration of the mutual covenants, promises, and agreements herein contained, agree to the annual extension of the original terms and conditions with the following Amendment(s):

1.13 Rent: Pursuant to paragraph 1.11 of the Airport Sublease Agreement, the CPI-U adjusted Payment shall be \$5,353.72 per month. This monthly fee shall be adjusted as needed throughout 2021 if warranted by changes in the CPI-U.

In Witness whereof, the parties hereto have caused this Sublease Extension to be duly executed, intending to be bound thereby.

**City of Grand Junction**

DocuSigned by:  
By: Jay Valentine  
Jay Valentine, General Services Director

10/14/2020 | 13:56 MDT  
Date

**Kempton Air Service LLC**

DocuSigned by:  
By: Larry Kempton, Jr  
Larry Kempton, Jr

10/14/2020 | 13:56 MDT  
Date



General Services Department

**AIRPORT SUBLEASE AGREEMENT EXTENSION EXT-4730-19-SH**

December 5, 2019

Kempton Air Service LLC  
ATTN: Larry Kempton, JR  
607 26 Road  
Grand Junction, CO 81506

Dear Mr. Kempton,

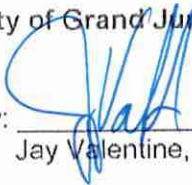
Pursuant to paragraph 1.11 of the Airport Sublease Agreement Dated June 26, 2014, by and between the City of Grand Junction, Colorado, a municipal Corporation in the County of Mesa, State of Colorado, hereinafter in the Contract Documents referenced to as the "Subtenant" and Kempton Air Service, hereinafter in the Contract Documents referred to as the "Tenant", the Airport Sublease Agreement is hereby extended as of this 6th day of December, 2019. This extension shall cover the time period of January 1, 2020 through Dec 31, 2020.

The Tenant and the Subtenant, in consideration of the mutual covenants, promises, and agreements herein contained, agree to the annual extension of the original terms and conditions with the following Amendment(s):

1.13 Rent: Pursuant to paragraph 1.11 of the Airport Sublease Agreement, the CPI-U adjusted Payment shall be \$5,321.22 per month. This monthly fee shall be adjusted as needed throughout 2020 if warranted by changes in the CPI-U.

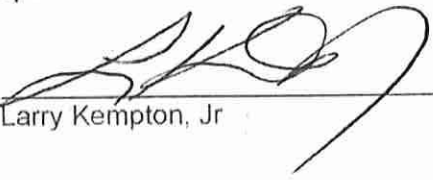
In Witness whereof, the parties hereto have caused this Sublease Extension to be duly executed, intending to be bound thereby.

City of Grand Junction

By:   
Jay Valentine, General Services Director

12/4/19  
Date

Kempton Air Service LLC

By:   
Larry Kempton, Jr

12-6-19  
Date



General Services Department

**AIRPORT SUBLEASE AGREEMENT EXTENSION EXT-4730-19-SH**

December 5, 2019

Kempton Air Service LLC  
ATTN: Larry Kempton, JR  
607 26 Road  
Grand Junction, CO 81506

Dear Mr. Kempton,

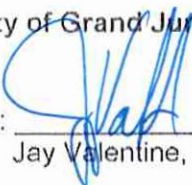
Pursuant to paragraph 1.11 of the Airport Sublease Agreement Dated June 26, 20 14, by and between the City of Grand Junction, Colorado, a municipal Corporation in the County of Mesa, State of Colorado, hereinafter in the Contract Documents referenced to as the "Subtenant" and Kempton Air Service, hereinafter in the Contract Documents referred to as the "Tenant", the Airport Sublease Agreement is hereby extended as of this 6th day of December, 2019. This extension shall cover the time period of January 1, 2020 through Dec 31, 2020.

The Tenant and the Subtenant, in consideration of the mutual covenants, promises, and agreements herein contained, agree to the annual extension of the original terms and conditions with the following Amendment(s):

1.13 Rent: Pursuant to paragraph 1.11 of the Airport Sublease Agreement, the CPI-U adjusted Payment shall be \$5,321.22 per month. This monthly fee shall be adjusted as needed throughout 2020 if warranted by changes in the CPI-U.

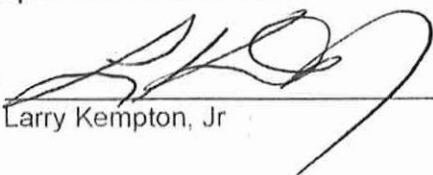
In Witness whereof, the parties hereto have caused this Sublease Extension to be duly executed, intending to be bound thereby.

City of Grand Junction

By:   
Jay Valentine, General Services Director

12/16/19  
Date

Kempton Air Service LLC

By:   
Larry Kempton, Jr

12-6-19  
Date



**Purchasing Division**

**NOTICE OF CONTRACT EXTENSION-4447-18-SH**

December 21, 2017

Larry Kempton, Jr.  
Kempton Air Service LLC  
607 26 Road  
Grand Junction, CO 81506

Dear Mr. Kempton,

You are hereby notified that your firm's contract has been extended to provide **Ground Lease** for the City of Grand Junction for the **2018 calendar year**. This extension continues to include the terms of the contract signed June 30, 2017; copy attached.

If you have any questions or need to discuss this extension, please call me at 244-1517.

Sincerely,

Jay Valentine  
City of Grand Junction  
Purchasing Division

CITY ATTORNEY

June 19, 2017

Kempton Air Service LLC  
Attn: Larry Kempton, Jr.  
607 26 Road  
Grand Junction, CO 81506

COPY

Via Mail Delivery

Dear Mr. Kempton,

I write this letter concerning the sub-lease tenancy between Kempton Air Service and the City for the real property and hangar improvements<sup>1</sup> at the Grand Junction Regional Airport in Grand Junction, Colorado presently occupied by the City. As you are aware the existing sub-lease expires June 30<sup>th</sup>; with your agreement to and signature on this letter, we will consider the lease to be restated, amended and extended on the terms provided herein. This letter, with the signatures of Kempton Air Service and the City will serve to confirm that understanding and to form an enforceable agreement.

Pursuant to the Airport Sublease Agreement dated June 26, 2014 by and between the City of Grand Junction Colorado, ("Subtenant") and Kempton Air Service, ("Tenant") the Airport Sublease Agreement is hereby restated to provide a new and extended term to and through December 31, 2017. The Tenant and the Subtenant, in consideration of the mutual covenants, promises, and agreements contained in that Airport Sublease Agreement and as the same is restated, amended and extended by this agreement, do agree to be bound to the same.

The restated, amended and extended term shall be 6 (six) months and the rent for that term shall be \$5222.00 per month beginning July 1, 2017. The July rent payment is tendered herewith. Either party may terminate the tenancy on 60 days' prior written notice to the other.

Based on the fact that the City has continued to occupy the premises for the purposes of the Airport Sublease Agreement and that the City has fully and faithfully performed its obligations, Kempton agrees that there is adequate consideration for the making of this agreement.

In witness whereof, Kempton Air Service and the City of Grand Junction, by persons authorized to bind the respective entity for which he/she signs, does execute this agreement this 30 day of June 2017.

City of Grand Junction

by: [Signature]

Attest:

by: [Signature]

Kempton Air Service

by: [Signature]

Attest:

by: [Signature]

<sup>1</sup> All as more particularly described in the 1999 lease from Walker Field Airport to Kempton Air Service and the sub-tenancy agreement.

per Jay V 12/19/2017  
extend 6 more mo for 2018

12/20/2017  
Per Jay Valentini,  
extend for all  
of 2018  
(12 mo)



CITY ATTORNEY

June 19, 2017

Kempton Air Service LLC
Attn: Larry Kempton, Jr.
607 26 Road
Grand Junction. CO 81506

Via Mail Delivery

Dear Mr. Kempton,

I write this letter concerning the sub-lease tenancy between Kempton Air Service and the City for the real property and hangar improvements at the Grand Junction Regional Airport in Grand Junction, Colorado presently occupied by the City. As you are aware the existing sub-lease expires June 30th; with your agreement to and signature on this letter, we will consider the lease to be restated, amended and extended on the terms provided herein. This letter, with the signatures of Kempton Air Service and the City will serve to confirm that understanding and to form an enforceable agreement.

Pursuant to the Airport Sublease Agreement dated June 26, 2014 by and between the City of Grand Junction Colorado, ("Subtenant") and Kempton Air Service, ("Tenant") the Airport Sublease Agreement is hereby restated to provide a new and extended term to and through December 31, 2017. The Tenant and the Subtenant, in consideration of the mutual covenants, promises, and agreements contained in that Airport Sublease Agreement and as the same is restated, amended and extended by this agreement, do agree to be bound to the same.

The restated, amended and extended term shall be 6 (six) months and the rent for that term shall be \$5222.00 per month beginning July 1, 2017. The July rent payment is tendered herewith. Either party may terminate the tenancy on 60 days' prior written notice to the other.

Based on the fact that the City has continued to occupy the premises for the purposes of the Airport Sublease Agreement and that the City has fully and faithfully performed its obligations, Kempton agrees that there is adequate consideration for the making of this agreement.

In witness whereof, Kempton Air Service and the City of Grand Junction, by persons authorized to bind the respective entity for which he/she signs, does execute this agreement this 30 day of June 2017.

City of Grand Junction

by: [Signature]

Attest:

by: [Signature]

Kempton Air Service

by: [Signature]

Attest:

by: [Signature]

1 All as more particularly described in the 1999 lease from Walker Field Airport to Kempton Air Service and the sub-tenancy agreement.





Purchasing Division

**AIRPORT SUBLEASE AGREEMENT EXTENSION-4260-16-NJ**

June 17, 2016

Kempton Air Service LLC  
ATTN: Larry Kempton, JR  
2851 Aviators Way  
Grand Junction, CO 81506

Dear Mr. Kempton,

Pursuant to paragraph 1.11 of the Airport Sublease Agreement Dated June 26, 2014, by and between the City of Grand Junction, Colorado, a municipal Corporation in the County of Mesa, State of Colorado, hereinafter in the Contract Documents referred to as the "Subtenant" and Kempton Air Service, hereinafter in the Contract Documents referred to as the "Tenant", the Airport Sublease Agreement is hereby extended as of this 20<sup>th</sup> day of June 2016. This extension shall cover the time period of July 1, 2016 through June 30, 2017.

The Tenant and the Subtenant, in consideration of the mutual covenants, promises, and agreements herein contained, agree to the annual extension of the original terms and conditions with the following Amendment(s):

**1.13 Rent:** Pursuant to paragraph 1.11 of the Airport Sublease Agreement, the CPI-U adjusted payment shall be \$5,110.00 per month.

In Witness whereof, the parties hereto have cause this Sublease Extension to be duly executed, intending to be bound thereby.

City of Grand Junction

By: [Signature]  
Name: Jay Valentine  
Title: Internal Services Manager

6/20/16  
Date

Attest:

By: [Signature]

Kempton Air Service

By: [Signature]  
Name: Larry G. Kempton Jr.  
Title:

6-26-16  
Date

Attest:

By: [Signature]



Purchasing Division

AIRPORT SUBLEASE AGREEMENT EXTENSION-4260-16-NJ

June 17, 2016

Kempton Air Service LLC  
ATTN: Larry Kempton, JR  
2851 Aviators Way  
Grand Junction, CO 81506

Dear Mr. Kempton,

Pursuant to paragraph 1.11 of the Airport Sublease Agreement Dated June 26, 2014, by and between the City of Grand Junction, Colorado, a municipal Corporation in the County of Mesa, State of Colorado, hereinafter in the Contract Documents referred to as the "Subtenant" and Kempton Air Service, hereinafter in the Contract Documents referred to as the "Tenant", the Airport Sublease Agreement is hereby extended as of this 20<sup>th</sup> day of June 2016. This extension shall cover the time period of July 1, 2016 through June 30, 2017.

The Tenant and the Subtenant, in consideration of the mutual covenants, promises, and agreements herein contained, agree to the annual extension of the original terms and conditions with the following Amendment(s):

**1.13 Rent:** Pursuant to paragraph 1.11 of the Airport Sublease Agreement, the CPI-U adjusted payment shall be \$5,110.00 per month.

In Witness whereof, the parties hereto have cause this Sublease Extension to be duly executed, intending to be bound thereby.

**City of Grand Junction**

By: [Signature]  
Name: Jay Valentine  
Title: Internal Services Manager

6/20/16  
Date

Attest:

By: [Signature]

**Kempton Air Service**

By: \_\_\_\_\_  
Name: Larry G. Kempton Jr.  
Title:

\_\_\_\_\_ Date

Attest:

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



**Changed  
Purchase Order  
No. 2016-00000019**

**DATE 06/20/2016**

**Ship To** City of Grand Junction  
333 West Ave  
Building B  
Grand Junction, CO 81501

**Bill To** City of Grand Junction  
333 West Ave  
Building B  
Grand Junction, CO 81501

**Ph. (970) 244-1484**

**Fax (970) 256-4022**

**Vendor** **VENDOR NO. 6841**  
Kempton Air Service LLC  
Attn: Larry Kempton, Jr.  
2851 Aviators Way  
Grand Junction, CO 81506  
Phone: (970) 250-0908

**PAGE 1 of 1**  
**SHIP VIA**  
**DELIVER BY**  
**FREIGHT TERMS**  
Buyer Name: Scott D Hockins  
Buyer Email: scotth@gjcity.org

QUANTITY	UNIT	DESCRIPTION	STATUS	UNIT COST	TOTAL COST
1.0000	Each	CONTRACT SERVICES - Ground Sublease  100-430-280-060.6640_03 - Rent_Property/Space 17,870.00 100-430-280-060.6640_03 - Rent_Property/Space 17,870.00 O1303 100-520-185-010.6640_03 - Rent_Property/Space 7,650.00 405-430-160.6640_03 - Rent_Property/Space 17,870.00	Item Changed	61,260.0000	\$61,260.00
<b>PURCHASE ORDER TOTAL</b>					<b>\$61,260.00</b>

**Special Instructions:** PURCHASE ORDER No. MUST APPEAR ON ALL INVOICES, SHIPPERS, PACKAGES, CORRESPONDENCE  
**Tax Exempt No. 98-03544**  
 C/O #1: Correct ASC from 100-420-390-606.3340\_03 to 100-430-280-060.6640\_03. sjh 2/12/2016  
 C/O #2: Correct ASC from 100-420-390-060.6640.03 to 100-430-280-060.6640\_03. sjh 2/19/2016  
 C/O #3: Change Fire to \$7650, they no long are using. Add \$10/mo for remainder of the year, and split the remaining amount among the three other accts. (Will be \$17,870 total for the year for each of the remaining accts, or \$1,703.333/mo Jul-Dec). sjh 6/20/2016

By: Scott Hockins

**Table 10. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index**

(1982-84=100, unless otherwise noted)

Area	Pricing schedule <sup>1</sup>	All items									
		Indexes				Percent change to July 2015 from—			Percent change to June 2015 from—		
		Apr 2015	May 2015	June 2015	July 2015	July 2014	May 2015	June 2015	June 2014	Apr 2015	May 2015
* U.S. city average	M	236 599	237 805	238 638	238 654	0.2	0.4	0.0	0.1	0.9	0.4
<b>Region and area size<sup>2</sup></b>											
Northeast urban	M	251 760	252 770	253 626	253 405	-2	3	-1	0	7	3
Size A - More than 1,500,000	M	254 614	255 534	256 161	255 926	1	2	-1	3	6	2
Size B/C - 50,000 to 1,500,000 <sup>3</sup>	M	148 482	149 237	150 122	150 008	-9	5	-1	-7	1.1	6
Midwest urban	M	223 797	224 732	225 946	225 853	-5	5	0	-7	1.0	5
Size A - More than 1,500,000	M	224 088	225 022	226 105	226 097	-5	5	0	-8	9	5
Size B/C - 50,000 to 1,500,000 <sup>3</sup>	M	143 982	144 577	145 613	145 355	-6	5	-2	-6	1.1	7
Size D - Nonmetropolitan (less than 50,000)	M	220 790	221 748	222 372	222 828	-4	5	2	-6	7	3
South urban	M	229 957	230 886	232 026	231 719	-1	4	-1	-1	9	5
Size A - More than 1,500,000	M	231 908	232 903	234 202	233 682	2	3	-2	3	10	6
Size B/C - 50,000 to 1,500,000 <sup>3</sup>	M	145 939	146 482	147 126	147 095	-3	4	0	-4	8	4
Size D - Nonmetropolitan (less than 50,000)	M	235 764	236 888	238 123	237 207	-7	1	-4	-2	10	5
West urban	M	242 302	244 227	244 332	245 040	1.3	3	3	1.1	8	0
Size A - More than 1,500,000	M	247 510	249 766	249 885	251 114	1.6	5	5	1.3	10	0
Size B/C - 50,000 to 1,500,000 <sup>3</sup>	M	144 426	145 346	145 198	144 917	3	-3	-2	5	5	-1
<b>Size classes</b>											
A <sup>4</sup>	M	216 439	217 646	218 302	218 465	5	4	1	4	9	3
B/C <sup>3</sup>	M	145 579	146 236	146 837	146 704	-3	3	-1	-3	9	4
D	M	232 060	233 025	234 055	233 943	2	4	0	3	9	4
<b>Selected local areas<sup>5</sup></b>											
Chicago-Gary-Kenosha, IL-IN-WI	M	227 704	228 494	228 837	228 588	-5	0	-1	-7	5	2
Los Angeles-Riverside-Orange County, CA	M	243 569	246 093	245 459	247 066	1.4	4	7	8	8	-3
New York-Northern N.J.-Long Island, NY-NJ-CT-PA	M	259 959	261 066	261 512	261 199	-1	-1	-1	1	6	2
Boston-Brockton-Nashua, MA-NH-ME-CT	1	-	256 839	-	256 999	7	1	-	-	-	-
Cleveland-Akron, OH	1	-	221 277	-	223 368	4	9	-	-	-	-
Dallas-Fort Worth, TX	1	-	218 484	-	218 676	-4	1	-	-	-	-
Washington-Baltimore, DC-MD-VA-WV <sup>6</sup>	1	-	155 880	-	155 546	2	-2	-	-	-	-
Atlanta, GA	2	219 567	-	225 152	-	-	-	-	6	2.5	-
Detroit-Ann Arbor-Flint, MI	2	219 005	-	219 034	-	-	-	-	-2.4	0	-
Houston-Galveston-Brazoria, TX	2	212 439	-	213 896	-	-	-	-	-4	7	-
Miami-Fort Lauderdale, FL	2	245 195	-	246 245	-	-	-	-	1.2	4	-
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	2	243 717	-	245 675	-	-	-	-	2	8	-
San Francisco-Oakland-San Jose, CA	2	257 622	-	259 117	-	-	-	-	2.3	6	-
Seattle-Tacoma-Bremerton, WA	2	247 611	-	251 622	-	-	-	-	1.6	1.6	-

<sup>1</sup> Foods, fuels, and several other items priced every month in all areas, most other goods and services priced as indicated

M - Every month

1 - January, March, May, July, September, and November

2 - February, April, June, August, October, and December

<sup>2</sup> Regions defined as the four Census regions. See map in technical notes.

<sup>3</sup> Indexes on a December 1996=100 base

<sup>4</sup> Indexes on a December 1986=100 base

<sup>5</sup> In addition, the following metropolitan areas are published semiannually and appear in Tables 34 and 39 of the January and July issues of the CPI Detailed Report: Anchorage, AK, Cincinnati-Hamilton, OH-KY-IN, Denver-Boulder-Greeley, CO, Honolulu, HI, Kansas City, MO-KS, Milwaukee-Racine, WI, Minneapolis-St. Paul, MN-WI, Phoenix-Mesa, AZ,

Pittsburgh, PA, Portland-Salem, OR-WA, St. Louis, MO-IL, San Diego, CA, Tampa-St. Petersburg-Clearwater, FL.

<sup>6</sup> Indexes on a November 1996=100 base.

- Data not available.

NOTE: Local area indexes are byproducts of the national CPI program. Each local index has a smaller sample size than the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalator clauses.

NOTE: Index applies to a month as a whole, not to any specific date

Table 10. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index

(1982-84=100, unless otherwise noted)

Area	Pricing schedule <sup>1</sup>	All items									
		Indexes				Percent change to July 2014 from—			Percent change to June 2014 from—		
		Apr. 2014	May 2014	June 2014	July 2014	July 2013	May 2014	June 2014	June 2013	Apr. 2014	May 2014
U.S. city average .....	M	237.072	237.900	238.343	238.250	2.0	0.1	0.0	2.1	0.5	0.2
<b>Region and area size<sup>2</sup></b>											
Northeast urban .....	M	252.506	253.598	253.565	253.833	1.8	.1	.1	1.0	.4	.0
Size A - More than 1,500,000 .....	M	254.392	255.342	255.404	255.665	1.6	.1	.1	1.8	.4	.0
Size B/C - 50,000 to 1,500,000 <sup>3</sup> .....	M	150.466	151.354	151.162	151.359	2.1	.0	.1	2.2	.5	-.1
Midwest urban .....	M	226.214	226.565	227.588	226.997	1.8	.2	-.3	1.7	.6	.5
Size A - More than 1,500,000 .....	M	226.582	226.893	227.965	227.235	1.7	.2	-.3	1.6	.6	.5
Size B/C - 50,000 to 1,500,000 <sup>3</sup> .....	M	145.465	145.788	146.488	146.164	2.3	.3	-.2	2.0	.7	.5
Size D - Nonmetropolitan (less than 50,000) .....	M	223.141	223.215	223.766	223.621	1.3	.2	-.1	1.4	.3	.2
South urban .....	M	231.348	231.762	232.269	232.013	2.0	.1	-.1	2.3	.4	.2
Size A - More than 1,500,000 .....	M	232.318	232.808	233.469	233.151	2.1	.1	-.1	2.5	.5	.3
Size B/C - 50,000 to 1,500,000 <sup>3</sup> .....	M	147.265	147.499	147.733	147.559	1.9	.0	-.1	2.1	.3	.2
Size D - Nonmetropolitan (less than 50,000) .....	M	237.596	237.974	238.630	238.772	2.1	.3	.1	2.0	.4	.3
West urban .....	M	239.808	241.350	241.616	241.850	2.3	.2	.1	2.3	.8	.1
Size A - More than 1,500,000 .....	M	245.096	246.510	246.700	247.079	2.5	.2	.2	2.4	.7	.1
Size B/C - 50,000 to 1,500,000 <sup>3</sup> .....	M	143.077	144.253	144.522	144.435	1.8	.1	-.1	1.9	1.0	.2
<b>Size classes</b>											
A <sup>4</sup> .....	M	216.286	217.048	217.454	217.413	2.0	.2	.0	2.1	.5	.2
B/C <sup>3</sup> .....	M	146.521	147.053	147.314	147.186	2.0	.1	-.1	2.1	.5	.2
D .....	M	232.271	232.859	233.386	233.496	2.0	.3	.0	2.1	.5	.2
<b>Selected local areas<sup>5</sup></b>											
Chicago-Gary-Kenosha, IL-IN-WI .....	M	229.848	229.612	230.477	229.633	1.9	.0	-.4	2.0	.3	.4
Los Angeles-Riverside-Orange County, CA ...	M	242.437	243.362	243.528	243.727	2.0	.1	.1	1.8	.5	.1
New York-Northern N.J.-Long Island, NY-NJ-CT-PA .....	M	259.985	261.225	261.350	261.498	1.6	.1	.1	1.7	.5	.0
Boston-Brockton-Nashua, MA-NH-ME-CT .....	1	-	255.209	-	255.296	1.7	.0	-	-	-	-
Cleveland-Akron, OH .....	1	-	221.413	-	222.410	1.4	.5	-	-	-	-
Dallas-Fort Worth, TX .....	1	-	219.590	-	219.543	1.2	.0	-	-	-	-
Washington-Baltimore, DC-MD-VA-WV <sup>6</sup> .....	1	-	155.198	-	155.220	1.7	.0	-	-	-	-
Atlanta, GA .....	2	220.620	-	223.862	-	-	-	-	3.0	1.5	-
Detroit-Ann Arbor-Flint, MI .....	2	223.326	-	224.482	-	-	-	-	1.3	.5	-
Houston-Galveston-Brazoria, TX .....	2	213.309	-	214.668	-	-	-	-	3.3	.6	-
Miami-Fort Lauderdale, FL .....	2	244.073	-	243.428	-	-	-	-	2.4	-.3	-
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD .....	2	243.694	-	245.247	-	-	-	-	1.8	.6	-
San Francisco-Oakland-San Jose, CA .....	2	251.495	-	253.317	-	-	-	-	3.0	.7	-
Seattle-Tacoma-Bremerton, WA .....	2	246.616	-	247.642	-	-	-	-	2.0	-.4	-

<sup>1</sup> Foods, fuels, and several other items priced every month in all areas; most other goods and services priced as indicated:  
M - Every month.  
1 - January, March, May, July, September, and November.  
2 - February, April, June, August, October, and December.  
<sup>2</sup> Regions defined as the four Census regions. See map in technical notes.  
<sup>3</sup> Indexes on a December 1996=100 base.  
<sup>4</sup> Indexes on a December 1980=100 base.  
<sup>5</sup> In addition, the following metropolitan areas are published semiannually and appear in Tables 34 and 39 of the January and July issues of the CPI Detailed Report: Anchorage, AK; Cincinnati-Hamilton, OH-KY-IN; Denver-Boulder-Greeley, CO; Honolulu, HI; Kansas City, MO-KS; Milwaukee-Racine, WI; Minneapolis-St. Paul, MN-WI; Phoenix-Mesa, AZ;

Pittsburgh, PA; Portland-Salem, OR-WA; St. Louis, MO-IL; San Diego, CA; Tampa-St. Petersburg-Clearwater, FL.  
<sup>6</sup> Indexes on a November 1996=100 base.  
- Data not available.  
NOTE: Index applies to a month as a whole, not to any specific date.

NOTE: Local area indexes are byproducts of the national CPI program. Each local index has a smaller sample size than the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalator clauses.

Close Forward  Print View

Mail Message Properties

**From:** Jay Valentine  
**To:** "Camper, John" , "Watkins, Ken"  
**CC:** "Shaver, John" , "Nordine, Michael" , "Englehart, Rich"  
**Subject:** Airport Hangar Lease  
**Attachments:** TEXT.htm (2101 bytes) [Retrieve]

Friday - June 12, 2015 10:58 AM

Ken and John,

As you probably are aware, the lease for the airport hangar expires at the end of this month. The original term was for 12 months commencing on July 1, 2014 and continuing through June 30, 2015. The City does have an option to extend the lease for an additional 12 months under the same conditions with one exception, this being an adjustment to the monthly rent payment.

Under the contract, should the City agree to extend the lease, the monthly rent may be adjusted by the percentage increase or decrease in the Consumer Price Index, using the US City Average for all urban consumers ("CPI-U"), all items index. I have looked at this index and verified that there was a 2% increase in the "cost-of-living" from July 2013 to July 2014, the time period in which the index is to be measured. This 2% increase translates to an increase of in the monthly rent payment from \$5,000 to \$5,100.

Also, Mr. Kempton has informed Mike Nordine that Ute Water is requesting work to be done on backflow preventer associated with this building and was wondering if we were paying for that. Under the terms of the lease the "Subtenant shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used by Subtenant on the Premises during the term of this Sublease." I am not sure of the scope or cost of this but it seems we will be responsible for the cost of this work. Mike is going to follow up with Mr. Kempton on this issue.

With no other options at this point, and with your permission, I will inform Mr. Kempton that we intend to extend the lease for an additional 12 months.

Thanks,

Jay

**GROUND SUBLEASE**

**BETWEEN**

**LARRY G. KEMPTON, JR. ALSO KNOWN AS  
LARRY G. KEMPTON, JR. DOING BUSINESS AS  
KEMPTON AIR SERVICE**

---

**AND**

**CITY OF GRAND JUNCTION**

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## TABLE OF CONTENTS

<b>Article 1:</b>	<b><u>Basic Lease Information</u></b> .....	1
1.1	<u>DATE</u> .....	1
1.2	<u>TENANT:</u> .....	1
1.3	<u>TENANT'S TRADE NAME</u> .....	1
1.4	<u>TENANT'S ADDRESS AND PHONE</u> .....	1
1.5	<u>SUBTENANT</u> .....	1
1.6	<u>SUBTENANT'S ADDRESS AND PHONE</u> .....	1
1.7	<u>GJRAA'S ADDRESS AND PHONE</u> .....	2
1.8	<u>AIRPORT</u> .....	2
1.9	<u>LEASE</u> .....	2
1.10	<u>COMMENCEMENT DATE</u> .....	2
1.11	<u>TERM OF SUBLEASE</u> .....	2
1.12	<u>INITIAL MINIMUM INSURANCE COVERAGE AMOUNT</u> .....	2
1.13	<u>RENT</u> .....	2
1.14	<u>PERMITTED USES</u> .....	3
1.15	<u>PREMISES</u> .....	3
1.16	<u>PREMISES SQUARE FOOTAGE</u> .....	3
1.17	<u>SECURITY DEPOSIT</u> .....	3
<b>Article 2:</b>	<b><u>Sublease and Term</u></b> .....	4
<b>Article 3:</b>	<b><u>Rent, Security Deposit &amp; Badges</u></b> .....	4
<b>Article 4:</b>	<b><u>Improvements</u></b> .....	5
<b>Article 5:</b>	<b><u>Maintenance and Utilities</u></b> .....	5
<b>Article 6:</b>	<b><u>Taxes and Assessments</u></b> .....	6
<b>Article 7:</b>	<b><u>Insurance</u></b> .....	6
<b>Article 8:</b>	<b><u>Assignment and Subleasing</u></b> .....	7
<b>Article 9:</b>	<b><u>Compliance with Applicable Law; Environmental Covenants</u></b> .....	8
<b>Article 10:</b>	<b><u>Nondiscrimination</u></b> .....	8
<b>Article 11:</b>	<b><u>Eminent Domain</u></b> .....	9
<b>Article 12:</b>	<b><u>Airport Development Rights; Emergency Use of Premises</u></b> .....	10
<b>Article 13:</b>	<b><u>Signs</u></b> .....	10
<b>Article 14:</b>	<b><u>Damage to Airport; Waste</u></b> .....	11
<b>Article 15:</b>	<b><u>Damage and Destruction to Premises</u></b> .....	11
<b>Article 16:</b>	<b><u>Quiet Enjoyment</u></b> .....	12
<b>Article 17:</b>	<b><u>Surrender Upon Termination; Holding Over</u></b> .....	12
<b>Article 18:</b>	<b><u>Default and Remedies</u></b> .....	13
<b>Article 19:</b>	<b><u>Representations Regarding Legalities</u></b> .....	13
<b>EXHIBIT A</b>	<b>LEASE</b>	



## **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: June 26, 2014

1.2 TENANT: LARRY G. KEMPTON, JR., ALSO KNOWN AS LARRY KEMPTON, JR. DOING BUSINESS AS KEMPTON AIR SERVICE

1.3 TENANT'S TRADE NAME: KEMPTON AIR SERVICE

1.4 TENANT'S ADDRESS AND PHONE:

KEMPTON AIR SERVICE LLC  
ATTN: LARRY KEMPTON, JR  
2851 AVIATORS WAY  
GRAND JUNCTION, CO 81506

PHONE: 970-250-0908

1.5 SUBTENANT: CITY OF GRAND JUNCTION

1.6 SUBTENANT'S ADDRESS AND PHONE:

CITY OF GRAND JUNCTION  
ATTN: John Shaver, City Attorney  
250 N. 5<sup>th</sup> Street  
GRAND JUNCTION, CO 81501

PHONE: 970-244-1503

1.7 GRAND JUNCTION REGIONAL AIRPORT AUTHORITY ("GJRAA") ADDRESS AND PHONE:

800 Eagle Drive  
Suite 301  
Grand Junction, CO 81506  
970-244-9100

1.8 AIRPORT: Grand Junction Regional Airport (GJRAA), located in Grand Junction, Colorado. Several attached Exhibits to the Lease reference Walker Field, Colorado, Public Airport Authority. On May 15, 2007, the Board of Commissioners changed the Authority's name from Walker Field, Colorado, Public Airport Authority (WFAA) to Grand Junction Regional Airport Authority, and the name of the Airport from Walker Field to the Grand Junction Regional Airport.

1.9 LEASE: The Ground Lease Agreement between GJRAA and Tenant, dated MARCH 17, 1999, which is annexed to this Sublease as Exhibit A.

1.10 COMMENCEMENT DATE OF SUBLEASE: July 1, 2014.

1.11 TERM OF SUBLEASE: The term of this Agreement shall be twelve months (12) commencing on July 1, 2014 and continuing through June 30, 2015 at which time this Agreement shall expire; provided, however, that pursuant to this Agreement and as part of the consideration for this Agreement, the Tenant hereby gives to Subtenant an option to extend the term of this Agreement for two (2) additional twelve (12) consecutive month periods ("Extended Term"), with each additional term being 12 months at a time upon the same terms and conditions as set forth herein, except that the monthly rent may be adjusted for the additional twelve month period by the percentage 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 report published by the US Department of Labor, Bureau of Labor Statistics, for the twelve-month period ending in the calendar year immediately preceding the calendar year in which the annual cost-of-living adjustment is to be made. 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. In order to exercise an option for an Extended Term, the Subtenant shall give written notice to the Tenant of its intention to exercise the option not less than thirty (30) days prior to the expiration of the current term. The Tenant may choose to terminate the Sublease at the expiration of a term by providing the Subtenant written notice of the termination not less than sixty (60) days prior to the expiration of the current term.

1.12 INITIAL MINIMUM INSURANCE COVERAGE AMOUNT: \$1,000,000

1.13 RENT: \$5,000.00 per month (see 1.11 for explanation of change to monthly amount for an "Extended Term").

- A. Payment schedule: Due the 1<sup>st</sup> of each month
- B. Late payment and due date: Late payment of 10% due if not received by the 10th of each month.

1.14 PERMITTED USES: The following activities shall be considered "Permitted Uses" under this Sublease: TENANT ASSURES THAT THE PERMITTED USES ARE ACCEPTABLE AS THOSE STATED IN ARTICLE II "GRANT OF USE" IN THE TENTANT'S LEASE and are as follows:

Storage of emergency vehicles, including but not limited to Expedition, large SWAT truck, fire vehicles including ambulances and trucks, TCV trailer, and Mobile Communications Vehicle, and associated equipment and accessories, including but not limited to x-ray machines, robot(s), etc. Maintenance of the vehicles, equipment, and accessories and updating or adding to each will occur on site. Training in relation to the vehicles, the bomb squad, and the SWAT team will occur on site. City employees and or associates of other agencies will meet on site for use of the vehicles including removal and return of the vehicles from and to the site.

Tenant acknowledges and agrees that Subtenant will be using the Premises for the storage of small amounts of explosives and other substances, chemicals, things and devices that may be used by the Subtenant to respond to emergency calls. Tenant acknowledges that all persons accessing the Premises will be accompanied by trained emergency professionals and all the emergency professionals have special expertise in the operation of any and all equipment and vehicles stored on the Premises.

1.15 PREMISES: The Premises shown on the attached Exhibits A and B of the Lease and any improvements thereon.

- A. Building and office areas: All building and office areas except second floor far west office used by Tenant.
- B. Vehicle and aircraft parking areas: Parking area immediately north of Hangar.
- C. Common Areas: Restrooms and parking area. Tenant shall not use the parking area to the exclusion of Subtenant.

1.16 PREMISES SQUARE FOOTAGE: The Premises consist of a total of approximately 8,000 square feet for the interior of the building except for the office being used by Tenant.

1.17 SECURITY DEPOSIT: A \$5,000.00 security deposit due with the first month rent and refundable 30 days from termination of Sublease less obligations owed by Subtenant under the Sublease. If any of the security deposit is withheld longer than 30 days, on or before the 30<sup>th</sup> day Tenant shall provide a written explanation stating the reasons for retaining any of the security deposit. If Subtenant does not give Tenant a 30 day notice of termination in writing, then Tenant shall have up to 60 days to return the security deposit.

**Article 2: Sublease and Term**

2.1 In consideration of the payment of the rent and the keeping and performance of the covenants and agreements by Subtenant hereinafter set forth, 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.

2.2 Subtenant is also granted Tenant's non-exclusive right under the Lease to utilize that portion of the Airport rights of way and access across the Airport ("Airport rights of way") as necessary solely for ingress and egress to the Premises for and to allow the Subtenant the Permitted Uses on and of the Premises. Subtenant's use of the 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 the Airport rights of way, either alone or in conjunction with other authorized users thereof. Tenant agrees that if any of these requirements unreasonably interfere with Subtenant's Permitted Use of the Premises, then Subtenant at its sole discretion may terminate this Sublease with no further obligations to Tenant.

2.3 The term of this Agreement is and shall be as provided in Article 1 and with the considerations stated thereon and as otherwise provided by this Agreement.

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.

**Article 3: Rent, Security Deposit & Badges**

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

3.2 All 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.

3.3 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.

3.4 Subtenant acknowledges that the GJRAA requires security/identification badges for operations and activities in the secured areas of the Airport. Subtenant shall pay GJRAA for all identification badges required for Subtenant, including any replacements of the badges.

**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 that do not include additional building(s), expansion of the footprint to any existing building, major exterior changes to any existing building, interior renovations that affect structural integrity or office and hangar configuration of any improvements Tenant presently owns, including changes to pavement, fences, and utility lines.

4.2 The improvements, alterations, and additions are to be performed by qualified and licensed contractors or subcontractors and completed in a workmanlike manner utilizing quality material. Subtenant shall have the right to place and install personal property, office equipment, shelving, machinery, and other temporary installations in and upon the Premises as reasonably necessary or required to fasten to the Premises. All personal property, including but not limited to, equipment, machinery, shelving, and temporary installations shall remain Subtenant's property free and clear of any claim by the Tenant or GJRAA. Subtenant shall have the right to remove the same at any time during the term of this Sublease provided that Subtenant shall repair at Subtenant's expense, all damage to the Premises caused by such removal.

4.3 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 GJRAA to be responsible for paying for them, and neither the Premises, nor Tenant's or 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 hereunder.

**Article 5: Maintenance and Utilities**

5.1 During the term of this Sublease, Subtenant shall, at its own expense, maintain and keep all improvements, fixtures, and equipment of Subtenant's 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, 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 GJRAA and hold them harmless for the same.

5.3 Except for damage specifically caused by Subtenant, Tenant shall keep the following in good order, condition and repair: the foundations, exterior walls and roof of the Premises and all components of electrical, mechanical, plumbing, heating systems and facilities located in and a part of the Premises.

5.4 Subtenant may not store items unrelated to its Permitted Uses on the Premises at the Airport without the prior written modification of this Sublease.

5.5 Subtenant shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used by Subtenant on the Premises during the term of this Sublease.

**Article 6: Taxes and Assessments**

Tenant shall timely pay all real estate taxes, special assessments, and/or possessory interest taxes related to the Lease and all personal property taxes with respect to Tenant's personal property, if any, on the Premises.

**Article 7: Insurance**

7.1 At all times during the term of this Sublease, Subtenant shall maintain general liability, bodily injury and property damage insurance naming as allowed by law Tenant and GJRAA as additional insured's covering all of the services, operations, and activities of Subtenant, and Subtenant's subtenants at the Airport. The initial amount of coverage provided to Tenant and GJRAA shall be at least the Initial Minimum Insurance Coverage Amount, as that term is defined in Article 1, above. 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 it, its assigns or subtenants, 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 Subtenant hereunder.

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

7.5 Tenant shall maintain fire and extended coverage insurance on the Premises. Subtenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including equipment and removable improvements made and located in or on the Premises.

7.6 Subtenant may assert and/or rely on the Colorado Governmental Immunity Act Section 24-10-101, *et seq.*, C.R.S. ("Act") in response/defense to any and all claims under this Sublease. No term under this Sublease shall be considered a waiver of any of the Subtenant's rights under the Act.

**Article 8: Assignment and Subleasing**

8.1 Subtenant shall not assign its interest herein without the written consent of Tenant and 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 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 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 GJRAA for all subleases, as the same may be amended from time to time, or in a form specifically approved by GJRAA. A copy of the Form Ground Sublease is available in GJRAA's offices. The existence of any sublease or subleases 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 GJRAA under the Form Ground Sublease shall constitute a default by Subtenant of its obligations under this Sublease. Subtenant shall not allow any subtenant to enter onto the Premises until the subtenant has signed a sublease.

8.3 Tenant's or 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 GJRAA's acceptance of rent from any sublessee or assignee shall not be construed to be a waiver of 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 GJRAA and other appropriate local, State, and Federal entities having jurisdiction over the Airport, including the FAA, Transportation Security Administration and the Environmental Protection Agency. 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. However, if any of the above interferes with Subtenant's Permitted Uses of the Premises, then Subtenant at its sole discretion may terminate the Sublease without further obligation to Tenant.

9.2 This Sublease 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. However, if any of the above interferes with Subtenant's Permitted Uses of the Premises as determined by Subtenant at its sole discretion, then Subtenant may terminate the Sublease without further obligation to Tenant.

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

9.4 Subtenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Subtenant, its agents, employees, contractors or invitees, without the prior written consent of GJRAA and Tenant, except for substances and in quantities usually and customarily used in airport hangar operations or as otherwise agreed to herein. 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 which shall not unreasonably be withheld. 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 survive the termination of this Sublease.

9.3 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.

**Article 10: Nondiscrimination**

Subtenant, 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) 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.

**Article 11: Eminent Domain**

11.1 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 Tenant, 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 thirty (30) 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. In addition, if any of the above interferes with Subtenant's Permitted Uses as determined by Subtenant in its sole discretion, then Subtenant may terminate the Sublease without further obligation to Tenant.

11.2 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 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. In addition, if any of the above interferes with Subtenant's Permitted Uses as determined by Subtenant in its sole discretion, then Subtenant may terminate the Sublease without further obligation to Tenant.

**Article 12: Airport Development Rights; Emergency Use of Premises**

12.1 Subtenant acknowledges that in addition to GJRAA's other rights set forth in this Sublease, GJRAA may 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 Subtenant, and without further interference or hindrance from Subtenant. Furthermore, 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; however, if GJRAA exercises its rights or expresses its intentions in writing to assert its rights and the action(s) interfere with Subtenant's Permitted Uses as determined by Subtenant in its sole discretion, then Subtenant may terminate the Sublease without further obligation to Tenant.

12.2 GJRAA is aware of the purpose of the Sublease and the Permitted Uses. GJRAA understands the need for Subtenant's need for security regarding the Permitted Uses. GJRAA understands that it may not enter the Premises without Subtenant present. Subtenant will provide a contact person for availability 24/7 in case of an emergency. If GJRAA should need to utilize all, or a portion of, the Premises due to unforeseen circumstances, as well as the public airfield areas and any other parts of the Airport, reasonable notice shall be given to Subtenant for other arrangement to be made for the Permitted Uses. GJRAA shall use best efforts to attempt to locate alternative space on the Airport from which Subtenant may conduct its business, while GJRAA is utilizing all or a portion of the Premises. Subtenant may agree to the alternate space. Otherwise, if GJRAA's use interferes with Subtenant's Permitted Uses as determined by Subtenant in its sole discretion, then Subtenant may terminate the Sublease without further obligation to Tenant or Subtenant may agree to the abatement of all or some of the rent for the length of time GJRAA utilizes a portion of the Premises. Should an emergency arise at the Airport, and should GJRAA determine, in its 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 the parties agree to cooperate in reasonably making the Premises available. If any of the above interferes with Subtenant's Permitted Uses as determined by Subtenant in its sole discretion, then Subtenant may terminate the Sublease without further obligation to Tenant or Subtenant may agree to the abatement of all or some of the rent for the length of time GJRAA utilizes a portion of the Premises.

**Article 13: 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 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 GJRAA, with respect to type,

size, design, materials and location. All signs shall comply with all applicable city, county, and state regulations.

**Article 14: Damage to Airport; Waste**

14.1 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 GJRAA's option, (a) by Subtenant 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 Subtenant, then by GJRAA at Subtenant's expense or (b) by Tenant at Subtenant's expense.

14.2 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 substantially change the contour or condition of the Premises without prior written permission of Tenant and GJRAA.

**Article 15: Damage and Destruction to Premises**

If the Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects, such damage or defects not being the result of any act of negligence by Subtenant or by any of Subtenant's agents, employees or invitees, that the same cannot be used for Subtenant's purposes, then Subtenant shall have the right within thirty (30) days following damage to elect by notice to Tenant to terminate this Sublease as of the date of such damage. In the event of minor damage to any part of the Premises, and if such damage does not render the Premises unusable for Subtenant's purposes, Tenant shall promptly repair such damage at the cost of the Tenant. Subtenant shall be relieved from paying rent and other charges during any portion of the Sublease term that the Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Subtenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Subtenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Subtenant's reasonable control and which renders the Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Subtenant's purposes.

**Article 16: 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. Tenant shall have the right to enter the office portion of the Premises that includes the access to and from the office area that Tenant will continue to use. Tenant shall have the right to access the hangar portion of the Premises only with Subtenant and only during reasonable hours mutually determined in advance of entry, except in an emergency, to inspect the Premises, provided Tenant does not unreasonably interfere with Subtenant's use of the Premises. Tenant agrees that security measures may be taken for no one to access the hangar without the Subtenant being present.

**Article 17: Surrender Upon Termination; Holding Over**

17.1 Upon the expiration or sooner termination due to Subtenant's determination to terminate this Sublease, Subtenant shall peaceably surrender to Tenant possession of the Premises, together with any improvements, fixtures, or personal property of Tenant and/or 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.

17.2 Subject to Tenant's and/or GJRAA's lien rights under applicable Colorado law, upon expiration or sooner termination of the Sublease, 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.

17.3 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 but shall create only a tenancy from month to month which may be terminated at any time by Tenant or 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 18: Default and Remedies**

18.1 In the event of a default made by Subtenant in the payment of rent when due to Tenant, Subtenant shall have fifteen (15) days after receipt of written notice thereof to cure such default. In the event of a default made by Subtenant in any of the other covenants or conditions to be kept, observed and performed by Subtenant, Subtenant shall have thirty (30) days after receipt of written notice thereof to cure such default. In the event that the Subtenant shall fail to cure any default within the time allowed under this paragraph, Tenant may declare the term of this Sublease ended and terminated by giving Subtenant written notice of such intention, and if possession of the Premises is not surrendered, Tenant may reenter said premises. Tenant shall have, in addition to the remedy above provided, any other right or remedy available to Tenant on account of any Subtenant default, either in law or equity. Tenant shall use reasonable efforts to mitigate its damages.

18.2 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, and/or acts of war.

**Article 19: Representations Regarding Legalities**

19.1 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 mailing or deposit with the express service company. Notice given in a manner other than as specified herein shall be ineffective.

19.2 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 GJRAA's request, sign such subordination agreements or statements as such lenders may from time to time require. However, if such subordination interferes with Subtenant's Permitted Uses, then Subtenant at its sole discretion may terminate the Sublease without further obligation to Tenant.

19.3 The failure of either party or 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 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.

19.4 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 the parties with the same formality as and by making reference to this Sublease.

19.5 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.

19.6 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.

19.7 Subtenant represents that Subtenant is the owner of, or 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.

19.8 If any term or condition of this Sublease or the application thereof to any person or event shall to any extent be 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.

19.9 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.

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

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

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

19.23 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 not integral parts of this Sublease and Subtenant is not bound by the terms set forth therein. It is Subtenant's intent to comply with each of the documents listed, but if any of the above interferes with Subtenant's Permitted Uses, then Subtenant at its sole discretion may terminate the Sublease without further obligation to Tenant. Tenant shall provide a copy of each document as it exists prior to the signing of this Sublease and each additional update after the signing of this Sublease.

19.24 This Sublease shall be interpreted in accordance with the laws of the State of Colorado and applicable federal law. Should either party or 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.

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

19.26 Nothing in this Sublease shall limit or amend in any way the terms of, or the Tenant's liability to GJRAA under the Lease executed by the Tenant and GJRAA, and as to the Premises described in this Sublease, Tenant agrees to perform all of Tenant's obligations under said Lease, including but not limited to all rental payments.

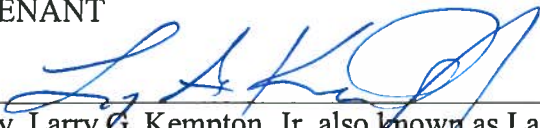
19.27 Subtenant is a government entity. State of Colorado Statutes prohibit obligation of public funds beyond the fiscal year. Tenant understands that anticipated expenditures/obligations beyond the end of the Subtenant's current fiscal year shall be subject to budget approval.

Done and entered into on the date first above written.

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

6-26-14

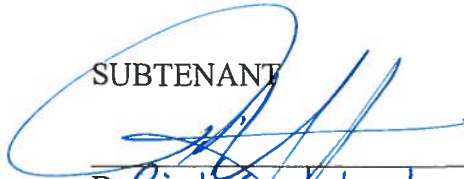
TENANT

  
By Larry G. Kempton, Jr. also known as Larry G. Kempton Jr. dba Kempton Air Service

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

6/22/14

SUBTENANT



\_\_\_\_\_

By Rich Englehart

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

June 26, 2014

By \_\_\_\_\_



Its \_\_\_\_\_

Interim Airport Manager



Exhibit "A"

**ORIGINAL**

**GROUND LEASE  
&  
SPECIALIZED AVIATION SERVICES OPERATOR  
AGREEMENT**

**WALKER FIELD, COLORADO, PUBLIC AIRPORT AUTHORITY**

**AND**

**LARRY KEMPTON, Jr.  
d.b.a. KEMPTON AIR SERVICE**

**MARCH 17, 1999 through MARCH 16, 2019**

**(With a ten year renewal option through March 16, 2029)**

GROUND LEASE &  
SPECIALIZED AVIATION SERVICES OPERATOR  
AGREEMENT

BETWEEN THE  
WALKER FIELD, COLORADO, PUBLIC AIRPORT AUTHORITY  
AND  
LARRY KEMPTON, JR. d.b.a. KEMPTON AIR SERVICE

**INDEX**

	PAGE
ARTICLE I	Leased Premises ..... 1
ARTICLE II	Grant of Use..... 2
ARTICLE III	Term..... 2
ARTICLE IV	Ground Rent and Other Fees ..... 3
ARTICLE V	Cooperation with Authority in Collecting Fees Owed ..... 7
ARTICLE VI	Security Deposit ..... 7
ARTICLE VII	Improvements ..... 8
ARTICLE VIII	Maintenance and Utilities ..... 9
ARTICLE IX	Signs ..... 9
ARTICLE X	Damage to Airport..... 9
ARTICLE XI	Taxes and Assessments ..... 9
ARTICLE XII	Insurance and Indemnification ..... 10
ARTICLE XIII	Default and Remedies..... 10
ARTICLE XIV	Compliance with Statutes, Rules, Regulations, and Directives ..... 12
ARTICLE XV	Inspection..... 13
ARTICLE XVI	Quiet Enjoyment..... 13
ARTICLE XVII	Non-Discrimination ..... 13
ARTICLE XVIII	Representations Regarding Authority ..... 14
ARTICLE XIX	Waiver ..... 14
ARTICLE XX	Notice..... 14
ARTICLE XXI	Relationship of Parties..... 15

**INDEX — Continued**

ARTICLE XXII.	Partial Invalidity .....	15
ARTICLE XXIII.	Successors.....	15
ARTICLE XXIV	Attorneys Fees, Costs, and Expenses of Litigation .....	15
ARTICLE XXV	Assignment .....	15
ARTICLE XXVI	Sublease .....	15
ARTICLE XXVII	Waste .....	16
ARTICLE XXVIII	Surrender upon Termination.....	16
ARTICLE XXIX	Hazardous Waste / Environmental Pollution .....	17
ARTICLE XXX	Eminent Domain.....	17
ARTICLE XXXI	Substitution of Premises .....	17
ARTICLE XXXII	Airport Development Rights / Emergency Use of Leased Premises.....	18
ARTICLE XXXIII	Patents and Trademarks.....	19
ARTICLE XXXIV	Renewal .....	19
ARTICLE XXXV	Governing Law and Venue.....	19
ARTICLE XXXVI	Holding Over .....	19
ARTICLE XXXVII	Miscellaneous Provisions .....	19
ARTICLE XXXVIII	Entire Agreement.....	20

**EXHIBITS**

- A. Legal Description of Leased Premises
- B. Survey Map of Lease Premises
- C. Requirements and Minimum Standards for Services and Activities
- D. Development and Architectural Standards
- E. Authority's Fees and Charges
- F. AOA Safety Procedures

## **GROUND LEASE & SPECIALIZED AVIATION SERVICES OPERATOR AGREEMENT**

This Ground Lease & Specialized Aviation Services Operator Agreement is entered into and effective this 17th day of March, 1999, by and between the Walker Field, Colorado, Public Airport Authority ("Airport Authority"), a political subdivision of the State of Colorado, and Larry Kempton, Jr., d.b.a. Kempton Air Service ("Lessee").

- A. The Airport Authority owns and operates the Walker Field Airport, located in Grand Junction, Colorado ("Airport").
- B. Lessee intends to construct a hangar, to be located at the Airport, which Lessee will be utilizing to store and maintain aircraft owned or leased by Lessee as well as by other third parties and to conduct services/activities described as flight instruction, aircraft rental, aircraft engine and accessory maintenance and repairs.

Therefore, in consideration of the above Recitals and the mutual promises and representations set forth below, the parties hereby agree as follows.

### **ARTICLE I. LEASED PREMISES**

- A. The Airport Authority hereby leases to Lessee, and Lessee hereby leases from the Airport Authority, a parcel of real property on the Airport, consisting of approximately 10,628 square feet, (exact square footage to be calculated upon receipt of a certified survey and legal description acceptable to both parties) and any and all rights, privileges, easements, and appurtenances now or hereafter belonging to said parcel, subject, however, to all liens, easements, restrictions, and other encumbrances of record, the exact legal description of which is to be set forth on attached Exhibit "A," (upon receipt of a certified survey and legal description acceptable to both parties) and the general location of which is to be depicted on the map attached as Exhibit "B" (upon receipt of a certified survey and legal description acceptable to both parties). The parcel of real property involved shall hereinafter be referred to as the "Leased Premises." Lessee understands and agrees that it shall be leasing the Leased Premises in an "as is" condition, without warranties or representations from the Airport Authority that the Leased Premises, or any portions thereof, are suitable for a particular purpose, or can accommodate any particular weight or size of aircraft.
- B. As can be seen from attached Exhibit "B," the Leased Premises consist of two separate tracts. The first tract consists of approximately 6,450 square feet, (exact square footage to be calculated upon receipt of a certified survey and legal description acceptable to both parties), consisting of the revenue-generating portion of the Leased Premises, for which Lessee shall be obligated to pay ground rent at the initial rate of \$.0907 per square foot per year. The second tract consists of 4178 square feet, (exact square footage to be calculated upon receipt of a certified survey and legal description acceptable to both parties), comprising an object free area, for which Lessee shall not be required to pay ground rent. Although Lessee shall not be required to pay ground rent for the second tract, Lessee shall be responsible for all ramp, maintenance and other improvements required for the tract, and all of the terms and conditions of this Agreement (other than the obligation to pay ground rent) shall apply to said second tract.
- C. Lessee is also granted the non-exclusive right to utilize such Airport runways, taxiways, 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 its Leased Premises, and to the extent

necessary to enable Lessee to provide the aeronautical services authorized below from the Leased Premises. Lessee's use of said air-field areas and other Airport rights of way shall be on a non-exclusive, non-preferential basis with other authorized users thereof. Lessee shall abide by all directives of the Authority, the Federal Aviation Administration ("FAA"), and any other governmental entity having jurisdiction over the Airport, governing their use of said airfield areas and other Airport rights of way, either alone or in conjunction with other authorized users thereof. Furthermore, the Authority may from time to time increase or decrease the size or capacity of any airfield areas and other Airport rights of way/facilities (other than the Leased 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 Lessee thereby, and without being deemed to have terminated this Agreement as a result thereto.

- D. Pursuant to Section 39-26-117(1) (b), CRS, neither the Leased Premises, nor any of Authorities improvements, fixtures, or personal property thereon (such as the Authority's security fencing and gating), or any other portions of the Airport which Lessee is authorized to utilize hereunder on a non-exclusive, common basis with others, nor any of Authority's improvements, fixtures or personal property located within said non-exclusive common use areas, nor any future fixtures, improvements or personal property which Authority may hereafter affix to or provide for the Leased Premises, or elsewhere on the Airport, shall be subject to a state or local lien, should Lessee fail to pay any local or state taxes owed as a result of its operations hereunder or otherwise.

## ARTICLE II. GRANT OF USE

- A. The Airport Authority hereby grants Lessee the exclusive right to use the Leased Premises, and all of the improvements located thereon, to provide, on a non-exclusive basis at the Airport, the following aeronautical services and activities: to utilize its hangar thereon, to store and maintain aircraft owned or leased by Lessee or by other third parties, to provide, on a non-exclusive basis from the Airport, commercial, aeronautical services/activities described as flight instruction, aircraft rental, aircraft engine and accessory maintenance and repairs. Lessee shall provide the above described aeronautical services in accordance with all of the terms and conditions of this Agreement, and the Authority's Requirements and Minimum Standards for Services and Activities ("Minimum Standards"), a copy of which is attached as Exhibit "C", as the same may be amended from time to time. The Authority hereby acknowledges that the following provisions of the Minimum Standards are inapplicable to this Agreement:

Section 8.A.1. and Sections 8.B.1, 3, 4, 7, 8 and 9.

- B. Lessee shall not use, nor permit others to use, the Leased Premises, and any improvements thereon, to store automobiles, aircraft, or equipment unrelated to Lessee's operations under this Agreement; to fuel any aircraft or vehicles for any purpose that would violate exclusive-use rights granted by the Airport Authority to any other tenant; or for any other purpose than Lessee's aeronautical services and activities authorized by subparagraph A above.
- C. By its execution of this Agreement, the Authority is not authorizing Lessee to conduct any aeronautical or other commercial or non-commercial activities from the Leased Premises other than the activities expressly authorized under subparagraph IIA above, and usage's necessarily related thereto. Lessee may not conduct any other aeronautical or commercial or non-commercial activity from the Leased Premises unless and until Lessee has executed an agreement, in a form and for a rental amount satisfactory to Authority, authorizing Lessee to perform said additional activities.

### ARTICLE III TERM

- A. Subject to subparagraph IIIC, and Article XIII, below, the initial term of this Ground Lease Agreement shall be deemed to commence at 12:01 a.m. on March 17, 1999 (the "commencement date"), and shall terminate at midnight on March 16, 2019.
- B. Subject to subparagraph IIIC, and Article XIII, below, provided that Lessee is current in all monies and other obligations owed or to be performed hereunder, both at the time of Lessee's provision of its written notice of intent to extend this Lease, and at the expiration of the initial term of this Lease, Lessee shall have the right to extend this Lease Agreement for an additional ten year period (i.e., through March 16, 2029), by giving the Airport Authority written notice of its decision to do so by no later than September 16, 2018. Should Lessee exercise its right to extend this Lease Agreement, all of the terms and conditions of this Lease Agreement shall apply during the ten-year renewal term. Should Lessee fail to provide the Airport Authority with the required written notice of its decision to renew this Lease by on or before September 16, 2018, Lessee shall be conclusively deemed to have waived its right to renew this Lease, and this Lease shall automatically expire at midnight on March 16, 2019. In exercising its renewal right, Lessee shall only have the right to renew this Lease Agreement for the entirety of the Leased Premises and for the full ten year period. Finally, if Lessee is not current in all monies and other obligations owed or to be performed hereunder both at the time Lessee provides written notice of its intent to extend this Lease, and at the expiration of the initial Lease term, Lessee's right to extend this Lease automatically shall be deemed terminated, and this Lease shall expire at the end of the initial Lease term, unless sooner terminated for Lessee's defaults hereunder.
- C. Notwithstanding subparagraphs IIIA and B, above, Lessee may terminate this Lease agreement for cause at any time during the initial or renewal period of this Agreement, if the Airport Authority has defaulted in its obligations under this Agreement, and the Airport Authority has failed to cure said default within sixty (60) days after written notice of the default involved from Lessee (or if the default involved is such that it cannot be cured within said sixty (60) day period, then if the Airport Authority has not commenced cure within said sixty (60) day period and failed to diligently pursue completion of the cure thereafter). The Airport Authority's rights to terminate this Agreement for Lessee's defaults are set forth in Article XIII, below.

### ARTICLE IV. GROUND RENT AND OTHER FEES

- A. Ground Rent
1. Initial Rent. The monthly ground rent for the first, revenue-generating tract of the Leased Premises shall be based upon \$.0907 per square foot per year, equal to \$48.75 per month in total ( $$.0907 \times 6,450 \text{ sq. ft.} \div 12 \text{ months}$ ) for the initial period of this Lease, from March 17, 1999, through March 31, 2000. The aforementioned ground rent calculations are based upon an approximation of the lease parcel. Lessee shall provide the Lessor a certified survey and legal description acceptable to Lessor prior to commencement of construction of improvements on the parcel and the initial rent shall be subject to an increase or decrease based upon information contained in the certified survey and legal description. Until Lessee has obtained a Certificate of Occupancy, Lessee shall pay the initial rate of \$.0454 per square foot per year on tract one, equal to \$24.40 per month in total ( $$.0454 \times 6,450 \text{ sq. ft.} \div 12 \text{ months}$ ), from March 17, 1999, through March 31, 2000. After completion of the improvements on the Lease Premises, Lessee will commence paying per the rent schedule applicable at time of completion of the improvements.

## 2. Annual Cost-of-Living Adjustments to Initial Ground Rent

Effective April 1 of each calendar year that this Agreement is in effect, the initial monthly ground rent of \$.0907 per square foot for the first tract of the Leased Premises, respectively, 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 twelve-month period ending in the calendar year immediately preceding the calendar year in which the annual cost-of-living adjustment is to be made, until such time as the ground rents are periodically adjusted pursuant to subparagraph IV.A.3, below. 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.

## 3. Periodic Adjustments to Ground Rent

The Airport Authority may, in its sole discretion, periodically increase or decrease Lessee's monthly ground rents for its first and second tracts hereunder, pursuant to historical cost of operation analyses, local market rent studies, comparable airport rent studies satisfactory to the Airport Authority, and/or such other factors as may be permitted under then applicable FAA fee and charge regulations, establishing ground rental rates for all tenants at the Airport, provided that:

- a. The first such discretionary adjustments may not be imposed upon Lessee prior to April 1, 2004;
- b. At least five years must elapse between each subsequent discretionary adjustment imposed upon Lessee by the Airport Authority hereunder;
- c. Each discretionary adjustment shall not result in a combined per acre monthly rental more than twenty percent (20%) lower than the combined per acre monthly rental established at the time of the commencement date of this Lease Agreement (for purposes of the first discretionary rental adjustment) or more than twenty percent (20%) lower than the combined per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment (for purposes of each succeeding discretionary rental adjustment);
- d. Each discretionary adjustment shall not result in a combined per acre monthly rental more than twenty percent (20%) higher than the combined per acre monthly rental established at the time of the commencement date of this Lease, or at the time of the immediately preceding discretionary rental adjustment, as the case may be, unless the actual combined per acre monthly rental in effect in the month preceding the new discretionary adjustment involved is already more than twenty percent (20%) higher than the combined per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment (or the commencement date of this Lease, as the case may be), due to cost of living adjustments imposed hereunder upon said combined monthly rental during the time between the immediately preceding discretionary adjustment (or the commencement date) and the subject new adjustment, in which event the new combined per acre monthly rental shall be the actual combined monthly rental then in effect or the new combined monthly rental established by the Airport Authority for the Airport as a whole, whichever amount is less. The following examples illustrate the manner in which the discretionary rental adjustments authorized under this subparagraph IV.A.3.d are to be applied:

Example No. 1: If the combined per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment has been increased by fourteen percent (14%) for COLA adjustments during the intervening five year period, and the Airport Authority's market survey indicates that ground rental rates at the Airport should be increased by twenty-three percent (23%) higher than the combined per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment, the Airport Authority could only increase Lessee's combined per acre monthly ground rent in effect in the month immediately preceding the new discretionary rental adjustment by an additional six percent (6%), resulting in a new combined per acre monthly rental twenty percent (20%) higher than the combined per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment.

Example No. 2: If the combined per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment has been increased by thirty-five percent (35%) for COLA adjustments during the intervening five year period, and the Airport Authority's market survey indicates that ground rent should be twenty three percent (23%) more than the combined per acre monthly rental established at the time of the immediately preceding rental adjustment, Lessee's combined ground rent in effect in the month preceding the new discretionary rental adjustment would be decreased twelve percent (12%), resulting in a new combined per acre monthly rental twenty-three percent (23%) higher than the combined per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment.

Example No. 3: If the combined per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment has been increased by twenty five percent (25%) for COLA adjustments during the intervening five year period, and the Airport Authority's market survey indicates that ground rental rates should be further increased by seven percent (7%), to thirty two percent (32%) higher than the combined per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment, then Lessee's combined per acre monthly ground rent would not be further increased, but would remain at the rate in effect in the month preceding the new proposed discretionary adjustment; and

- e. The Airport Authority provides at least thirty (30) days prior written notice of the discretionary adjustment to Lessee before the discretionary adjustment may take effect.

Should the Airport Authority periodically increase, decrease, or leave as is Lessee's combined ground rent pursuant to its discretionary authority under subparagraph IV.A.3, above, the Airport Authority shall thereafter increase or decrease said combined adjusted rent, effective April 1 every calendar year following the calendar year in which the discretionary adjustment occurred, by the increase or decrease in the CPI-U, all items index, set forth in the October to October report published by the Bureau of Labor Statistics (or pursuant to the closest report thereto published by the US Department of Labor if the Department no longer publishes the CPI-U), for the twelve month period ending in the calendar year immediately preceding the calendar year in which the cost of living adjustment is to be made.

#### B. Miscellaneous Other Fees

1. Lessee, on behalf of itself and its assigns and subtenants, shall pay its pro rata share of the Airport Authority's expenses incurred in draining and cleaning the Airport's deicing holding tank, if used, along with the other users thereof.



2. Lessee shall pay such fees as set forth in the Airport's Fees and Charges, for the usage of the Airport's disposal station, either by itself, or by its assigns and subtenants, as the same maybe amended from time to time. The present fee is \$10.00 per use of the station.
3. Lessee shall pay the Airport Authority an amount, to be established by the Airport Authority from time to time, for stand-by services provided by Airport Authority employees to Lessee, or to its 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. The current rate for said stand-by services is \$25.00 per hour, per employee, charged in quarter-hour increments, for services provided between 11:00 p.m. and 6:00 a.m., and if the employee involved has to be called back to the Airport, then with a two hour minimum charge for each called back employee involved.
4. Lessee, on behalf of itself and its assigns and subtenants, shall pay landing fees for all aircraft utilizing its hangar, owned or leased by Lessee or its assigns or subtenants, in the amount of the landing fees required by the Airport Authority's Fees and Charges for general aviation aircraft using the Airport, as said amount may be amended from time to time. Presently no landing fees are charged general aviation aircraft by the Fees and Charges.
5. Lessee shall pay such fuel flow fees for fuel purchased by Lessee, or its assigns or subtenants, from authorized fuel vendors on the Airport, as required by the Authority's Fees and Charges, as said amount may be amended from time to time. The current fuel flow fee is \$0.01 per gallon of fuel sold for use in general aviation aircraft. Said fuel flow fee is in addition to any gasoline taxes or fuel flow fees Lessee may be required to pay under the State of Colorado's Aviation Fuel Tax Program.
6. Lessee shall pay for all identification badges required for its or its assigns or subtenants' employees, at a rate established by the Authority from time to time. The current rate is \$10.00 per non-computerized badge and \$15.00 per computerized badge. Lessee shall also pay such fee as established by the Authority from time to time for the replacement of said badges.
7. Lessee further agrees to pay such other fees and charges as may be imposed by the Airport Authority in the future, for services and facilities provided by Airport Authority to Lessee, or its assigns and subtenants, on a pro rata, non-discriminatory basis with the other users of said services or facilities.

C. Payment of Fees

1. Payment of Lessee's monthly ground rent shall be made in advance, on or before the 1st day of each month involved.
2. Payment of future general aviation landing fees owed pursuant to subparagraph IV.B.4, above, shall be made in accordance with procedures adopted by the Airport Authority if and when such landing fees are imposed in the future.
3. Payment of fuel flow fees owed to the Authority pursuant to subparagraph IV.B.5, above, shall be made in accordance with procedures established from time to time by the Authority and the authorized fuel vendors involved.
4. Payment of its pro rata share of disposal station fees, and such future services and facilities that may be provided by the Airport Authority under subparagraph IV.B.7, above, shall be made within thirty (30) days of each billing for said services and facilities.

5. Payment of all monies owed to the Airport Authority hereunder shall be made to the Airport Authority at its administrative offices located in the Airport's terminal building.

E. Interest

Any ground rental, landing fees, or other monies owed to the Airport Authority under this Lease Agreement which are not received when due, or any monies paid by Airport Authority on Lessee's behalf which were Lessee's responsibility under this Lease Agreement, shall accrue interest at the rate of one and one-half percent (1.5%) per month full payment from Lessee. Any payments received shall be applied first to accrued interest, and then to the reduction of principal.

**ARTICLE V. COOPERATION WITH AUTHORITY IN COLLECTING FEES OWED AND OTHER INFORMATION**

- A. Lessee understands that commercial ground transportation operators who pickup their patrons at Lessee's Leased Premises must pay access fees, as well as other fees and charges, to the Authority, pursuant to the Authority's Fees and Charges, as said fees and charges may be amended from time to time. Accordingly, in order to assist the Authority in determining the fees owed to the Authority by said ground transportation operators, Lessee hereby agrees, to the best of its ability to do so, to provide, in writing, to the Authority, on or before the fifth (5th) day of each month, the following information for each non-local taxicab, for-hire van, for-hire luxury limousine, for-hire people mover, for-hire bus, local hotel/motel courtesy vehicles, and off-Airport rental car operators (i.e., for each ground transportation vehicle operator other than local taxicab or on-Airport rental car operators) that picked-up a ground transportation customer on Lessee's Leased Premises during the preceding month:
1. the name, business address, and telephone number of each operator involved; and
  2. the date and time of each customer picked-up by each such operator during the preceding month.
- B. Lessee further agrees to provide to the Airport Authority or third party governmental agency involved, such additional information or clarifications as the Authority or governmental agency may request, to enable the Authority to calculate the landing fees, access fees, and other fees owed by aircraft and ground transportation operators to the Authority pursuant to the Authority's Fees and Charges, as the same may be amended from time to time, and to enable the Airport to remain financially self-sustaining; to further the Authority's ability to market promote and manage the Airport; and/or to comply with governmental monetary collections and reporting requirements. Any subsequent changes or corrections in the information provided by Lessee shall be reported to the Authority and/or governmental agency involved within seven (7) days of Lessee's discovery of said changes or corrections.
- C. Lessee further agrees that it shall not provide any storage or other services authorized hereunder to any aircraft operator, or permit a ground transportation operator to access its Leased 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 Authority, and Lessee receives written notice from the Authority requesting that Lessee cease providing its services or access to said operator.
- D. Lessee further agrees to 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 VI. SECURITY DEPOSIT

Lessee shall establish either a savings account or certificate of deposit, in the exclusive name of the Authority, in an amount equal to the highest consecutive four months' ground rental and other fees and charges anticipated to be owed hereunder, as the same may be adjusted from time to time. The parties hereby agree that \$196.00 shall constitute the initial security deposit required hereunder. Lessee shall be responsible for all service charges on said account or deposit. Lessee shall be entitled to enjoy and withdraw all interest that accrues on said proceeds. Should Lessee wish to withdraw said interest, Authority shall execute such documents as necessary to permit Lessee to do so. Alternatively, Lessee may pay its required security deposit hereunder directly to the Airport Authority, in which case the monies will be deposited into an Airport Authority account and all interest thereon shall be deemed to be the sole property of the Airport Authority. In the event Lessee falls into default under this Agreement, the Authority shall be entitled to withdraw a portion of the principal balance of said security deposit proceeds, pursuant to the provisions of subparagraph XIII.B.3, below.

## ARTICLE VII. IMPROVEMENTS

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

1. The improvements, alterations, and additions are performed by qualified and licensed contractors and subcontractors; and
2. Prior to the construction of new buildings, major exterior changes to any buildings, interior renovations that affect the structural integrity or office and hanger configuration of any improvements Lessee may hereafter construct upon the Leased Premises, and interior renovations to any buildings or other improvements that hereafter may be constructed by the Airport Authority upon the Leased Premises:
  - a. Lessee submits the proposed plans to the Airport Authority for its review; and
  - b. The Airport Authority determines in its sole discretion that the proposed improvements, alterations, or additions are consistent with the Airport's master and land use plans, the Authority's Development and Architectural Standards, and the Authority's Requirements and Minimum Standards for Services and Activities at the Airport ("Minimum Standards"), as the same may be amended from time to time.

In reviewing and approving a proposed construction of improvements, alterations and additions submitted by Lessee to the Airport Authority, the Airport Authority's approval shall not be unreasonably withheld nor shall its discretion be unreasonably applied.

Lessee shall construct all improvements and additions to the Leased Premises at its own expense. Although the Airport Authority has the right to review proposed improvement and alteration plans, and to veto the plans pursuant to the standards set forth above, if the Airport Authority does not veto said improvement and alteration plans, and Lessee thereafter constructs the improvements or alterations, the improvements and alterations shall be commissioned and constructed at Lessee's sole initiative and behest, and nothing herein shall be construed as an authorization by Airport Authority to Lessee to construct the improvements and alterations, or as an agreement by Airport Authority to be responsible for paying for them, and neither the Leased Premises, nor the Airport Authority's interest in said Leased Premises or any improvements or alterations constructed thereon, shall be subjected to a mechanic's lien for any improvements or alterations constructed by Lessee hereunder. The Airport Authority may require Lessee to post a bond, or such other security as the Airport Authority deems appropriate, guaranteeing payment for construction of the improvements and alterations involved, as a condition precedent to the

commencement of construction of the improvements and alterations. Lessee shall be responsible for assuring that all of said improvements, alterations and additions to the Leased Premises are constructed in accordance with applicable local, state and federal law. Lessee shall reimburse Airport Authority for all costs and expenses, including attorney's fees, Airport Authority incurs (a) as a result of the fact that the improvements, additions, or alterations do not comply with local, state and federal law, (b) in defending against, settling or satisfying any claim that the Airport Authority is responsible for paying for improvements commissioned by Lessee hereunder, or (c) in defending against, settling or satisfying any mechanic's lien claims, asserted as a result of unpaid for improvements commissioned by Lessee hereunder.

#### **ARTICLE VIII. MAINTENANCE AND UTILITIES**

- A. During the term of this Lease, Lessee shall, at its own expense, maintain and keep all portions of the Leased Premises, any improvements, fixtures, and equipment thereon, any utility lines thereon or thereunder used by Lessee or its assigns or subtenants, and any of Lessee's improvements, fixtures, or equipment located elsewhere on the Airport, in good operating and physical condition and repair. Lessee further agrees to repair any utility lines located on or under its Leased Premises which are utilized by other third parties (but not by Lessee or its assigns or subtenants), if obligated to do so because of any damage to said utility lines caused by Lessee, its board members, officers, agents, employees, contractors, subcontractors, assigns, subtenants, customers, guests, invitees, or anyone acting under its direction and control, pursuant to the terms of Article X, below.
- B. During the term of this Lease, Lessee shall also be responsible for providing, at its own expense, all utilities, including but not limited to lighting, heating, air conditioning, water, gas, and electricity, required for the Leased Premises and any improvements, alterations, or additions thereon.
- C. During the term of this Lease, Lessee agrees to maintain, at its expense, all portions of the Leased 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.

#### **ARTICLE IX. SIGNS**

Lessee agrees that no exterior signs, logos, or advertising displays identifying Lessee or its assigns, subtenants, or customers shall be painted on or erected in any manner upon the Leased Premises, or in or on any improvements or additions upon the Leased Premises, without the prior written approval of the Airport Authority, which approval shall not be unreasonably withheld. Any such signs, logos, or advertising shall conform to reasonable standards to be established by the Airport Authority, with respect to type, size, design, materials and location.

#### **ARTICLE X. DAMAGE TO AIRPORT**

Lessee shall be liable for any damage to the Airport and to any improvements thereon caused by Lessee, its board members, officers, agents, employees, contractors, subcontractors, assigns, subtenants, guests, invitees, or anyone acting under its direction and control, and, insofar as its customers are concerned, damages caused by them to the Leased Premises, ordinary wear and tear excepted. All repairs for which Lessee is liable may be made by Lessee at its own expense, provided that said repairs are made timely and to the Airport Authority's satisfaction as to the quality of repair or, if not timely or satisfactorily made by Lessee, then by the Airport Authority at Lessee's expense.

## ARTICLE XI. TAXES AND ASSESSMENTS

Lessee shall timely pay all real and personal property taxes related to its operations hereunder or elsewhere; all local, state and federal income, payroll, 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, imposts, or levies of any nature, whether general or special, which may at any time be imposed by any local, state or federal authorities having jurisdiction over Lessee, or that become a lien upon Lessee, Airport Authority, the Leased Premises, or any improvements thereon, by reason of Lessee's activities under this Lease or elsewhere. Lessee shall have the right, by giving written notice to the Airport Authority of its intention to do so, to resort to any available legal or administrative proceeding to contest or obtain the review of any such tax, charge or assessment at any time before such tax, charge or assessment becomes delinquent. At Lessee's request, the Airport Authority shall assist Lessee in such proceeding. The expense of such proceeding, including all of the Airport Authority's costs and attorney's fees incurred in assisting Lessee in such proceeding, shall be paid by Lessee, regardless of whether the Airport Authority actually attends or participates in the proceeding.

## ARTICLE XII. INSURANCE AND INDEMNIFICATION

- A. At all times during the terms of this Lease, Lessee agrees to maintain automobile, general liability, bodily injury and property damage insurance naming the Airport Authority as an additional insured covering all of the services, operations, and activities of Lessee and its subtenants at the Airport in such amounts as follows: One Million Dollars (\$1,000,000), combined single limit.
- B. Lessee further agrees to maintain such hazard insurance as necessary to cover the replacement cost of each of the improvements it, or its assigns or subtenants, or the Airport Authority own or have constructed upon the Leased Premises, and that the proceeds of said insurance shall be used to repair or replace the improvements involved, as necessary.
- C. Lessee and its subcontractors shall maintain worker's compensation insurance or a self-insurance plan in accordance with the laws of the State of Colorado for all employees or subcontractors' employees who perform any work for Lessee in connection with the rights granted Lessee hereunder.
- D. Lessee shall provide a certificate of insurance to the Airport Authority 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 the Airport Authority. Such policies shall provide that they may not be materially changed or altered by the insurer during its term without first giving at least ten (10) days written notice to the Airport Authority.
- E. Lessee shall indemnify and hold harmless the Airport Authority, its Board members, officers, agents and employees, from and against any and all liabilities, obligations, claims, damages, costs, and expenses, including attorney's fees, incurred by or asserted against the Airport Authority, its Board members, officers, agents and employees, by any person, or entity whatsoever, resulting from the acts or omissions of Lessee, its board members, officers, employees, agents, contractors, subcontractors, subtenants, assigns, guests, invitees, or any third party acting under its direction or control.

## ARTICLE XIII. DEFAULT AND REMEDIES

- A. Events of Default

The following shall constitute defaults by Lessee:

1. Failure to pay monthly ground rents, or any other monies owed hereunder, or under any other agreements between the parties, when such monies are due, and the failure to cure said delinquency within a period of ten (10) days following written notice of said delinquency;
2. Any other failure in the performance of any covenant or obligation required herein, or under any other agreement between Lessee and the Airport Authority, and the failure to cure said delinquency within a period of thirty (30) days following written notice of said delinquency;
3. The acquisition of Lessee's interest in this Lease Agreement by execution or other process of law when said process of law is not discharged within fifteen (15) days thereafter; and
4. Lessee's general assignment of its rights, title and interest hereunder for the benefit of creditors; or the appointment of a receiver for Lessee's property if the appointment is not vacated within ninety (90) days.

**B. Remedies Upon Default**

Upon the occurrence of any of the events of default set forth in subparagraph A above, the Airport Authority may exercise any one or more of the following remedies. These remedies shall be cumulative and not alternative:

1. The Airport Authority may sue for specific performance;
2. The Airport Authority may sue for recovery of all damages incurred by the Airport Authority, including incidental damages, consequential damages, if any, and reasonable attorney's fees;
3. The Airport Authority may utilize any portion, or all, of the security deposit proceeds provided by Lessee to remedy the default and to reimburse the Airport Authority for any damages, including reasonable attorneys fees and other expenses of collection, that it may sustain as a result of the default. In such event, Lessee shall not be permitted to resume operations under this Lease until such time as it furnishes another security deposit that satisfies the requirements of Article VI. However, this Lease shall not be deemed terminated during said period unless written notice of termination shall have been given and become effective in accordance with subparagraph B4, below.
4. The Airport Authority may terminate this Lease Agreement and, at the option of the Airport Authority, any other agreement in effect between the parties. The termination of these agreements, however, shall only be effective upon written notice of same provided by the Airport Authority to Lessee. In no event shall this Lease be construed to be terminated unless and until such notice is provided. The termination may be effective immediately upon provision of said notice, or at any other time specified in the notice. If this Lease is terminated, Lessee shall continue to be liable for: (a) the performance of all terms and conditions, including the payment of all monthly ground rent and all other monies due or accrued hereunder prior to the effective date of said termination; and (b) all damages, including attorney's fees and other expenses of collection, incurred as a result of any default.
5. Without terminating the Lease by so doing, and without further notice to Lessee, Airport Authority may re-enter the Leased Premises with or without process of law, repossess the Leased Premises and all fixtures and improvements thereon, and remove Lessee and any third parties who may be occupying or within other means Airport Authority, in its sole discretion, deems appropriate without being deemed guilty of any trespass, eviction, or forcible entry and detainer by so doing. In such case, Airport Authority shall be obligated to attempt, in good

faith, to negotiate the re-letting of the Leased Premises, and any improvements thereon, or any portion thereof, on behalf of Lessee, for such period of time and upon such terms and conditions as Airport Authority deems appropriate. The Airport Authority shall in no way be obligated under the terms of this subparagraph to re-let all or any portion of the Leased Premises, or any improvement thereon, to any third party, or upon terms and conditions, that are not acceptable to the Airport Authority, or which the Airport Authority, in its sole discretion, does not feel to be in the best interests of the Airport; nor shall the Airport Authority be responsible for any failure by the sublessee or new tenant to pay rent or to perform any other conditions due upon such re-letting. Lessee hereby expressly authorizes Airport Authority to make any reasonable repairs or renovations necessary to re-let the Leased Premises, or any improvements thereon, on Lessee's behalf. Assuming Airport Authority attempts to re-let the Leased Premises, in good faith, whether or not Airport Authority is able to re-let the Leased Premises, Lessee shall remain liable for the performance of all terms and conditions of the Lease and the payment of all monies due under the Lease for the remainder of the Leasehold term, although Lessee shall receive credit for any monies paid or conditions performed as a result of re-letting. Lessee shall also be responsible for reimbursing the Airport Authority for all costs and expenses Airport Authority incurs in re-letting or attempting to re-let the Leased Premises, including commission/broker fees, advertising expenses, and reasonable repair and renovation costs. Finally, if, as a result of such re-letting, Airport Authority becomes entitled to receive excess rentals or other benefits over and above what Airport Authority would have been entitled to receive under this Lease Agreement, Airport Authority shall be entitled to retain all such surplus rentals and other benefits, and Lessee shall have no rights or interest therein.

6. The Airport Authority may utilize any other remedy provided by law or equity as a result of any events of default.

**C. Force Majeure**

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 the Airport Authority or Lessee must comply.

**ARTICLE XIV. COMPLIANCE WITH STATUTES, RULES,  
REGULATIONS AND DIRECTIVES**

- A. Lessee shall observe and obey all statutes, rules, regulations, and directives promulgated by the Airport Authority and other appropriate local, State, and Federal entities having jurisdiction over the Airport, including the FAA and the Environmental Protection Agency. Without limiting the foregoing, Lessee agrees to utilize its Leased Premises, and the common areas of the Airport, and all improvements thereon, in compliance with the Federal Aviation Regulations, including all amendments hereafter made, embodied in 49 CFR Parts 107 and 108, which are specifically incorporated and made a part of this Lease Agreement. Lessee further agrees to perform all of its operations authorized hereunder in accordance with all of the terms and conditions of the Requirements and Minimum Standards for Services and Activities for the Walker Field Airport ("Minimum Standards"), the Airport's Development and Architectural Standards, the Airport's Fees and Charges, and the Airport's AOA Safety Procedures, copies of which are attached as Exhibits C, D, E, and F, as the same may be amended from time to time. If any inconsistency exists between the terms of this Agreement, and the terms of the Minimum Standards, Architectural Standards, or Fees and Charges, the terms of this Agreement shall control. Lessee further agrees to comply with all verbal and written directives of the Airport Manager regarding Lessee's use of the Leased

Premises, the Airport's airfields and ramps, and other common areas elsewhere on the Airport. In this regard, Lessee hereby agrees to only use propylene glycol as a deicing agent, or such other deicing agent as may be authorized by the Airport Authority in the future.

- B. Lessee shall be responsible for security of the gates and doors it uses leading to the Air Operations Area.
- C. Should Lessee, its 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 the Airport Authority, then Lessee shall fully reimburse the Airport Authority for said damage award, citation, or fine and for all costs and expenses, including reasonable attorney's fees, incurred by Airport Authority in defending against or satisfying the award, citation or fine.

#### ARTICLE XV. INSPECTION

The Airport Authority may at any time inspect the Leased Premises, any improvements, fixtures, or equipment thereon, and any of Lessee's improvements, fixtures, or equipment on any other areas of the Airport.

#### ARTICLE XVI. QUIET ENJOYMENT

The Airport Authority expressly covenants and represents that upon payment of fees when due and upon performance of all other conditions required herein, Lessee shall peaceably have, possess and enjoy the Leased Premises and other rights herein granted, without hindrance or disturbance from the Airport Authority, subject to the Airport Authority's various rights contained elsewhere in this Agreement.

#### ARTICLE XVII. NON-DISCRIMINATION

- A. Lessee, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, do hereby covenant and agree that (1) 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 use of the Airport and any improvements thereon; (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 Leased Premises and the furnishing of services therein; and (3) Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.
- B. Lessee shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.
- C. Lessee shall make its accommodations and/or services available to the public on fair and reasonable terms without unjust discrimination on the basis of race, creed, color, religion, sex, age, national origin, or disability.



- D. Non-compliance with subparagraphs A, B, and C, above, after written finding, shall constitute a material breach thereof and in the event of such non-compliance the Airport Authority shall have the right to terminate this Lease Agreement and the estate hereby created without liability therefor or at the election of the Airport Authority or the United States either or both said Governments shall have the right to judicially enforce said subparagraphs A, B, and C.
- E. Lessee assures that it shall undertake an affirmative action program as may be 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. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it shall require that its covered sub-organizations provide assurances to Lessee that they similarly shall undertake affirmative action programs and that they shall require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
- F. This Lease Agreement is also subject to the requirements of the US Department of Transportation's regulations, 49 CFR Part 23, Subpart F. Lessee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, age, religion, sex, or disability, in connection with the award or performance of any operating agreement covered by 49 CFR Part 23, Subpart F. Lessee further agrees to include the preceding statements in any subsequent sub-operating agreements at the Airport that it enters into and to cause those businesses to similarly include the statements in further agreements, as required by FAA Rules, Regulations and Directives.

#### **ARTICLE XVIII. REPRESENTATIONS REGARDING AUTHORITY**

The Airport Authority expressly covenants and represents that it is the owner of the Leased Premises, and has the right and authority to enter into this Lease Agreement and grant the rights contained herein to Lessee.

With respect to Lessee, the undersigned warrant and represent that (1) they are all of the general partners of Lessee; (2) they are authorized to execute this Lease on Lessee's behalf, and (3) Lessee shall be bound as a signatory to this Lease by their execution of this Lease.

#### **ARTICLE XIX. WAIVER**

Should Lessee breach any of its obligations hereunder, the Airport Authority nevertheless may thereafter accept from Lessee any payment or payments due hereunder, and continue this Lease Agreement in effect, without in any way waiving the Airport Authority's right to exercise and enforce all available default rights hereunder, or any other remedies provided by law, for said breach. In addition, any waiver by either party of any default, breach or omission of the other under this Lease Agreement shall not be construed as a waiver of any subsequent or different default, breach, or omission.

#### **ARTICLE XX. NOTICE**

Any and all notices required herein to be made by either party to the other shall be written notice made by depositing such notice, correctly addressed, in the registered or certified mail of the United States of America, postage prepaid, and such notice shall be deemed to have been served on the date of such depositing.

All notices to the Airport Authority shall be mailed to:

Airport Manager  
Walker Field Airport Authority  
2828 Walker Field Drive, Suite 211  
Grand Junction, CO 81506

All notices to Lessee shall be mailed to:

Larry Kempton, Jr.  
800 Heritage Way  
Grand Junction, CO 81506

Each party may, from time to time, change the address to which notices to said party are to be sent, by providing written notice of said change of address to the other party in accordance with the procedure set forth in this Article.

#### **ARTICLE XXI. RELATIONSHIP OF PARTIES**

It is understood that the Airport Authority is not in any way or for any purpose partner or joint venturer with, or agent of, Lessee in its use of the Leased Premises or any improvements thereon.

#### **ARTICLE XXII. PARTIAL INVALIDITY**

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

#### **ARTICLE XXIII. SUCCESSORS**

The provisions, covenants, and conditions of this Lease Agreement shall bind and inure to the benefit of the legal representatives, successors, and assigns of the parties hereto.

#### **ARTICLE XXIV. ATTORNEYS FEES, COSTS, AND EXPENSES OF LITIGATION**

In the event of a breach of this Lease Agreement, the breaching party shall pay to the non-breaching party all reasonable attorney's fees, costs and other expenses, incurred by the non-breaching party in enforcing its rights as a result of said breach.

#### **ARTICLE XXV. ASSIGNMENT**

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

#### **ARTICLE XXVI. SUBLEASE**

Lessee may not sublease all or any portion of the Leased Premises, or all or any portion of the improvements thereon, without first obtaining written consent of the Airport Authority for the sublease,

which consent shall not be unreasonably withheld. Any such sublease must be in writing and be made subject to the terms and conditions of this Lease. In addition, before any sublease may take effect, any sublessee must execute an agreement with the Airport Authority, in a form and for a rental amount and other consideration acceptable to the Airport Authority, pursuant to the requirements of the Minimum Standards, by which such subtenant is authorized to do business on the Airport.

#### **ARTICLE XXVII. WASTE**

Lessee 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 substantially change the contour or condition of the Leased Premises without prior written permission of the Airport Authority.

#### **ARTICLE XXVIII. SURRENDER UPON TERMINATION**

- A. Upon the expiration or sooner termination of this Lease Agreement, for any reason whatsoever, Lessee shall peaceably surrender to the Airport Authority possession of the Leased Premises, together with any improvements, fixtures, or personal property of the Airport Authority thereon, such as the Airport Authority's security fencing and gating, in as good a condition as the Leased Premises, and improvements, fixtures, and personal property were initially provided to Lessee, ordinary wear and tear excepted, without any compensation whatsoever, and free and clear of any claims of interest of Lessee or any other third party whomsoever.
- B. Subject to the Authority's lien rights under applicable Colorado law, upon expiration or sooner termination of the Lease, Lessee shall have one hundred and twenty (120) days from such date of expiration or termination to remove from the Leased Premises all personal property, improvements, and fixtures belonging to Lessee, 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 Leased Premises or from any improvement on the Leased Premises, Lessee shall restore the Leased Premises, and other improvements from which the fixtures or property were taken (if the improvement involved is not also being removed from the Leased Premises), to good condition and repair. Following the exercise of its right to remove any improvement from the Leased Premises, Lessee shall restore the Leased Premises upon which such removed improvements were located to a flat and level condition, and if paved, then re-paved to the same depth as existing at the expiration or sooner termination of this Lease Agreement. Title to all personal property, fixtures, and improvements not removed by Lessee from the Leased Premises within one hundred twenty (120) days of the expiration or sooner termination of this Lease, including the hangar it has constructed thereon, shall automatically vest in the Airport Authority, without payment by the Airport Authority to Lessee of any compensation whatsoever, and said personal property, fixtures, and improvements shall thereafter be owned by the Airport Authority free and clear of any claim of interest by Lessee or of any third party whomsoever. The Airport Authority also shall be entitled to a reasonable rental from Lessee for the use of the Leased Premises for the personal property, fixtures, and improvements thereon until such time as Lessee removes said personal property, fixtures, and improvements from the Leased Premises, or Lessee provides the Airport Authority with written notice of its decision not to remove said personal property, fixtures, and improvements from the Leased Premises, or upon the running of one hundred twenty (120) days from the expiration or sooner termination of the Lease, whichever event occurs first. Furthermore, the Airport Authority may remove the fixtures or personal property thereon and place them into storage on Lessee's behalf and at Lessee's cost and expense, until such time as Lessee notify the Airport Authority in writing that it does not desire said fixtures and personal property, or upon the running of one hundred twenty (120) days from the expiration or sooner termination of the Lease, whichever event occurs first. For purposes of determining under this paragraph the pro-rated rent Lessee shall owe the Airport Authority for the use of the Leased Premises, or any portion thereof, for storing the personal property, fixtures, and improvements,

Lessee shall owe the rent in effect at the time of expiration or sooner termination of this Lease, for the entirety of each tract on which each such improvement, fixture or personal property is situated, as said tract is defined in Article I and attached Exhibit A, until such time as Lessee either removes the same, gives notice that it desires to abandon the same, or the lapse of one hundred twenty (120) days, whichever event occurs first.

#### **ARTICLE XXIX. HAZARDOUS WASTE/ENVIRONMENTAL POLLUTION**

Lessee shall be solely responsible for the prevention, control, and clean-up of all fuel, gas, and oil leaks and spills, hazardous waste, lavatory waste, and other environmental pollution caused by Lessee's, or its assigns or subtenants', operations at the Airport, in accordance with applicable local, State, and Federal laws and regulations, and it shall hold the Authority harmless from said prevention, control, and clean-up costs and obligations. The parties each reserve their various claims and defenses against one another for the clean-up of any environmental pollution that occurred on the Leased Premises prior to the commencement date of Lessee's leasehold term hereunder.

#### **ARTICLE XXX. EMINENT DOMAIN**

- A. Subject to Articles XXXI and XXXII, below, in the event that all or any portion of the Leased Premises is taken for any public or quasi-public purpose by any lawful condemning authority, including the Airport Authority, exercising its powers of eminent domain (or in the event that all or any portion of the Leased 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 Leased 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 the Airport Authority and Lessee according to the applicable Colorado law of eminent domain. If a portion of the Leased 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 Agreement as set forth in Article II in an economically viable manner, then this Lease Agreement shall be deemed terminated at the end of a period of sixty (60) days following said taking or conveyance. In that event and at that time, Lessee shall surrender the Leased Premises to the Airport Authority and all of the Airport Authority's fixtures and personal property thereon, and Lessee may remove its improvements, fixtures and personal property located upon the Leased Premises, in accordance with the provisions of Article XXVIII, above.
- B. The Airport Authority expressly reserves the right to grant or take easements or rights-of-way across the Leased Premises if the Airport Authority determines it is in its best interests and in accordance with applicable Colorado law of eminent domain. If the Airport Authority grants or takes such an easement or right-of-way across any of the Leased Premises, Lessee shall be entitled to compensation in accordance with applicable Colorado law of eminent domain.

#### **ARTICLE XXXI. SUBSTITUTION OF PREMISES**

- A. Notwithstanding Article XXX, above, and subject to Article XXXII, below, Lessee understands and agrees that Airport Authority has the right to take all or any portion of the Leased Premises, and any additions, alterations or improvements thereon, should the Airport Authority, in its sole discretion, determine that said portion of the Leased Premises, and improvements thereon, are required for other Airport purposes. If such action is taken, the Airport Authority may require Lessee to vacate the Leased Premises, or any portion thereof, and the Airport Authority shall substitute comparable areas within the Airport, or any additions or extensions thereof, brought to the same level of improvement as the area taken. The Airport Authority shall bear all expenses of bringing the substituted area to the same level of improvement as the area taken, and of moving Lessee's improvements, equipment, furniture, and fixtures to the substituted area. If any of Lessee's

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

- B. Nothing in subparagraph XXXI.A, above, shall be construed to adversely affect Airport Authority's rights to condemn Lessee's leasehold rights and interests in the Leased Premises, and improvements thereon, should Airport Authority, in its sole discretion, determine that it requires all or any portion of the Leased Premises, and improvements thereon, for other Airport purposes. The Airport Authority may exercise its leasehold condemnation rights under Article XXX, above, in lieu of the Airport Authority's substitution rights set forth in subparagraph XXXI.A, above. In the event the Airport Authority proceeds by way of condemnation, subparagraph XXXI.A shall not apply, and Lessee shall be entitled to compensation for its leasehold interests in that portion of the Leased Premises, and improvements thereon, so taken, in accordance with applicable Colorado condemnation law.

**ARTICLE XXXII. AIRPORT DEVELOPMENT RIGHTS/  
EMERGENCY USE OF LEASED PREMISES**

- A. Subject to the provisions of Articles XXX and XXXI concerning Eminent Domain and Substitution of Premises, above, the Airport Authority reserves the right to further develop or improve all areas within the Airport, including landing areas, as the Airport Authority may determine, in its sole discretion, to be in the best interests of the Airport, regardless of the desires or views of Lessee, and without further interference or hindrance from Lessee.
- B. Lessee hereby permits the Authority to utilize all, or a portion of, Lessee's Leased 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 Authority determine, in its sole discretion, that the Authority needs to utilize all or a portion of the Leased 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 Authority shall use best efforts to attempt to locate alternative space on the Airport from which Lessee may conduct its business, while the Airport Authority is utilizing all or a portion of the Leased Premises during the pendency of the emergency or unforeseen circumstances. If the Authority is not able to find alternative space on the Airport from which Lessee may conduct its business during said emergency or unforeseen circumstances, then Lessee shall be entitled to an abatement of ground rent, allocable to that portion of the Leased Premises utilized by the Authority, for the length of time the Authority utilizes said portion of the Leased Premises. Finally, regardless of whether Authority is able to locate alternative premises on the Airport for Lessee to conduct its business, Lessee shall not be entitled to any damages, including lost profits or revenues from the Authority, as a result of the Authority's utilization of the Leased Premises or other areas of the Airport during the emergency or unforeseen circumstances involved, and Lessee shall continue to owe the Airport Authority all landing fees and other fees and charges that accrue during said period.
- C. This Lease Agreement shall also be subject and subordinate to the requirements of any existing or future contracts or agreements between the Airport Authority 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 Airport Authority shall not owe any damages to Lessee, such as lost profits or revenues, as a result of its compliance with said contracts, statutes, rules, or directives. The Airport Authority shall also be excused from its obligations to pay Lessee eminent domain compensation under Article XXX, above, or to provide substitute leasehold premises pursuant to Article XXXI, above, unless the payment of said proceeds or provision of substitute premises is specifically directed by the contract, statute, regulation or directive involved.

#### **ARTICLE XXXIII. PATENTS AND TRADEMARKS**

Lessee represent that it is the owner of, or fully authorized to use, any and all services, processes, machines, articles, marks, names, or slogans used by it in its operations under this Lease Agreement. Lessee shall save and hold the Airport Authority, its Board members, officers, employees, agents, and representatives, free and harmless of any loss, liability, expense, suit, or claim for damages in connection with any actual or alleged infringement of any patent, trademark, or copyright, or from any claim of unfair competition or other similar claim, arising out of Lessee's operations under, or in connection with, this Lease.

#### **ARTICLE XXXIV. RENEWAL**

Other than Lessee's right to renew this Lease for a ten year term, pursuant to Article III.B, above, Lessee has no guaranteed or preferential right, as against other third parties, of re-letting the Leased Premises, or any improvements thereon, following termination of this Lease. Should Lessee desire to re-let the Leased Premises following the expiration or sooner termination of this Lease, Lessee shall submit an application for lease in accordance with Airport leasing rules and regulations in effect at that time. Lessee's application will be reviewed by the Airport Authority, along with all other applications, if any, in accordance with then applicable Airport leasing rules and regulations.

#### **ARTICLE XXXV. GOVERNING LAW AND VENUE**

This Lease shall be interpreted in accordance with the laws of the State of Colorado and applicable federal law. Lessee further agrees that 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 Federal District Court in Denver.

#### **ARTICLE XXXVI. HOLDING OVER**

If Lessee remains in possession of the Leased Premises after the expiration of this Lease Agreement without any written renewal thereof, such holding over shall not be deemed as a renewal or extension of this Lease Agreement but shall create only a tenancy from month to month which may be terminated at any time by the Airport Authority upon thirty (30) days written notice. Such holding over shall otherwise be upon the same terms and conditions as set forth in this Lease Agreement.

#### **ARTICLE XXXVII. MISCELLANEOUS PROVISIONS**

The parties hereby agree that Lessee shall have eighteen (18) months from the commencement date of this Agreement to obtain a Certificate of Occupancy. If such development is not timely commenced or completed, or if due diligence prosecuting such development is not demonstrated to the satisfaction of the Airport Authority, then the Airport Authority, at its sole discretion (not unreasonably applied), shall have the right to terminate this Agreement, and all of Lessee's interest in such parcel shall revert to the Authority. If, however, the Lessee has commenced development and is diligently prosecuting completion

of development, yet such development will not be completed within the 18 month period allowed, then the Lessee may petition, in writing, the Airport Authority 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 the Airport Authority (not unreasonably applied). If such extension is not granted, then the Airport Authority shall have the right to declare the Agreement void, and all of Lessee's interest in such parcel shall revert to the Authority.

This Agreement is contingent upon FAA approval of any construction or development plans by Lessee, as well as approval of any applicable planning commission or board. The responsibility for obtaining any authorization from or approval of any federal, state, or local governmental agency or entity shall be the sole responsibility and expense of Lessee. Lessee shall have 180 days from the date of this Agreement to satisfy the foregoing contingencies. If, at the end of such 180 day period Lessee has not provided to the Airport Authority clear evidence that such contingencies have been satisfied, or that substantial progress has been made toward satisfaction of same, then the Airport Authority may treat this Agreement as void.


The Airport Authority makes no representations or warranties with regard to the above contingencies, and Lessee undertakes such efforts solely at his own risk.

#### ARTICLE XXXVII. ENTIRE AGREEMENT

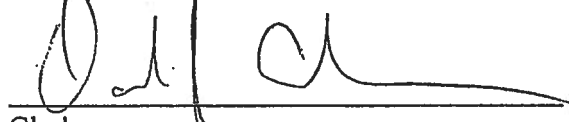
This writing, together with the exhibits attached hereto, is the entire agreement of the parties regarding the establishment of their leasehold arrangements. No representations, warranties, inducements, or oral agreements previously made between the parties regarding the establishment of their leasehold arrangements shall continue unless stated therein. This Lease Agreement shall not be changed or modified, except by a writing, signed by both parties.

Done and executed on the date first above written.


WALKER FIELD, COLORADO  
PUBLIC AIRPORT AUTHORITY

  
Chairman

ATTEST:

  
Clerk

LARRY KEMPTON, Jr.  
d.b.a. KEMPTON AIR SERVICE

  
Signature

LARRY KEMPTON JR  
Print Name

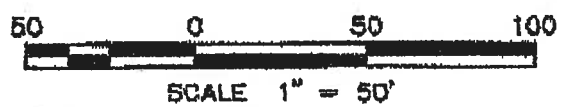
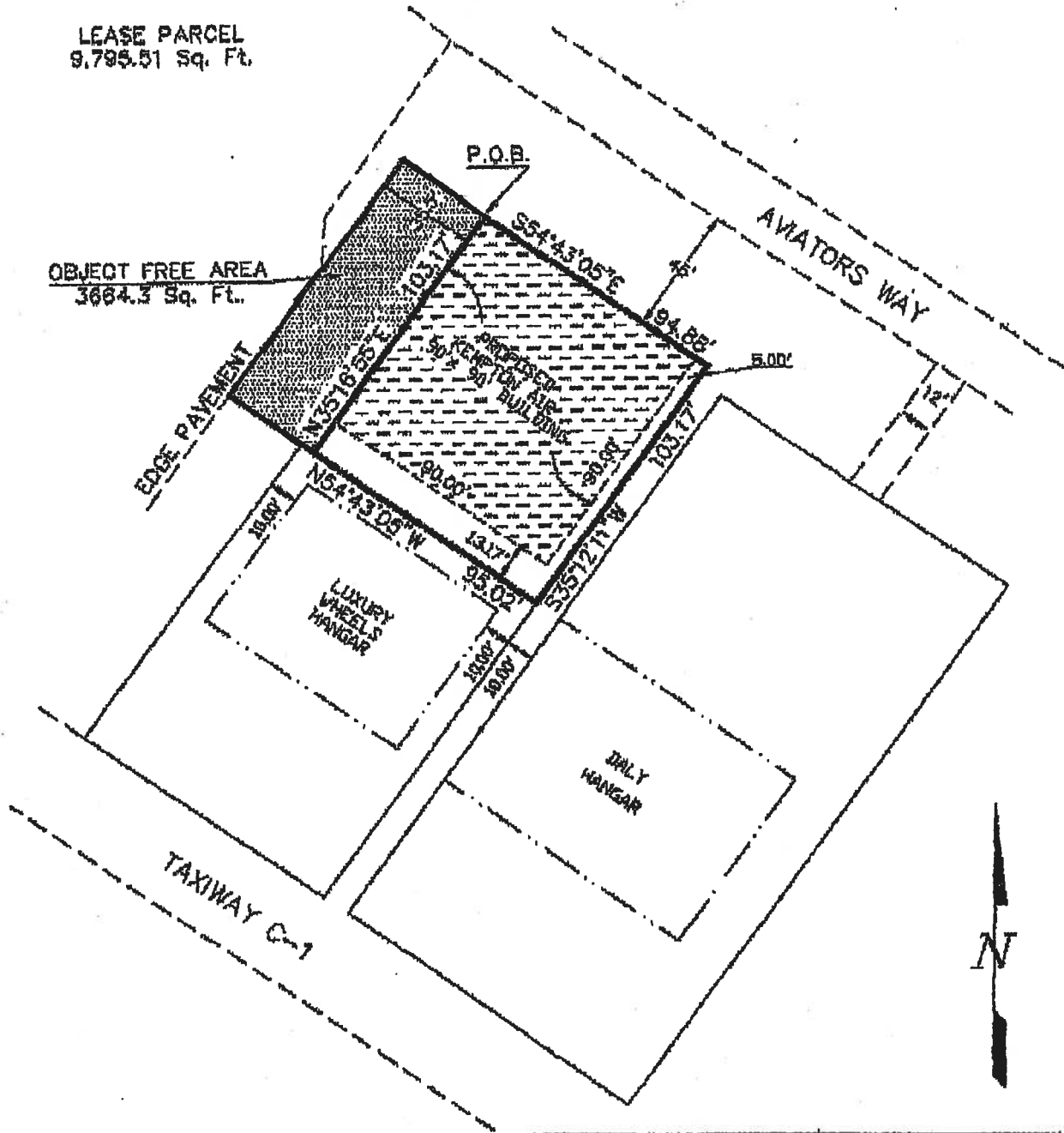
OWNER  
Title

# EXHIBIT

## LEASE PARCEL LOCATED AT WALKER FIELD KEMPTON AIR

LEASE PARCEL  
9,795.51 Sq. Ft.

OBJECT FREE AREA  
3,664.3 Sq. Ft.



PREPARED BY	KS PROFESSIONAL SURVEYING, INC.	
	4189 U.S. HIGHWAY 20 WHITEWATER, CO 81927 PHONE & FAX (970) 257-7146	
DATE	03-29-1999	SCALE 1" = 50'
JN9903	190X90.DWG	SHEET 1 OF 1



**KEMPTON AIR  
LEASE DESCRIPTION**

A tract of land located in a portion of Section 31, Township 1 North Range 1 East, Ute P.M., Mesa County, Colorado, being more particularly described as follows:

Commencing at the Northwest corner of said Section 31 whence the Southwest corner of Section 31 bears South 00°00' 46" East with all bearings contained herein relative thereto, Thence South 71°53'43" East 2886.88 Feet to the POINT OF BEGINNING.

- Thence South 54°43'05" East 94.88 feet;
- Thence South 35°12'11" West 103.17 feet;
- Thence North 54°43'05" West 95.02 feet;
- Thence North 34°16'55" East 103.17 feet to the POINT OF BEGINNING.

Containing approximately 9,793.51 Square Feet.

