

**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY**

**Date: FEBRUARY 16, 2016**

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



**EXECUTIVE SESSION AGENDA**

**Time: 3:00PM – 5:00PM**

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**I. Call to Order**

**II. Motion into Executive Session**

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

**III. Adjourn Executive Session**

**REGULAR BOARD MEETING**

**Time: 5:15PM**

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**I. Call to Order**

**II. Approval of Agenda**

**III. Conflict Disclosures**

**IV. Commissioner Comments**

**V. Citizens Comments**

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

**VI. Consent Agenda**

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

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F. Pay Request: ValleyWide Fence	6

**VII. Discussion Items**

- A. Financial Update (Presented by: Ty Minnick) \_\_\_\_\_ 7
- B. Security Solutions Committee Update (Presented by: Chairman, Steve Wood)

**VIII. Action Items**

- A. Resolution 2016-001 – 2016 Posting of Notices of Meetings \_\_\_\_\_ 8
- B. Ratification of Personnel Actions
- C. Rocky Mountain Health Maintenance Organization Agreement (Presented by: Ty Minnick) \_\_\_\_\_ 9
- D. Food, Beverage & Retail Request For Proposal \_\_\_\_\_ 10
  - i. Presentation (by: Tailwind)
  - ii. Committee Recommendation of Award and Contract (Presented by: Committee)
- E. Contract Extension – Republic Parking (Presented by: Ty Minnick) \_\_\_\_\_ 11
- F. Contract Addendum – G4S Security Solutions (Presented by: Chance Ballegeer) \_\_\_\_\_ 12
- G. Subway Franchise Agreement Termination (Presented by: Ty Minnick) \_\_\_\_\_ 13
- H. Rocky Mountain Hangar Association Lease Split (Presented by: Chance Ballegeer) \_\_\_\_\_ 14
- I. Department of the Navy Standard Renewal Loan Agreement (Presented by Chance Ballegeer) \_\_\_\_\_ 15

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

**X. Adjournment**

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**DIRECTIONS TO MEETING LOCATION:**

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

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



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**Grand Junction Regional Airport Authority Board**  
**Board Meeting and Workshop**  
Meeting Minutes  
January 19, 2016

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**EXECUTIVE SESSION**

**Time: 3:00PM**

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**I. Call to Order**

**II. Approval of Agenda**

**III. Motion into Executive Session**

*To confer with the Grand Junction Regional Airport Authority's legal counsel about the ongoing litigation with Shaw Construction and to discuss the potential resolution of that litigation and the terms and conditions upon which that matter could be finalized and concluded, as authorized by C.R.S. §24-6-402(4)(b) and (4)(e)(I), and to discuss personnel matters as authorized by CRS §24-6-402(4)(f).*

**III. Adjourn Executive Session**

**REGULAR BOARD MEETING**

**Time: 5:15PM**

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**I. Call to Order**

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

**Present:**

*Commissioners Present:*

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

*Other:*

Dennis Corsi, Armstrong  
Brad Barker, CAP  
Bill Marvel, GJAUTA  
Wayne Clark, GJAUTA  
Dale Beede, Hangar owner  
Leslie Henderson, Sky Adventures  
Brian Harrison, GJRAA  
Fidel Lucero, GJRAA  
James Grady, Hangar owner  
Shannon Kinslow, TOIL  
Erin Trinklein, Armstrong  
Bob Linehart, Republic Parking

*Airport Staff:*

David Fiore, Executive Airport Director  
Victoria Villa, Clerk  
Ty Minnick

Ben Peck  
Chance Ballegeer

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

## **II. Approval of Agenda**

Chairman Wagner approved the agenda by major motion.

## **III. Conflict Disclosures**

Chairman Wagner - None

Commissioner Wood – Hangar Owner

Commissioner Nelson - None

Commissioner Ball – None

Commissioner Murray - None

Commissioner Langley- None

Commissioner Taggart - None

## **IV. Commissioner Comments**

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

## **V. Citizen Comments.**

## **VI. Consent Agenda**

### **A. October 13, 2015 Special Board Meeting Minutes**

- B. November 17, 2015 Regular Board Meeting Minutes**
- C. Pay Request: G4S November 2015 Invoice**
- D. Pay Request: Sequent Information Systems Invoices**
- E. Executive Airport Director's Update**
- F. Airport Website Project Update**

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

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

## **VII. Discussion Items**

### **A. Financial Update**

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

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

The update was given during Commissioner Comments.

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

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

## **VIII. Action Items**

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

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

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

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

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

The Board appointed the following:

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

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

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

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

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

**D. IT Services Agreement Addendum**

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

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

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

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

Item Tabled. Clarification needed.

#### **F. Grand Valley Power Easement Modification**

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

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

#### **G. Parking Management Services**

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

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

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

Tabled.

#### **I. Junction Aerotech LLC Lease Addendums**

Tabled.

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

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

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

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

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

**X. Adjourn**

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

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Steve Wood, Board Chairman

***ATTEST:***

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Victoria Villa, Clerk to the Board



## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	Addendum to Tie-Down license agreement: Crestone Aviation , LLC
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board approve the First Addendum to Tie-Down License agreement for Crestone Aviation, LLC.
LAST ACTION:	N/A
DISCUSSION:	Jon Labrum of Crestone Aviation, LLC has requested that an addendum to his tie-down lease agreement be made to reflect that Mr. Labrum controls tie-down space 002 instead of 002 and 003. This addendum, if approved will go into effect February 24 <sup>th</sup> , 2016. Payment per month will stay the same for the 1 tie-down still occupied at \$60.00/Month.
FISCAL IMPACT:	Rent payment will be decreased by \$60.00 every month.
COMMUNICATION STRATEGY:	N/A
ATTACHMENTS:	First Addendum to Tie-Down license Agreement
STAFF CONTACT:	Chance Ballegeer Airport Security Coordinator Email: cballegeer@gjairport.com Office: 970-248-8586

**FIRST ADDENDUM TO TIE-DOWN LICENSE AGREEMENT**

This First Addendum to the Tie-down License Agreement between the GRAND JUNCTION REGIONAL AIRPORT AUTHORITY ("Authority"), a body corporate and politic of the State of Colorado, and Crestone Aviation, LLC ("Crestone") is entered into on the date(s) set forth below.

WHEREAS, on or about April 21, 2014 the Authority and Crestone entered into a Tie-down License Agreement ("Agreement") by which Crestone agreed to lease certain real property (the "Premises") from Authority; and

WHEREAS, Authority and Crestone desire that except as expressly modified in this First Addendum, all other provisions of the Agreement thereto remain in full force and effect.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and Creston agree as follows:

1. License of Tie-Down Space:  
Tie-Down Spaces Number 002 and 003 located at the Airport.  
Shall be modified to read:  
*Tie-Down Space Number 002 located at the Airport.*

IN WITNESS WHEREOF the parties hereto have executed this First Addendum effective as of the 24<sup>th</sup> day of February, 2016.

**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: Airport Manager  
Date: \_\_\_\_\_

**CRESTONE AVIATION, LLC**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

# Grand Junction Regional Airport Authority

## Agenda Item Summary

TOPIC:	Tenant sublease renewal: Sky Adventures, LLC and GJ Sales Group, LLC
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board approve the renewal of the non-aeronautical ground sublease between Sky Adventures, LLC and GJ Sales Group, LLC.
LAST ACTION:	N/A
DISCUSSION:	GJ Sales Group, LLC wants to renew their sublease office space out of the Sky Adventures building from Sky Adventures, LLC. GJ Sales Group, LLC is an existing tenant and has been in the building since February of 2015. Sublease is 140 square feet, equates to 0.81% of total building. Altogether, 4.32 % of Sky Adventures building is leased to non-aeronautical use.
FISCAL IMPACT:	No fiscal impact to 2016 budget.
COMMUNICATION STRATEGY:	N/A
ATTACHMENTS:	Memorandum form Sky Adventures, LLC, Ground Sublease Between Sky Adventures, LLC and GJ Sales Group, LLC
STAFF CONTACT:	Chance Ballegeer Airport Security Coordinator Email: <a href="mailto:cballegeer@gjairport.com">cballegeer@gjairport.com</a> Office: 970-248-8586

## SKY ADVENTURES, LLC

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817 FALCON WAY, SUITE 201, GRAND JUNCTION, COLORADO 81506  
PHONE 970.255.6422 FAX 970.255.0571

### MEMORANDUM

TO: Chance Ballegeer  
Grand Junction Regional Airport Authority

FROM: Leslie Henderson, Building Manager  
Sky Adventures, LLC

DATE: February 5, 2016

RE: Tenant Sublease submission  
GJ Sales Group, LLC

Attached for presentation to the GJRAA Board is the proposed Sublease between GJ Sales Group, LLC and Sky Adventures, LLC. This is a renewal of an existing tenant that has been in the building since February of 2015.

This sublease is for 140 square feet, which equates to 0.81% of the total building square footage of 17,333 square feet.

At this time I am providing you with an unsigned copy. It is my understanding that this sublease will be presented to the Board at their next meeting on February 16, 2016. Once it has been approved by the Board, please contact me and I will bring over the original for signature by the Board.

Thank you for your assistance. Let me know if you have any questions or need additional information.

:ljh/enclosure

**GROUND SUBLEASE**

**BETWEEN**

**SKY ADVENTURES, LLC**

**AND**

**GJ SALES GROUP, LLC**

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## Airport Sublease Agreement

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

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

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

- 1.1 **DATE:** February 3, 2016
- 1.2 **PRIMARY TENANT:** Sky Adventures. LLC
- 1.3 **TENANT'S TRADE NAME:** Sky Adventures. LLC
- 1.4 **TENANT'S ADDRESS AND PHONE:**  
817 Falcon Way  
Suite 201  
Grand Junction, Colorado 81506  
  
**PHONE:** (970) 255-6422
- 1.5 **SUBTENANT:** GJ Sales Group, LLC
- 1.6 **SUBTENANT'S TRADE NAME:** Guido Schulte Real Estate
- 1.7 **SUBTENANT'S ADDRESS AND PHONE:**  
603 Wagon Trail Drive  
Grand Junction, Colorado 81507  
  
**PHONE:** (970) 263-7777 O (970) 250-1162 M  
**EMAIL:** guido@guidos.com
- 1.8 **GRAND JUNCTION REGIONAL AIRPORT AUTHORITY ADDRESS AND PHONE:**  
  
800 Eagle Drive  
Grand Junction, CO 81506  
(970) 244-9100

1.9 AIRPORT:

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

1.10 COMMENCEMENT DATE OF SUBLEASE: April 1, 2016

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

1.12 EXPIRATION DATE OF SUBLEASE: March 31, 2017

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

1.14 RENT: \$2,244.00

A. Payment schedule: \$187.00 due on the 1st day of each month, beginning April 1, 2016

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

1.15 PERMITTED USES: The following activities shall be considered "Permitted Uses" under this Sublease:  
Office use –for Business – Real Estate Broker

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

A. Building and office areas: Suite 212 of Sky Adventures Building

B. Vehicle and aircraft parking areas: Vehicle parking lot only

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



- 1.17 PREMISES SQUARE FOOTAGE: The Premises consist of a total of 140 square feet.
- 1.18 MAINTENANCE AND UTILITIES: Maintenance of Leased Premises by Subtenant; maintenance of common Areas by Primary Tenant; utilities paid by Primary Tenant. with the exception of telephone and internet. Tenant is responsible for upkeep of lease space including cleaning and lighting.
- 1.19 SECURITY DEPOSIT: \$374.00 (currently held in account)

**Article 2: Sublease and Term:**

2.1 In consideration of the payment of the rent and the keeping and performance of the covenants, promises, and agreements by Subtenant set forth herein, Tenant does hereby sublease unto Subtenant the Premises, including any and all rights, privileges, easements, and appurtenances now or hereafter belonging to the Premises, subject, however, to all liens, easements, restrictions, and other encumbrances of record. Subtenant shall be subleasing the Premises in an "as is" and "with all faults" condition and without any warranties or representations, expressed or implied, from either Tenant or GJRAA that the Premises, or any portions thereof, are suitable for a particular purpose, or can accommodate any particular weight or size of aircraft.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Article 4: Improvements:**

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

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

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

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

4.1.2.2 The GJRAA determines, in its sole discretion, that the proposed improvements, alterations, or additions are consistent with the Airport's master and land use plans, GJRAA's Development and Architectural Covenants, and GJRAA's Requirements and Minimum Standards for Services and Activities at the Airport ("Minimum Standards"), as the same may be amended from time to time.

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

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

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

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

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

5.3 During the term of this Sublease, Subtenant shall maintain, at its expense, all portions of the Premises, any improvements, fixtures, and equipment thereon, and all of its improvements, fixtures, and equipment located elsewhere on the Airport, in a safe and clean condition, and to not permit any unsightly accumulation of wreckage, debris, or trash where visible to the general public visiting or using the Airport. The determination of whether any accumulation is unsightly will be made in the sole discretion of the GJRAA.

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

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

**Article 6: Taxes and Assessments:**

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

**Article 7: Insurance:**

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

7.2 At all times during the term of this Sublease, Subtenant shall maintain such hazard insurance as necessary to cover the full replacement cost of each of the improvements Subtenant, Subtenant's assigns or subtenants, the GJRAA, or Tenant own or have constructed upon the Premises, and the proceeds of said insurance shall be used to repair or replace the improvements involved, as necessary.

7.3 Subtenant and its subcontractors shall maintain worker's compensation insurance or a self-insurance plan in accordance with the laws of the State of Colorado for all employees or

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

7.4 Subtenant shall provide a certificate of insurance to Tenant and the GJRAA of the kinds and amounts of said insurance coverages and shall acquire policies that shall not be subject to cancellation without at least thirty (30) days advance written notice to Tenant and the GJRAA. Such policies shall provide that they may not be materially changed or altered by the insurer during its term without first giving at least ten (10) days written notice to Tenant and the GJRAA.

**Article 8: Assignment and Subleasing:**

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

8.2 Subtenant may not sublease all or any portion of the Premises, or all or any portion of the improvements thereon, without first obtaining written consent of Tenant and the GJRAA for the sublease, which consent shall not be unreasonably withheld. Any sublease shall be in writing in the form ("Form Ground Sublease") required by the GJRAA for all subleases, as the same may be amended from time to time, or in a form specifically approved of by the GJRAA. A copy of the Form Ground Sublease is available in the GJRAA's offices. The existence of any sub-lease or sub-leases shall not in any way relieve Tenant from its responsibilities as to the entire Premises under this Sublease. Any default by a subtenant of its obligations to the GJRAA under the Form Ground Sublease shall constitute a default by Subtenant and Tenant of their obligations under this Sublease or the Lease. Subtenant shall not allow any subtenant to enter onto the Premises until the subtenant has signed a sublease.

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

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

9.1 Subtenant shall observe and obey all statutes, rules, regulations, and directives promulgated by the GJRAA and other appropriate local, State, and Federal entities having jurisdiction over the Airport, including the FAA, Transportation Security Administration ("TSA") and the Environmental Protection Agency ("EPA"). Subtenant further agrees to perform all of its operations authorized hereunder in accordance with all of the terms and conditions of the GJRAA's Requirements and Minimum Standards for Services and Activities

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

9.2 Should Subtenant, or Subtenant's board members, officers, agents, employees, customers, guests, invitees, subtenants, assigns, contractors, or subcontractors violate any local, State, or Federal law, rule, or regulation applicable to the Airport, and should said violation result in a damage award, citation, or fine against Tenant and/or the GJRAA, then Subtenant shall fully reimburse Tenant and/or the GJRAA for said damage award, citation, or fine and for all costs and expenses, including reasonable attorney's fees, incurred by Tenant or the GJRAA in defending against or satisfying the award, citation or fine.

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

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

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

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

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

9.7 As used in Paragraph 9.6, above, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of Colorado or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under appropriate state law provisions; (ii) petroleum; (iii) asbestos; (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. ' 1321); (v) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 U.S.C. ' 6903); (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. ' 9601); (vii) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 U.S.C. ' 6991); or, (viii) lavatory waste.

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

**Article 10: Nondiscrimination:**

10.1 Subtenant, for Subtenant, Subtenant's personal representatives, successors in interest, and assigns, as part of the consideration hereof, warrants that (1) no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Premises and any improvements thereon on the grounds of race, color, religion, sex, age, disability, or national origin; (2) no person on the grounds of race, color,



religion, sex, age, disability, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of any improvements on, over, or under the Premises and the furnishing of services therein; and (3) Subtenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

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

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

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

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

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

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

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

11.1.2 From and against all legal costs, expenses, and charges, including reasonable attorneys' fees, incurred in and about such matters and the defense of any action arising out of the same or in discharging the Premises or any part thereof from any and all liens, charges, or judgments which may accrue or be placed thereon by reason of any act or omission of the Subtenant or Subtenant's agents, employees, representatives, assigns, contractors, subcontractors, subtenants, licensees, invitees, or by any or person or entity in any way related to Subtenant; and

11.1.3 From any liability on account of or in respect or any mechanic's lien or liens in the nature thereof for work and labor done or materials furnished at the instance and request of the Subtenant in, on, or about the Premises and, accordingly, Subtenant will either satisfy any such lien or, if Subtenant disputes the validity thereof, will defend any action for the enforcement thereof (and if Subtenant loses any action, will cause such lien to be satisfied and released).

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

**Article 12: Eminent Domain:**

12.1 In the event that all or any portion of the Premises is taken for any public or quasi-public purpose by any lawful condemning authority, including the GJRAA, exercising its powers of eminent domain (or in the event that all or any portion of the Premises is conveyed to such a condemning authority in settlement and acceptance of such condemning authority's offer to purchase all or any portion of the Premises in connection with its threat to take said areas under power of condemnation or eminent domain), the proceeds, if any, from such taking or conveyance shall be allocated between Tenant, the GJRAA and Subtenant according to the applicable Colorado law of eminent domain. If a portion of the Premises is so taken or sold, and as a result thereof, the remaining part cannot be used reasonably to continue the authorized purposes contemplated by this Sublease in an economically viable manner, then this Sublease

shall be deemed terminated at the end of a period of sixty (60) days following said taking or conveyance. In that event and at that time, Subtenant shall surrender the Premises to Tenant and all of Tenant's fixtures and personal property thereon, and Subtenant may remove its improvements, fixtures and personal property located upon the Premises, in accordance with the provisions of this Sublease. No severance damages shall be paid by Tenant or the GJRAA to Subtenant as the result of the condemnation nor shall any damages be paid to Subtenant as the result of the termination of this Sublease.

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

**Article 13: Substitution of Premises:**

13.1 Subtenant acknowledges that in addition to the GJRAA's other rights set forth in this Sublease, the GJRAA has the right (but not the obligation) to substitute Comparable Areas for all or any portion of the Premises, and any additions, alterations or improvements thereon, should the GJRAA, in its sole discretion, determine that taking of the Premises, any portion thereof, or any improvement thereon, is required for other Airport purposes. In the event that the GJRAA elects to exercise its right to substitute, all title, right and interest to the portion of Premises taken shall immediately vest in the GJRAA. Furthermore, the GJRAA may require Subtenant to vacate the portion of the Premises taken. For the purposes of this Article 13, the term "Comparable Areas" is defined to mean a parcel of land within the Airport, or any additions or extensions thereof, similar in size to the Premises and brought to the same level of improvement as the Premises. The GJRAA shall have the option of bringing the substituted area to the same level of improvement as the Premises, and of moving Subtenant's improvements, equipment, furniture, and fixtures to the substituted area. If any of Subtenant's improvements, equipment, furniture, or fixtures cannot be relocated, the GJRAA has the right (but not the obligation) to replace, at the GJRAA's expense, such non-relocatable improvements and other property with comparable property in the Premises, and the GJRAA shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Subtenant, or any other third party whomsoever. It is the intent of this subparagraph that Subtenant be placed, to the extent possible, in the same position it would have been, had new premises not been substituted for the Premises; provided, however, that the GJRAA shall not be obligated to reimburse Subtenant for any damages, including lost profits or revenues, due to such substitution.

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

Article 13 shall be construed as a promise by the GJRAA to substitute Comparable Areas for the Premises. In the event the GJRAA proceeds by way of condemnation, subparagraph 13.1 shall not apply, and Subtenant shall be entitled to compensation for its leasehold interests in that portion of the Premises, and improvements thereon, so taken, in accordance with applicable Colorado condemnation law.

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

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

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

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

15.1 Subtenant understands that commercial ground transportation operators who pick up their patrons at the Premises must pay access fees, as well as other fees and charges, to the GJRAA, pursuant to the GJRAA's Fees and Charges, as they may be amended from time to time. Accordingly, in order to assist the GJRAA in determining the fees owed to the GJRAA by said ground transportation operators, Subtenant will, to the best of Subtenant's ability, provide in writing to the GJRAA on or before the fifth (5th) day of each month, the following information for each non-local taxicab, for-hire van, for-hire luxury limousine, for-hire people mover, for-hire bus, local hotel/motel courtesy vehicles, and off-Airport rental car operators (i.e., for each ground transportation vehicle operator other than local taxicab or on-Airport rental car operators) that picked up a ground transportation customer on the Premises during the preceding month:

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

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

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

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

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

**Article 16: Signs:**

No exterior signs, logos, or advertising displays identifying Subtenant or its assigns, subtenants, or customers shall be painted on or erected in any manner upon the Premises, or in or on any improvements or additions upon the Premises, without the prior written approval of Tenant and the GJRAA, which approval shall not be unreasonably withheld. Any such signs,

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

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

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

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

**Article 18. Quiet Enjoyment:**

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

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

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

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

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

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

**Article 20: Default and Remedies:**

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

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

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

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

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

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

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

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

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

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



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

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

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

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

20.7 Any defaults by either of the parties in the performance of any of the terms and conditions contained herein shall be excused where due to force majeure, which, among other things, shall include natural catastrophes such as hurricanes, tornadoes, or floods, acts of God, acts of war, and governmental statutes, regulations, directives, or contracts governing the operation of the Airport, with which Tenant, the GJRAA, or Subtenant must comply.

**Article 21: Representations Regarding Legalities:**

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

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

21.3 The failure of either party or the GJRAA to insist upon the strict and prompt performance of any of the terms, covenants, agreements, and conditions herein contained shall not constitute or be construed as a waiver or relinquishment of the GJRAA's or the party's right or rights thereafter to enforce any term, covenant, agreement, or condition, but the same shall continue in full force and effect. The waiver of any breach of any term, covenant, agreement, or condition herein contained by either party shall not be construed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement, or condition.

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

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

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

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

21.8 Subtenant represents that Subtenant is the owner of, or is fully authorized to use any and all services, processes, machines, articles, marks, names, or slogans used by Subtenant in Subtenant's operations under this Sublease. Subtenant shall save and hold Tenant and the GJRAA, as well as their Board members, officers, employees, agents, and representatives, free and harmless against any loss, liability, expense, suit, or claim for damages in connection with any actual or alleged infringement of any patent, trademark, or copyright, or from any claim of unfair competition or other similar claim, arising out of Subtenant's operations under, or in connection with, this Sublease.

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

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

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

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

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

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

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

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

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

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

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

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

21.21 It is hereby agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended, and the GJRAA reserves the right to grant to others the privilege and right of conducting any one or all activities that are aeronautical in nature.

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

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

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

21.25 Subtenant expressly agrees to restrict the height of structures, objects of natural growth, and other obstructions on the Premises to such a height so as to comply with Federal Aviation Regulations, Part 77. Done and entered into on the date first above written.

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

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

By \_\_\_\_\_

Its: Building Manager

**SUBTENANT  
GJ SALES GROUP, LLC**

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

By \_\_\_\_\_  
Guido Schulte  
President, Broker/Owner

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

Agreed, Acknowledged and Consented to:

**GRAND JUNCTION REGIONAL AIRPORT  
AUTHORITY**

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

By \_\_\_\_\_

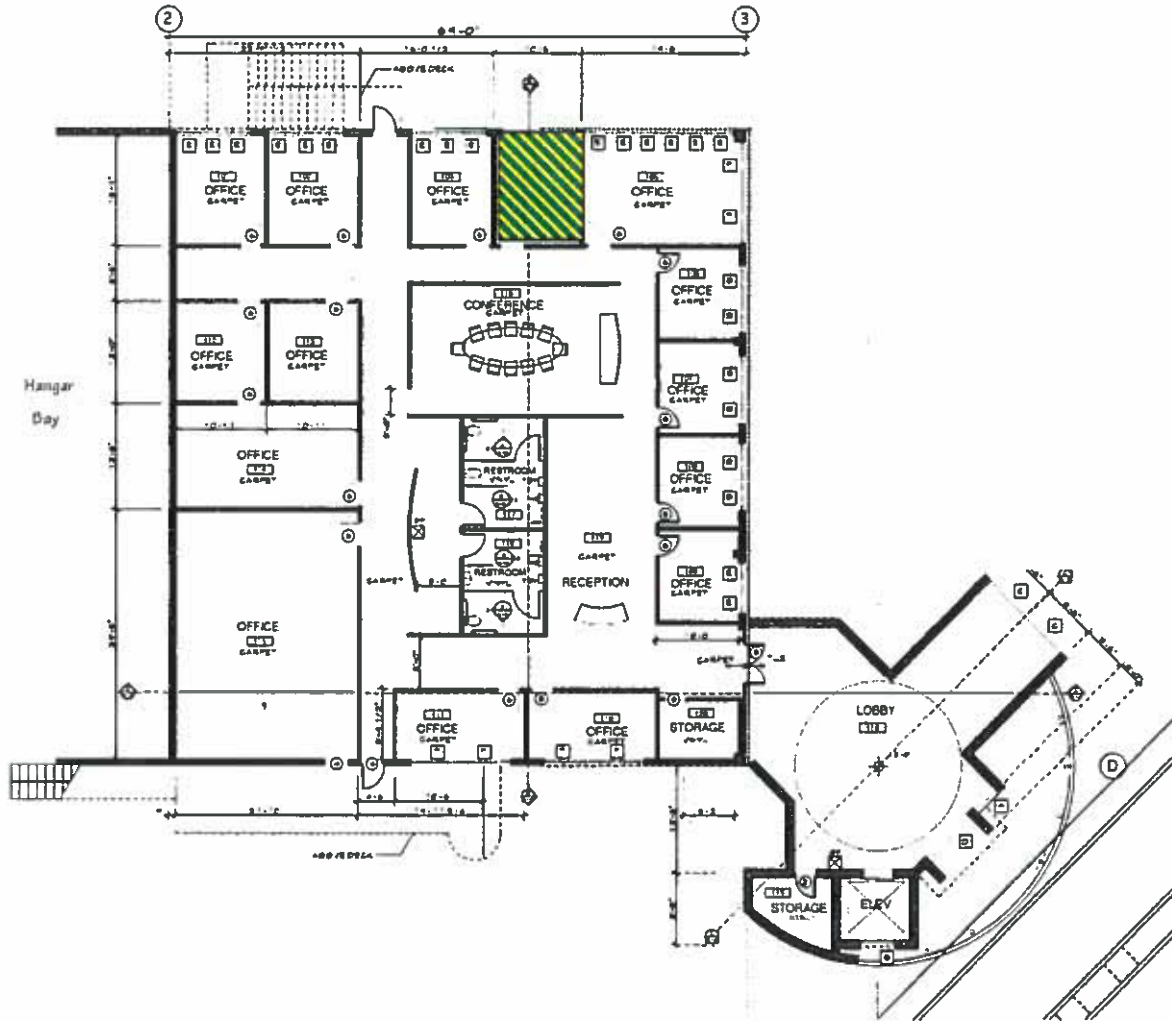
Its \_\_\_\_\_

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

**Suite 212 of the Sky Adventures Building, located at 817 Falcon Way, Grand Junction, Colorado**

**Consisting of approximately 140 square feet.**

**EXHIBIT B**  
**Suite 212 – Sky Adventures Building**



Sky Adventures Building

**OFFICE LEVEL PLAN**

No Scale



ACTUAL

PROJECT

# Grand Junction Regional Airport Authority

## Agenda Item Summary

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TOPIC:	Armstrong Pay Requests
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PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
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RECOMMENDATION:	Staff recommends the Board approve the payment of Armstrong Invoices totaling \$73,400.00 for final payment of Task Order E of AIP 53 – Terminal Air Carrier Apron Design Modifications.
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LAST ACTION:	The Board Approved Task Order E at the April 21 <sup>st</sup> Board Meeting.
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DISCUSSION:	<p>Armstrong has submitted an invoice for the final payment on Task Order E of AIP 53. Task Order E is the Terminal Air Carrier Apron Design Modification. The plan modification is now complete and the Airport has applied for AIP money to execute Phase I of the Project in Summer 2016. This final payment concludes all work associated with AIP 53, which will now be closed out.</p> <p>Staff has reviewed the invoice and associated matrix. All aspects of the Task Order have been completed and deliverables have been given to the Airport.</p>
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FISCAL IMPACT:	<table><tr><td>FAA</td><td>\$67,320.00</td></tr><tr><td>STATE</td><td>\$3,740.00</td></tr><tr><td>LOCAL</td><td>\$3,740.00</td></tr><tr><td>Total Invoice</td><td>\$73,400.00*</td></tr></table> <p>*Total AIP Reimbursement is \$1,400 more than Armstrong invoice. Airport will be reimbursed for the Independent Fee Estimate of \$1,400 in addition to the Armstrong Invoice.</p>	FAA	\$67,320.00	STATE	\$3,740.00	LOCAL	\$3,740.00	Total Invoice	\$73,400.00*
FAA	\$67,320.00								
STATE	\$3,740.00								
LOCAL	\$3,740.00								
Total Invoice	\$73,400.00*								

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ATTACHMENTS:	Invoice: 15-156271-03 and associated Matrix
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STAFF CONTACT:	Ben Johnson <a href="mailto:bjohnson@gjairport.com">bjohnson@gjairport.com</a> 970-248-8596
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Grand Junction Regional Airport  
800 Eagle Drive  
Grand Junction, CO 81506

DATE: 12/31/2015  
INVOICE NO: 15-156271-03

ATTN: Mr. David Fiore, Executive Director

**FOR PROFESSIONAL SERVICES RENDERED:**

Grand Junction, Colorado  
Grand Junction Regional Airport  
Engineering Services  
AIP # 3-08-0027-053-2015  
CDOT # 15-GJT-01

**Project (Attachment E) - Terminal Air Carrier Apron Design Modifications**

**Project - Design**

Phase 1 - Preliminary Design	:\$	94,000.00	X	100%	=	\$94,000.00
Phase 2 - Final Design	:\$	80,000.00	X	100%	=	\$80,000.00
Design Survey	:\$	11,000.00	X	100%	=	<u>\$11,000.00</u>

TOTAL AMOUNT EARNED TO DATE = \$185,000.00  
LESS AMOUNT PAID = -\$111,600.00

TOTAL AMOUNT DUE THIS INVOICE = \$73,400.00

**Grand Junction Regional Airport Authority**  
**Checklist for Compliance - Task Order E (AIP 52) Performed by: Armstrong Engineers**  
**Terminal Air Carrier Apron Design Modifications**

Section	Element	Deliverable	Met/Not Met/Unknown	Comments
	<b>PHASE 1 - PRELIMINARY DESIGN</b>			
1.1	Coordination with Owner and FAA including meetings		met	
1.2	Prepare SOW and Contract	Y	met	
	Prepare cost estimates	Y	met	
	Prepare schematic design	Y	met	
1.3	Prepare requirements for design survey / establish limits of work area		met	
	Prepare limits of work & time schedule for topographical survey		met	
	Prepare scope and submit to sub consultants for proposed fees		met	
1.4	Prepare an overall CSPP and submit to FAA	Y	met	
1.5	Determine aircraft usage		met	
1.6	Evaluate local conditions		met	
	Inventory local material suppliers, sources and capabilities		met	
	Evaluate drainage alternatives		met	
	Review electrical lighting layouts and determine system requirements		met	
1.7	Review evaluate project layout		met	
	Verify existing ALP dimensions and data		met	
	Complete and submit CAT-X form	Y	met	Completed with previous project
	Review alignment and additions and make recommendations to the owner		met	
1.8	Analyze topographic and site survey data		met	
	Establish project control points		met	
	Prepare data for computer modeling		met	
	Input raw survey data to computer for company standard layers for efficient analysis		met	
	Sort all data points by layers and description for computer modeling		met	
	Prepare Civil 3D network		met	
	Generate 3D contour model from TIN		met	
	Prepare data for pavement profiles		met	
1.10	Prepare Construction Plans (Reference Task Order E Deliverables)	Y	met	
1.11	Prepare contract documents	Y	met	
1.12	Prepare technical specifications	Y	met	
1.13	Prepare pavement design report implementing previous design	Y	met	Included in Design Report
	Utilize design program FAArfield		met	Included in Design Report
	Document the frost protection method/review historic frost design		met	Included in Design Report
	Document interim and ultimate pavement strength		met	Included in Design Report
	Select subbase and base course material		met	Included in Design Report
	Document pavement sections for partial parallel taxiway and connector taxiway		met	Included in Design Report
	Evaluate subexcavation, undercutting or chemical subgrade stabilization		met	Included in Design Report
	Utilize FAA pavement design form 5100 for pavement section		met	Included in Design Report
1.14	Verify storm drainage and/or subsurface drainage systems in accordance w/ AC 150/5320-5C		met	Included in Design Report
1.15	Implement electrical design from previous project		met	Included in Design Report
	<b>PHASE 2 - FINAL DESIGN</b>			
2.1	Incorporate engineering phase design comments		met	
2.2	Calculate Estimated Quantities	Y	met	
2.3	Prepare Estimates of Probable Construction Cost for each Element	Y	met	
	Prepare construction cost estimates		met	
2.4	Prepare Design Engineer's Report	Y	met	
2.5	Coordinate schedules for construction		met	
2.6	Prepare and submit final plans and specifications.	Y	met	

**Grand Junction Regional Airport Authority**  
**Checklist for Compliance - Task Order E (AIP 52) Performed by: Armstrong Engineers**  
**Terminal Air Carrier Apron Design Modifications**

Section	Element	Deliverable	Met/Not Met/Unknown	Comments
2.7	Assist owner in updating DBE Plan	Y	met	
	Update owners DBE plan		met	
	Calculate new DBE goal to reflect current project		met	
	Determine availability of potential DBE contractors		met	
	Establish potential DBE work items	Y	met	
2.8	Assist owner in preparation of Federal Grant App.	Y	met	
	Assist in preparing Federal Form 424	Y	met	
	Prepare Project Sketch	Y	met	
	Assist in preparing Program Narrative	Y	met	
	Assist in preparing Preliminary Cost Estimates	Y	met	
	Assist in preparing Sponsor Certifications	Y	met	
	Attach Grant Assurances	Y	met	
	CAT-X was completed and submitted as part of a previous study		met	
2.9	Prepare and/or Assist with necessary forms as required		met	
	Sponsor Quarterly Report		met	forms created for FAA billing against grant
	Strategic Event Coordination Form		met	forms created for FAA billing against grant
	Standard Form 271		met	forms created for FAA billing against grant
	Standard Form 452		met	forms created for FAA billing against grant

INVOICE NO. 506

IKARS A. CAKARNIS  
P.O. BOX 46681  
ST. PETE BEACH, FL 33741



Mr. Austin A. Fay, C.M.  
Project Coordinator  
Grand Junction Regional Airport  
Grand Junction, CO

DATE	ITEM/DESCRIPTION	AMOUNT
4/17/2015	Assessment of the Consultant Fee for the proposed AIP Project (Terminal Air Carrier Apron Design Modification) at Grand Junction Regional Airport.	\$1,400.00

Social Security No.  
538-30-7520

Make Check Payable to Ikars A. Cakarnis

CASH  
4/2

Name: Austin Fay  
Signature:   
Approved By/Date:   
Department: ADMINISTRATION  
Description: 5053 - T.F.E.  
GL Acct: 2-80-110 ACTIVITY 5052  
Amount: \$1,400.00

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<b>OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS</b> <i>(See instructions on back)</i>		OMB APPROVAL NO. 0348-0002		PAGE 1 OF 1 PAGES
		1 TYPE OF REQUEST <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> PARTIAL		2 BASIS OF REQUEST <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL
3 FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED  FAA - DOT		4 FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY  3-08-0027-053-2015		5 PARTIAL PAYMENT REQUEST NO  3
6 EMPLOYER IDENTIFICATION NUMBER  84-6111114	7 RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER  DOT-FA15NM-1055	PERIOD COVERED BY THIS REQUEST FROM (Month, day, year) TO (Month, day, year) 12/01/2015 12/31/2015		
9 RECIPIENT ORGANIZATION  Name: Grand Junction Regional Airport  No. and Street: 800 Eagle Drive  City, State and ZIP Code: Grand Junction, CO 81506		10. PAYEE (Where check is to be sent if different than item 9)  Name:  No. and Street:  City, State and ZIP Code:		
11. STATUS OF FUNDS				
CLASSIFICATION	PROGRAMS			TOTAL
	(a)	(b)	(c)	
a. Administrative expense	\$ 1,400.00	\$	\$	\$ 1,400.00
b. Preliminary expense				
c. Land, structures, right-of-way				
d. Architectural engineering basic fees	185,000.00			185,000.00
e. Other architectural engineering fee				
f. Project inspection fees				
g. Land development				
h. Relocation expense				
i. Relocation payments to individuals and businesses				
j. Demolition and removal				
k. Construction and project improvement cost				
l. Equipment				
m. Miscellaneous cost				
n. Total cumulative to date (sum of lines a thru m)	186,400.00			186,400.00
o. Deductions for program income				
p. Net cumulative to date (line n minus line o)	186,400.00			186,400.00
q. Federal share to date	167,760.00			167,760.00
r. Rehabilitation grants (100% reimbursement)				
s. Total Federal share (sum of lines q and r)	167,760.00			167,760.00
t. Federal payments previously requested	100,440.00			100,440.00
u. Amount requested for reimbursement	\$ 67,320.00	\$	\$	\$ 67,320.00
v. Percentage of physical completion of project	100.00 %	%	%	100.00 %
12. CERTIFICATION  I certify that to the best of my knowledge and belief the billed costs or disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due which has not been previously requested and that an inspection has been performed and all work is in accordance with the terms of the award.	a. RECIPIENT	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		DATE REPORT SUBMITTED
		TYPED OR PRINTED NAME AND TITLE		TELEPHONE (Area code, number, and extension)
	b. REPRESENTATIVE CERTIFYING TO LINE 11V	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		DATE SIGNED
		TYPED OR PRINTED NAME AND TITLE		TELEPHONE (Area code, number, and extension)

**FEDERAL FINANCIAL REPORT**

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted Federal Aviation Administration Airports Division	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 3-08-0027-053-2015	Page of 1 1 pages
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3. Recipient Organization (Name and complete address including Zip code)  
 County of Mesa & City of Grand Junction, Colorado and the Grand Junction Regional Airport Authority

4a. DUNS Number 15-613-5394	4b. EIN 84-6111114	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Final	7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual
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8. Project/Grant Period (Month, Day, Year) From: 8/17/2015 To: 12/31/2015	9. Reporting Period End Date (Month, Day, Year) 12/31/2015
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10. Transactions Cumulative

*(Use lines a-c for single or combined multiple grant reporting)*

**Federal Cash (To report multiple grants separately, also use FFR Attachment):**

a. Cash Receipts	\$167,760.00
b. Cash Disbursements	\$167,760.00
c. Cash on Hand (line a minus b)	\$0.00

*(Use lines d-o for single grant reporting)*

**Federal Expenditures and Unobligated Balance:**

d. Total Federal funds authorized	\$167,760.00
e. Federal share of expenditures	\$167,760.00
f. Federal share of unliquidated obligations	
g. Total Federal share (sum of lines e and f)	\$167,760.00
h. Unobligated balance of Federal funds (line d minus g)	\$0.00

**Recipient Share:**

i. Total recipient share required	\$18,640.00
j. Recipient share of expenditures	\$18,640.00
k. Remaining recipient share to be provided (line i minus j)	\$0.00

**Program Income:**

l. Total Federal share of program income earned	
m. Program income expended in accordance with the deduction alternative	
n. Program income expended in accordance with the addition alternative	
o. Unexpended program income (line l minus line m or line n)	

11.	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
Indirect Expense							
							g. Totals:

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

**13. Certification:** By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official David Fiore, Executive Director	c. Telephone (Area code, number, and extension) 970-244-9100 d. Email Address
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year) 12/31/2015 14. Agency use only:

Standard Form 425 - Revised 10/11/2011  
 OMB Approval Number: 0348-0061  
 Expiration Date: 2/28/2015

**Paperwork Burden Statement**  
 According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

**Reimbursement Breakdown  
For  
CDOT Project  
Grand Junction Regional Airport Design Modification of Terminal Air Carrier Apron**

Grantee: Grand Junction Regional Airport Authority  
SAP PO#: 491000954  
Grant Number: 15-GJT-01

Pay Request No. :           # 3          

Element: A		Description: Design Modification of Terminal Air Carrier Apron				
#	Invoice/Item	Invoiced Amount	FAA Share (90%)	CDOT Share (5%)	Local Share (5%)	Total
1	Armstrong Consultants Invoice # 15-156271-03	\$73,400.00	\$66,060.00	\$3,670.00	\$3,670.00	\$73,400.00
2	Ikars Cakarnis (IFE) Invoice # 506	\$1,400.00	\$1,260.00	\$70.00	\$70.00	\$1,400.00
	<b>Grand Total</b>	<b>\$74,800.00</b>	<b>\$67,320.00</b>	<b>\$3,740.00</b>	<b>\$3,740.00</b>	<b>\$74,800.00</b>

Grant/Element Amount	\$9,320.00
Less Previous Claims	\$5,580.00
Less Current Claim	<u>\$3,740.00</u>
Grant/Element Balance	<u><u>\$0.00</u></u>



## Grand Junction Regional Airport Authority

### Agenda Item Summary

TOPIC:	G4S Invoice
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board authorize the payment of G4S Invoice 7614007 for the amount of \$12,314.75
LAST ACTION:	N/A
DISCUSSION:	<p>This invoice is the monthly billing for January 2016 for the ongoing monthly costs for security guard services in the Terminal. This cost is recovered from signatory air-carriers.</p> <p>The invoice exceeds \$10,000, therefore requiring Board approval.</p> <p>Staff has reviewed the invoice and has no concerns.</p>
FISCAL IMPACT:	\$12,314.75
COMMUNICATION STRATEGY:	N/A
ATTACHMENTS:	G4S Invoice 7614007
STAFF CONTACT:	Chance Ballegeer Email: <a href="mailto:cballegeer@gjairport.com">cballegeer@gjairport.com</a> Office: 970-248-8586



# Grand Junction Regional Airport Authority

## Agenda Item Summary

TOPIC:	ValleyWide Fence Invoice
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board authorize the payment of Valley Wide Fence Invoice 4249 for the amount of \$10,343.75
LAST ACTION:	N/A
DISCUSSION:	In November of 2015, the GJRA submitted an extension to our already existing Temporary Amendment for the temp fence surrounding the unfinished Admin Building, which reduced portions of the SIDA area and AOA. Original submission of this Amendment was in 2013. TSA has allowed the airport to extend this amendment up till November of 2015 when they denied our extension and asked for a more permanent solution to the temporary fence. After conversations with TSA they allowed a 60 day extension to install a permanent fence around the admin building with a deadline of February 13, 2016. Fence has been completed which runs on the north side of the admin building along the secured area only and the deadline met for TSA. Cost of Fence exceeds \$10,000 therefore needs board approval. Staff has reviewed the invoice and has no concerns.
FISCAL IMPACT:	\$10,343.75, 2016 budget was for \$10,000.00
COMMUNICATION STRATEGY:	N/A
ATTACHMENTS:	Valley Wide Invoice 4249
STAFF CONTACT:	Chance Ballegeer Airport Security Coordinator Email: <a href="mailto:cballegeer@gjairport.com">cballegeer@gjairport.com</a> Office: 970-248-8586

Tel.: (970) 523-8150  
 Fax: (970) 523-5272



**Invoice**  
 Date: 2/9/2016  
 Invoice #: 4249

Your favorite  
 Colorado fence  
 company

2105 E. Main Street, Grand Junction, CO 81501

Bill To	Job Site
---------	----------

Grand Junction Airport  
 Chance Balegeer  
 Security Coordinator

Customer PO	Rep	Due Date
	BG	2/9/2016

Qty	Item	Description	Unit Price	Amount
370	ICHAINLK	6' Chainlink with Barbwire to match existing Chainlink Materials + Professional Installation	15.65	5,790.50
121	ICHAINLK	8' Black Vinyl Coated to match existing ChainLink Materials + Professional Installation	25.75	3,115.75
		All fence to be installed in existing Temp fence location as discussed in the field.		
		Brian Harrison 986-7001 fiber line contact		
		Chance 712-0969 airport contact		
		ted balbier 270-0455 alternate contact		
11.5	Install Labor	Change order added 1/28/2016 Install Labor charges extra drilling time—aspalt was over 2' thick. Chance and Blu discussed and agreed on \$125.00 per hour to cover the machine and man power need to drill through it. Total drilling time was 16.5 hours which is 11.5 more than expected.	125.00	1,437.50

**All work is complete.  
 Thank you for your business.**

<b>Subtotal</b>	\$10,343.75
<b>Sales Tax (0.0%)</b>	\$0.00
<b>Total</b>	\$10,343.75
<b>Payments/Credits</b>	\$0.00
<b>Balance Due</b>	<b>\$10,343.75</b>

Past due invoices will be charged 1.5% per month (18% per annum) on the unpaid balance.  
 Accounts placed for collection shall pay reasonable attorneys fees and related costs in collecting the debt owed.

## JANUARY 2016 PERFORMANCE

### FINANCIAL RESULTS

#### Assets

1. Unrestricted – cash showed a large decrease in the balance due to the payment to Shaw in January 2015
2. Other assets are consistent from December 2015 to January 2016.

#### Liabilities

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

#### Aeronautical Revenue

1. Aeronautical revenue was slightly lower from prior year due to the delay in the aviation fuel tax disbursement.

Non-Aeronautical Revenue – due to the Airport operating the Subway restaurant in 2015 the food and beverage revenue was reported at gross revenue, with the new structure of restaurant operations the revenue in 2016 will be reported at a concession rate, or a net revenue. This will be offset by a zero expense amount related to restaurant operations.

#### Operating Expense

1. Personnel expense is consistent with the reversal of the year end accrual of \$60,000.
2. Repairs and maintenance is lower than budget with the \$60,000 carpet replacement that will not be done until March 2016.
3. Other expenses anticipated incurring costs related to the \$50,000 administration office move that will happen later in 2016.

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

### ENPLANEMENTS

#### 2016 vs 2015

	Month
2015	15,372
2016	15,735
Difference	363

	Month
5 Year Average	16,607
2016	15,735
Difference	(128)

Grand Junction Regional Airport Authority  
Statements of Net Position

	1/31/2016	12/31/2015
<b>Current assets</b>		
Cash and cash equivalents	5,946,753	6,265,142
Accounts receivable - operations	468,883	501,573
Accounts receivable - grants	22,379	22,379
Prepaid expenses	48,541	77,851
<b>Total current assets</b>	<b>6,486,556</b>	<b>6,866,945</b>
<b>Restricted assets</b>		
Passenger facility charges	1,704,833	1,779,152
Revenue bond reserve fund	1,460,000	1,460,000
Revenue bond sinking fund	310,866	182,452
Rental car improvements	571,632	538,310
Lease deposits	150,953	150,953
<b>Total restricted assets</b>	<b>4,198,284</b>	<b>4,110,867</b>
Pension deferred outflow	331,456	331,456
Capital assets, net	58,942,759	58,942,759
<b>Total non-current assets</b>	<b>63,472,499</b>	<b>63,385,082</b>
<b>Total assets</b>	<b>69,959,055</b>	<b>70,252,027</b>
<b>Current liabilities</b>		
Accounts payable	150,559	166,671
Accounts payable - capital	92,094	463,701
Accrued expenses	278,732	305,725
Lease deposits	150,953	150,953
Current portion of deferred revenue	-	62,635
Current portion of note payable	423,096	423,096
Current portion of bonds payable	875,547	875,000
<b>Total current liabilities</b>	<b>1,970,981</b>	<b>2,447,781</b>
<b>Non-current liabilities</b>		
Deferred revenue, less current portion	-	7,553
Net pension liability	2,136,600	2,136,600
Pension deferred inflow	105,192	105,192
Note payable, net of current portion	1,114,764	1,114,764
Bonds payable, net of current portion	12,891,015	12,891,562
<b>Total non-current liabilities</b>	<b>16,247,571</b>	<b>16,255,671</b>
<b>Total liabilities</b>	<b>18,218,552</b>	<b>18,703,452</b>
<b>Net position</b>		
Net investment in capital assets	43,638,337	43,638,337
Restricted for debt service and capital assets	3,475,699	3,421,604
Unrestricted	4,626,467	4,488,634
<b>Total net position</b>	<b>51,740,503</b>	<b>51,548,575</b>
<b>Total liabilities and net position</b>	<b>69,959,055</b>	<b>70,252,027</b>

Grand Junction Regional Airport Authority  
 Statements of Changes in Net Position

	YEAR TO DATE		
	Actual 1/31/2016	Budget 1/31/2016	Actual 1/31/2015
Operating revenue			
Aeronautical revenue			
Passenger airline revenue			
Passenger airline landing fees	35,301	33,000	35,996
Terminal rent	98,487	98,400	98,487
Other	2,800	5,000	5,500
Total passenger airline revenue	136,588	136,400	139,983
Non-passenger airline revenue			
Landing fees from cargo	7,405	6,000	7,742
Cargo and hangar rentals	4,219	4,219	4,219
Aviation fuel tax	-	18,000	18,553
Fuel flowage fees	30,195	38,000	32,596
Other	-	-	-
Total non-passenger airline revenue	41,819	66,219	63,110
Total aeronautical revenue	178,407	202,619	203,093
Non-aeronautical revenue			
Land and building leases	53,384	62,781	64,071
Terminal - food and beverage	7,222	31,115	32,945
Terminal - retail	3,160	2,000	2,747
Terminal - other	20,122	15,000	20,122
Rental cars	80,990	80,892	81,903
Parking and ground transportation	112,313	100,000	31,514
Other	6,019	6,000	7,217
Total non-aeronautical revenue	283,210	297,788	240,519
Total operating revenues	461,617	500,407	443,612
Operating expenses			
Personnel compensation and benefits	128,693	179,804	185,256
Communications and utilities	30,543	36,891	28,927
Supplies and materials	30,777	55,715	48,115
Contract services	75,201	52,255	10,521
Repairs & maintenance	22,532	96,968	13,082
Insurance	7,583	7,583	7,293
Other	4,453	56,814	12,257
Total operating expenses	299,782	486,030	305,451
Operating gain (loss)	161,835	14,377	138,161
Non-operating revenues (expenses)			
Passenger facility charges	53,546	62,000	41,873
Interest income	2,308	900	903
Interest expense	(58,985)	(58,985)	(63,148)
Customer facility charges	33,322	40,000	-
Capital contributions	-	-	-
Capital expenditure	-	-	(7,444)
Debt principal payments	-	-	-
Other	-	-	-
Total non-operating revenue	30,191	43,915	(27,816)
Excess of revenues over (under) expense	192,026	58,292	110,345

# Grand Junction Regional Airport Authority

## Agenda Item Summary

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TOPIC:	Resolution: 2016-001 - Proposed 2016 Posting of Notices of Meetings
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board adopt Resolution 2016-001: Posting of Notice of Meetings, as mandated by C.R.S. 24-6-402(2)(C) and C.R.S. 41-3-105(5)(a).
LAST ACTION:	Resolution 2015-001: Posting of Notices of Meetings was adopted in January 2015.
DISCUSSION:	C.R.S. § 24-6-402(2)(c) requires a local public body to annually designate where the notices for meeting will be posted. Specifically, C.R.S. § 24-6-402(2)(c) states that “[t]he public place or places for posting such notices shall be designated annually at the local public body’s first regular meeting of each calendar year.” Colorado’s Public Airport Authority Law, at C.R.S. § 41-3-105(5)(a), states that “[n]otice of time and place designated for all regular meetings shall be posted in at least three places within each municipality and county forming a part of the authority if created by the formation of a combination, and, in addition, one such notice shall be posted, irrespective of the procedure under which the authority is created, in the county courthouse in the county wherein the airport is located and in the county creating the authority.”
FISCAL IMPACT:	None.
COMMUNICATION STRATEGY:	None.
ATTACHMENTS:	Resolution No. 2016-001
STAFF CONTACT:	Board Clerk Phone # 970-244-9100

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**GRAND JUNCTION REGIONAL AIRPORT  
RESOLUTION NO.2016-001**

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

**Recitals.**

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

The Grand Junction Regional Airport Authority holds meetings to discuss public business.

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

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

1. The Notice of Meetings for the local public body shall be posted on the notice board at the Grand Junction Regional Airport Terminal Building, 2828 Walker Field Drive, ATO1, Grand Junction, Colorado, 81506.
2. The Notice of Meeting for the local public body shall be posted at the City of Grand Junction office located at 250 N 5<sup>th</sup> St, Grand Junction, Colorado, 81501.
3. The Notice of Meetings for the local public body shall be posted at the Mesa County office located a Rood Ave, Grand Junction, Colorado, 81501.
4. The Notice of Meeting for the local public body shall be posted at the County Courthouse located at 125 N Spruce St, Grand Junction, Colorado, 81501.

PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016

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, Chairman

ATTEST:

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, Clerk

## Grand Junction Regional Airport Authority

### Agenda Item Summary

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TOPIC:	Rocky Mountain Health Maintenance Organization, Inc. Group Service Agreement
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board approve the Group Service Agreement with Rocky Mountain Health Maintenance Organization, Inc. and authorize the Board Chairman to execute the document.
LAST ACTION:	The Airport signed a Group Service Agreement with Rocky Mountain Health Plans 8/15/2007.
DISCUSSION:	Rocky Mountain Health Plans (RMHP) has requested an updated Group Service Agreement be signed by the Airport. Since the original agreement was signed in 2007 (attached) there have been numerous amendments (attached) the Airport received from RMHP. The updated agreement (attached) incorporates these amendments.
FISCAL IMPACT:	None
ATTACHMENTS:	<ol style="list-style-type: none"><li>1. Rocky Mountain Health Maintenance Organization, Inc., Group Services Agreement (Updated Agreement)</li><li>2. Rocky Mountain Health Maintenance Organization, Inc., Group Services Agreement (Original)</li><li>3. Amendments to Original</li></ol>
STAFFCONTACT:	Ty Minnick, Finance Manager Email: <a href="mailto:tminnick@gairport.com">tminnick@gairport.com</a>

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**ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.  
GROUP SERVICE AGREEMENT**

ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC., a Colorado nonprofit corporation d/b/a Rocky Mountain Health Plans (herein "RMHP")	Grand Junction Regional Airport Authority 00694000 3L (herein "Contracting Party")
2775 Crossroads Boulevard Post Office Box 10600 Grand Junction, CO 81502-5600	<b>Group Service Agreement Information:</b> Benefit Renewal Date: <u>September</u> Group Effective Date: <u>August 1, 1989</u> Anniversary Date: <u>September</u> Annual Open Enrollment Period: <u>August</u>

This Group Service Agreement is entered into between RMHP and the Contracting Party, to provide the Members eligible through Contracting Party electing to enroll hereunder with the Benefits as specified in the Evidence of Coverage applicable to the Health Care Plan(s) designated in Attachment II to this Group Service Agreement ("designated Evidence of Coverage"). This Group Service Agreement, including Attachments I, II and III (if Attachment III is a part of this Group Service Agreement), and such designated Evidence of Coverage and amendments thereto, shall be referred to herein as "Agreement."

Contracting Party and RMHP agree to all of the attached Terms and Conditions, together with the Attachments listed below, all of which are incorporated herein by this reference.

**This Agreement is dated and shall be effective on the date set forth above by RMHP as the Group Effective Date.**

ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC., a Colorado nonprofit corporation d/b/a Rocky Mountain Health Plans	_____ (print/type name of Contracting Party)
 _____ Michelle Walker Title: Director – Sales Administration	By: _____ (signature) _____ (print/type name of signatory) Title: _____ Date: _____

- ATTACHMENTS:**  
 Attachment I: Additional Eligibility Requirements  
 Attachment II: Health Care Plans & Premiums  
 Attachment III: Additional Services Enrollment & Premiums

## TERMS AND CONDITIONS

1. **Definitions.** The definitions of terms in the designated Evidence of Coverage are incorporated herein by this reference. In addition, the words and terms below shall have the following definitions:

“Health Care Plan” means any prepaid health care plan offered by RMHP which RMHP is authorized by Colorado law to sell and as to which no order or other governmental regulation has been issued which prevents the sale or operation thereof.

“RMHP Group Policies” shall include all policies and procedures of RMHP with regard to enrollment, eligibility and use of group coverage. The RMHP Group Policies include, but are not limited to, policies regarding minimum group size, minimum contribution requirements for the employee Premium, minimum participation rates as may be required for Eligible Employees, enrollment and disenrollment of employees and dependents and continuing or converting coverage.

2. **Eligibility.** Member eligibility requirements under this Group Service Agreement in addition to those set forth in the designated Evidence of Coverage are set forth on Attachment I.

3. **Application Forms, Change Forms and Inspection of Records.** Contracting Party shall submit completed application forms and change forms as required by RMHP’s Group Policies, or as requested by RMHP, to assure correct information is provided for persons who will become Members for the purpose of Premium payment and billing. RMHP shall have the right at reasonable times to examine Contracting Party’s records with respect to eligibility, monthly payments and reporting under the Agreement.

4. **Reporting Requirements.**

A. Unless otherwise exempted by applicable federal or state law, Contracting Party shall timely provide to RMHP Member information required by law (including social security number, age and date of birth, and any other required information) for all federal and state programs and required reporting activities,

including but not limited to any reports and filings required under Internal Revenue Code section 6055, and Medicare to determine primary and/or secondary payor status. For the purpose of determining whether Medicare reporting requirements apply to Contracting Party, Contracting Party shall provide RMHP with the total number of Contracting Party’s full- and part-time employees who worked 20 (twenty) or more calendar weeks during the current calendar year and prior calendar year, regardless of whether the employees are enrolled with RMHP, on at least an annual basis as requested by RMHP.

B. Contracting Party shall give RMHP prior written notice of any actions Contracting Party intends to take which may affect the grandfathered status of any of Contracting Party’s health care plans under the Patient Protection and Affordable Care Act and its implementing regulations (“ACA”).

C. Upon RMHP’s request, Contracting Party shall timely provide RMHP with all necessary information so that RMHP can comply with the medical loss ratio requirements of the ACA.

5. **Premiums.** Premiums under the Agreement are set forth on Attachment II. Premiums shall be set by RMHP as provided on Attachment II. Premiums are subject to change by RMHP on the Contracting Party’s Anniversary Date or, for large groups, if there is an increase or decrease in the number of Members covered by RMHP under this Agreement which equals or exceeds: (a) 10% when the number of Members on the first day of a calendar month is compared to the number of Members on the first day of the immediately prior calendar month; or (b) 20% when the number of Members on the first day of a calendar month is compared to the number of Members on the first day of the calendar month which is three (3) months earlier. Notwithstanding the previous sentence, RMHP may change Premiums at any time other than on the Anniversary Date upon notice to Contracting Party at least sixty (60) days prior to the effective date of the change.

Upon notice to Contracting Party by RMHP, Contracting Party shall provide any Premium rebates

to its Subscribers as required under the ACA medical loss ratio requirements. Contracting Party shall timely provide to RMHP all records and information required by ACA in connection with any such rebates.

If Contracting Party is not a governmental plan and is not otherwise subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Contracting Party hereby agrees that any rebates required under the ACA medical loss ratio requirements, if paid by RMHP to Contracting Party, shall be used for the benefit of Contracting Party's Subscribers, through one of the following methods: (i) for all Subscribers covered under any option offered under Contracting Party's group health plan at the time the rebate is received by Contracting Party, to reduce the Subscribers' portion of Premium for the subsequent policy year; (ii) for Subscribers covered, at the time the rebate is received by the Contracting Party, under the group health plan option for which RMHP is providing a rebate, to reduce the Subscribers' portion of Premium for the subsequent policy year; or (iii) a cash refund to Subscribers enrolled in the group health plan option, at the time the rebate is received by Contracting Party, for which RMHP is providing a rebate.

The reduction in future Premium or the cash refund provided under (i), (ii) or (iii) above, may, at the option of Contracting Party: be divided evenly among such Subscribers; divided based on each Subscriber's actual contributions to Premium, or apportioned in a manner that reasonably reflects each Subscriber's contributions to Premium. Contracting Party agrees to provide any further written assurances that may be required under ACA, such that RMHP can distribute rebates to Contracting Party.

**6. Payment of Premiums.**

A. Payment. On or before the first day of each month for which Benefits are payable, Contracting Party shall pay to RMHP Premiums due under the Agreement (as set forth in Attachment II) for all Members enrolled in RMHP, and shall provide to RMHP all supporting information on eligible Members. Premiums are deemed to have been paid when payment is actually received by RMHP and such payment is not rejected or dishonored for any

reason. If Contracting Party fails to pay monthly Premiums when due, RMHP may notify eligible Members enrolled under this Group Service Agreement that Contracting Party has failed to pay monthly Premiums when due and that Benefits will be provided only through the date of termination.

B. Grace Period. "Grace Period" means a thirty one (31) day period of time during which Premiums are owed and this Agreement remains in force. Nonpayment of Premiums after the Grace Period has ended will result in termination of this Agreement and loss of coverage for Contracting Party. The Grace Period does not apply to the first Premium owed under this Agreement.

7. Assessments. Contracting Party shall timely pay RMHP for the Connect for Health Colorado (C4HCO) assessment imposed upon Colorado carriers as allowed by law and addressed separately on Attachment II of this Agreement. Other assessments, which are included in the monthly Premium, are based on enrollment, Premiums or other factors required by state and/or federal law. Assessments include, without limitation, high risk pool and any exchange assessments, in addition to the C4HCO assessment above, funding research imposed by any governmental entity, the Health Insurance Provider Fee imposed under section 9010 of ACA, the Patient Centered Outcomes Research Institute Fee imposed under section 6301 of ACA, and all other applicable assessments.

8. Conditions of Offering RMHP Coverage and Underwriting Guidelines. Contracting Party shall offer coverage under the Agreement under conditions no less favorable than those of any other alternate health care plan(s) it makes available. Contracting Party shall, during the term of the Agreement, comply with and be subject to RMHP Group Policies, as such may be amended, the RMHP employer manual, and underwriting guidelines for the RMHP health care plan(s) selected by Contracting Party under this Agreement.

9. Open Enrollment. There shall be an Annual Open Enrollment Period during which Eligible Employees are offered a choice of enrollment under the Agreement or any alternate health care plan available through Contracting Party. The Annual Open Enrollment Period is set forth on the signature

page of this Group Service Agreement. Eligible Employees or Dependents who miss their opportunity to enroll may apply at other than the Annual Open Enrollment Period, subject to special enrollment provisions as provided in the designated Evidence of Coverage.

10. **Alternate Health Care Plans and Changing Classification for Eligibility and Participation.** Subject to thirty (30) days' prior written notice to RMHP and written approval of RMHP, Contracting Party may:

- A. select an alternate Health Care Plan through RMHP;
- B. select an alternate annual open enrollment period;
- C. select an alternate health care plan through another carrier; or
- D. change, modify, or amend eligibility and participation classifications, requirements and conditions on any Anniversary Date.

RMHP may withhold any approval described by this paragraph at its sole discretion. RMHP reserves the right to immediately change the Premium due under this Agreement upon notice to Contracting Party if Contracting Party obtains an alternate health care plan through another carrier. Any changes made by Contracting Party pursuant to this paragraph may affect the grandfathered status of Contracting Party's health care plans under ACA.

11. **Benefits Not in Lieu of Workers' Compensation.** Benefits that are provided under the designated Evidence of Coverage are not in lieu of workers' compensation insurance. Contracting Party is required to have in effect during the entire term of this Agreement workers' compensation insurance as required by applicable law for all Eligible Employees.

12. **Family and Medical Leave Act.** This paragraph only applies to a Contracting Party that is subject to the Family and Medical Leave Act of 1993 (FMLA). If a Member who is an employee of such a Contracting Party takes a leave of absence of twelve (12) work weeks or less pursuant to the FMLA (or up to twenty-six (26) weeks to care for a covered service member) and discontinues health care coverage through RMHP during such leave of

absence, then RMHP will not impose any new qualification requirements that the Member would have to meet before becoming eligible for health care coverage through RMHP when such Member returns to work.

13. **Colorado Continuation of Coverage Requirements and COBRA.** RMHP provides continuation of coverage to Members eligible for such coverage as required by applicable law under the terms and conditions of the designated Evidence of Coverage. RMHP provides Contracting Parties that are employers with some assistance to comply with applicable continuation of coverage laws. However, Contracting Party agrees that it, and not RMHP, must comply with applicable continuation of coverage laws, including all notice requirements of such laws. Contracting Party agrees to all terms of RMHP policies regarding RMHP providing assistance in complying with continuation of coverage laws, including any changes to such policies. Contracting Party is responsible for the accuracy of all information provided to RMHP, which information may be used by RMHP in assisting Contracting Party in complying with continuation of coverage laws.

14. **Term and Amendments.** The Agreement shall commence on the Group Effective Date set forth above and automatically renew thereafter on each Benefit Renewal Date set forth above unless earlier terminated as provided in the Agreement. "Renew" shall mean the current Agreement terminates and a new Agreement with the same terms as the current Agreement as amended by RMHP hereunder commences, without any requirement for the parties to re-execute or re-issue any contract documents. RMHP may amend the Agreement to the extent permitted by applicable law: (a) to conform to the requirements of state or federal law, statute or regulation at any time; (b) to change any or all terms of the Agreement, including, but not limited to, increasing, reducing or eliminating Benefits, effective on the Benefit Renewal Date by giving written notice to Contracting Party under conditions imposed by applicable law; and (c) to change any or all terms of the Agreement, which change does not increase, reduce or eliminate Benefits, effective not less than thirty (30) days following the giving of written notice of the amendment to Contracting Party. RMHP will give notice of a change described in subparagraph (c) above that is effective on a date other than the Anniversary Date to Contracting Party

and Members at least sixty (60) days prior to the effective date of the change, if such change is a material change as defined by applicable law.

**15. Termination of Group Service Agreement.**

A. Termination by RMHP. RMHP may terminate this Group Service Agreement for any reason set forth in paragraphs 16.A through 16.I or any other reason for which state or federal law does not prohibit RMHP from terminating this Group Service Agreement.

B. Procedure for Termination by RMHP. Except as otherwise provided by state or federal law, Contracting Party shall have until the date stated on the written notice of termination given by RMHP to Contracting Party in which to cure, correct or otherwise resolve to the satisfaction of RMHP the cause of termination to the extent the cause for termination is subject to being cured, corrected or resolved. In the event Contracting Party has failed to cure, correct or otherwise resolve to the satisfaction of RMHP the cause of termination, or if such cause is not subject to being cured, corrected or resolved, this Group Service Agreement shall terminate upon the date set forth in such notice, which date shall be at least thirty (30) days from the date the letter is sent, except in cases of fraud or intentional misrepresentation.

C. Termination by Contracting Party. Contracting Party may terminate this Group Service Agreement effective as of the end of a month by giving RMHP written notice of intent to terminate not less than thirty (30) days before the effective date of termination. Contracting Party shall pay Premiums until the effective date of termination of this Group Service Agreement.

D. Effect of Termination. In the event of termination of this Group Service Agreement, the designated Evidence of Coverage shall terminate and Benefits under the designated Evidence of Coverage shall cease for all Members on the date of termination of this Group Service Agreement.

**16. Renewability.** Unless this Group Service Agreement has been previously terminated by RMHP pursuant to paragraph 15 above, RMHP shall not refuse to renew this Group Service Agreement

except for the following reasons to the extent such nonrenewal is permitted by applicable law:

A. Nonpayment of, or failure to timely pay, required Premiums;

B. Fraud or intentional misrepresentation of material fact by Contracting Party or Contracting Party's representative;

C. RMHP elects to discontinue offering and nonrenew all small group Health Care Plans, if Contracting Party is a small group, or large group Health Care Plans, if Contracting Party is a large group, in Colorado, in accordance with applicable law. RMHP will give notice to Contracting Party and Members and to the insurance commissioner in each state in which an affected Member is known to live. This notice will be sent at least 180 days before the nonrenewal. Notice to the insurance commissioner will be sent at least three (3) working days before the notice to the affected Members. RMHP will continue coverage through the next renewal period not to exceed twelve (12) months after the notice is given to Contracting Party and Members;

D. If Contracting Party is an Eligible Small Employer, Contracting Party fails to comply with participation or contribution requirements;

E. There are no longer any Members covered under the Agreement that live, reside or work in the Service Area;

F. If Contracting Party is an Eligible Small Employer, Contracting Party is no longer actively engaged in the business in which it was engaged on the Group Effective Date of this Group Service Agreement;

G. If coverage is made available only through one or more bona fide associations, as defined by Colorado law, the membership of an employer or organization in such association ceases, but only if the coverage is terminated uniformly without regard to any health status-related factor related to any Member;

H. RMHP discontinues the Health Care Plans designated in this Group Service Agreement in accordance with applicable law. If Contracting Party is an Eligible Small Employer the

following applies. RMHP will act uniformly without regard to the claims experience of the policy holders or any health status-related factor relating to any individual, participant, or beneficiary covered by the plan or new individuals, participants, or beneficiaries who may become eligible for coverage. RMHP will notify the insurance commissioner before policy holders and Members and certify: (a) the premiums for other plans RMHP offers are not excessive, inadequate or unfairly discriminatory relative to the plan that RMHP is discontinuing; and (b) the benefit levels RMHP offers in the other plans comply with the requirements of law applicable to small employer plans. RMHP will send notice to policy holders and each Member covered by the plan at least 90 days before the nonrenewal. RMHP will offer Contracting Party the choice to buy any other plan currently being offered by RMHP in the same group market, and specify the applicable special enrollment periods; or

I. Any other reason for which state or federal law permits nonrenewal of this Group Service Agreement.

17. **False Statements.** Except as set forth below, any fraudulent statement, act or omission, or intentional misrepresentation of material fact to RMHP with regard to any application, request for enrollment, health questionnaire or other information submitted by Contracting Party to RMHP with respect to the coverage provided pursuant to this Agreement, will render this Agreement subject to rescission at the option of RMHP. If RMHP elects to rescind this Agreement, RMHP shall give at least thirty (30) days notice of its election to Contracting Party and each affected Subscriber. In the event this Agreement is rescinded for fraudulent statements, acts or omissions, or intentional misrepresentations of material fact, Contracting Party shall pay to RMHP upon demand the cost of Benefits paid or incurred by RMHP on behalf of Contracting Party and Members of the Contracting Party.

18. **Disenrollment of Members.**

A. **Disenrollment by RMHP.** To the extent not prohibited by applicable law, RMHP may disenroll a Subscriber or Member for any of the causes set forth in the designated Evidence of Coverage, including but not limited to:

(1) Contracting Party's failure to pay Premiums when due pursuant to this Agreement.

(2) A Subscriber's or Member's fraud or intentional misrepresentation of a material fact to RMHP with regard to a Subscriber's or Member's eligibility contained in a Subscriber's or Member's enrollment application, or contained in any additional or supplemental information required by RMHP in connection with enrollment or change in eligibility of any other matter, which the Subscriber or Member knew was false, misleading or inaccurate, or fraud or abuse by the Subscriber or Member.

(3) The fraudulent use of a Subscriber's or Member's Identification Card for the purpose of obtaining Benefits for a person not authorized to obtain Benefits under such Member Identification Card.

(4) Any other reason for which state or federal law permits RMHP to terminate or nonrenew a Subscriber or Member under this Agreement.

B. **Disenrollment by Contracting Party.** Contracting Party may disenroll Members by giving notice of disenrollment to RMHP. The effective date of disenrollment is the end of a month if notice is actually received by RMHP before 5:00 p.m. on the first business day following the end of the month. If notice of disenrollment of a Member is received by RMHP following 5:00 p.m. on the first business day of a month, the effective date of disenrollment shall be the end of the month in which notice is received. Premiums are due and owing for the entire month in which a Member is enrolled in RMHP.

19. **Arbitration.**

A. **Agreement to Arbitrate.** Any claim arising out of or in any way related to rights, duties and obligations described in this Group Service Agreement shall be submitted to final and binding arbitration in accordance with this paragraph within six (6) months of when such a claim accrues. Consolidation of arbitration proceedings and/or class action arbitration shall



not be permitted for arbitration under this Group Service Agreement.

B. Arbitration Procedures. The arbitration shall be governed by the Colorado Uniform Arbitration Act, section 13-22-201, et seq., C.R.S., except as otherwise expressly provided herein. The arbitration shall be initiated by personal service of a demand for arbitration on the other party within such thirty (30) day period or by giving notice of the demand for arbitration to the other party in accordance with paragraph 23 within such thirty (30) day period, provided that any mailing of the demand for arbitration is made by certified mail, return receipt requested. The panel of arbitrators shall consist of three arbitrators. One arbitrator shall be selected by one party, one arbitrator shall be selected by the other party, and the third arbitrator shall be selected by the two arbitrators that have been chosen. If the two arbitrators are unable to agree to the selection of a third arbitrator, the third arbitrator shall be selected in accordance with the Colorado Uniform Arbitration Act. Each party shall be required to make "Disclosures" as set forth in Colorado Rule of Civil Procedure (C.R.C.P.) 26(a)(1), which disclosures shall be made within ten (10) days after a date is selected for the arbitration hearing. In addition to such disclosures, each party shall disclose to the other party the "Disclosure of Expert Testimony" as set forth in C.R.C.P. 26(a)(2)(A) and 26(a)(2)(B), which disclosures shall be made at least twenty (20) days prior to the date of the arbitration hearing. The arbitration shall be conducted in Mesa County, Colorado or the county in which Contracting Party's principal place of business in Colorado is located. If the parties are unable to agree on venue, the arbitrators shall decide whether the arbitration shall be held in Mesa County or the county in which Contracting Party's principal place of business in Colorado is located. If Contracting Party does not maintain a place of business in Colorado, venue for the arbitration shall be in Mesa County, Colorado. The arbitrators shall follow Colorado law in making an award. Written findings of fact and conclusions of law shall be issued by the arbitrators.

C. Powers of Arbitrators -- Enforcement of Award. The arbitrators shall have all powers as set forth in the Colorado Uniform Arbitration

Act, section 13-22-201, et seq., C.R.S. The decision or award of the arbitrators shall be binding upon the parties to the same extent and to the same degree as if the matter had been adjudicated by a court of competent jurisdiction. The party in whose favor any award shall be made may file the same with the clerk of the Mesa County, Colorado District Court or the clerk of the district court in the county in which the Contracting Party's principal place of business in Colorado is located, which may enter a judgment thereon, and if such award requires the payment of money, the clerk may issue execution therefor. Each party shall pay its own attorneys' fees and witness expenses, if any, unless, under applicable substantive law, the claim or claims in arbitration allow for an award of attorneys' fees and costs, in which case the arbitrators may award attorneys' fees and costs consistent with such law. For Contracting Parties that are not Eligible Small Employers, each party shall pay: (1) its costs of arbitration, including filing fees, arbitration fees, and other costs; (2) fees and expenses incurred by the arbitrator chosen by that party; and (3) one-half of the fees and expenses incurred by the arbitrator chosen by the other two arbitrators. For Contracting Parties that are Eligible Small Employers, any filing fees and the arbitrators' fees and expenses will be paid by RMHP.

D. Jurisdiction and Venue. No court shall have subject matter jurisdiction of any claim described in paragraph 19.A. The dispute procedure in this paragraph 19 is the exclusive and mandatory dispute resolution procedure under this Agreement. In the event any claim described in paragraph 19.A is attempted to be resolved in any court by either party, the venue of the matter shall only be in Mesa County, Colorado.

E. Time Requirements. All time periods to take or request action provided or required under this paragraph 19 shall be strictly construed and shall be of the essence of this Group Service Agreement.

20. Offset. RMHP shall have the right to recover sums owed to RMHP by a Contracting Party, Subscriber or Member by withholding sums owed to that Contracting Party, Subscriber or Member by

RMHP. No provisions of this Group Service Agreement shall restrict this right of RMHP.

21. **Enforcement.** In the event RMHP seeks to enforce or interpret any provision of this Group Service Agreement in any administrative or legal proceeding (not including any arbitration proceeding described above), and if RMHP is the prevailing party in such an action, RMHP shall be entitled to recover the costs and expenses incurred for enforcement, including reasonable attorneys' fees.

22. **Notice.** Whenever notice is required hereunder, such notice shall be deemed effectively given if in writing and upon mailing, postage prepaid, to the address of RMHP at 2775 Crossroads Boulevard, Post Office Box 10600, Grand Junction, Colorado 81502-5600, or to the address of Contracting Party as such address appears on the records of RMHP. Either RMHP or Contracting Party may change the address to which notice is given hereunder by giving notice of the change of address as described in this paragraph. The Agreement and amendments thereto may be made available electronically with notice provided to the Contracting Party at the address of the Contracting Party as it appears in the records of RMHP.

23. **Assignment.** The rights and privileges of Contracting Party pursuant to the Agreement may not be assigned. RMHP shall have the right to assign the Agreement.

24. **Entire Agreement.** This Group Service Agreement, including Attachments I, II and III (if Attachment III is a part of this Group Service Agreement), together with the Contracting Party's application for health benefits with RMHP and the designated Evidence of Coverage, and any amendments thereto, constitutes the entire agreement between RMHP and Contracting Party, and supersedes any prior agreement or form of agreement.

25. **Relationship of Parties.** RMHP and Contracting Party are independent contractors under this Agreement, and neither party shall be considered the principal, agent or partner of the other party. RMHP shall under no circumstances be considered a plan administrator for Contracting Party's employee welfare benefit plan under the Employee Retirement Income Security Act of 1974, as amended (ERISA).

26. **Additional Services.** Additional services available to Members of the Contracting Party, and the charges for such services, are set forth on Attachment III, if included with this Group Service Agreement. Such services may be underwritten or provided by an organization other than RMHP.

27. **Certification Regarding Employment Verification.** The following provisions apply only to the extent that this Group Service Agreement is a public contract for services as defined by Colorado law. These provisions do not apply to any group service agreement that is not a public contract for services.

A. Effective prior to entering into this Group Service Agreement, RMHP certified that RMHP does not knowingly employ or contract with an illegal alien who will perform work under the public contract for services and that RMHP will participate, in the E-Verify Program or Department Program, in order to confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under the public contract for services after the effective date of this Group Service Agreement. "E-Verify Program" means the electronic employment verification program created in Public Law 104-208, as amended, and expanded in Public Law 108-156, as amended, and jointly administered by the United States Department of Homeland Security and the Social Security Administration, or its successor program. "Department Program" means the employment verification program established pursuant to section 8-17.5-102(5), C.R.S.

B. RMHP, or a company that provides management services to RMHP, has confirmed the employment eligibility of all employees who are newly hired for employment in the United States to perform work under the public contract for services through participation in either the E-Verify Program or the Department Program.

C. RMHP is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this Group Service Agreement is being performed.

D. If RMHP obtains actual knowledge that a subcontractor knowingly employs or contracts with an illegal alien, RMHP shall 1) notify

Contracting Party and the subcontractor within three (3) days that RMHP has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and 2) terminate the subcontract, unless, within three (3) days of receiving notice from RMHP, (a) the subcontractor stops employing or contracting with the illegal alien, or (b) the subcontractor provides information to RMHP to establish that Contractor has not knowingly employed or contracted with the illegal alien.

E. RMHP shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation conducted pursuant to the authority established in section 8-17.5-102(5), C.R.S.

**28. Indemnification by Contracting Party.**

Contracting Party agrees to and shall hold RMHP harmless from any costs, fees (including reasonable attorneys' fees), expenses, penalties, fines, forfeitures or any other claims or damages resulting to RMHP as a result of any of the following

- inaccurate information provided to RMHP by Contracting Party,
- Contracting Party's failure to provide information required by this Group Service Agreement,

- Contracting Party's failure to give timely and proper notice to RMHP regarding an employee's eligibility for continuation of coverage,
- any changes made by Contracting Party, including changes made through any alternate health care plan, which result in a loss of grandfathered status of any of Contracting Party's health care plans under ACA, including the elimination of coverage through an alternate health care plan,
- Contracting Party's failure to give prior written notice to RMHP regarding any actions Contracting Party intends to take which may affect the grandfathered status of any of Contracting Party's health care plans under ACA,
- any dispute arising from any failure to comply with the provisions of Medicare reporting requirements, Colorado Continuation of Coverage Requirements and COBRA or the employer's interpretation or administration of those laws, or as otherwise provided by law, and
- any failure by Contracting Party to comply with the ACA medical loss ratio rebate and reporting requirements.

Attachment I

Additional Eligibility Requirements

Grand Junction Regional Airport Authority

Eligibility requirements not expressly covered in the designated Evidence of Coverage are as follows:

(1) To be eligible for enrollment in RMHP, Contracting Party's Eligible Employee must meet the general eligibility requirements of RMHP's Evidence of Coverage and must work a full-time, regular work week of thirty (30) hours or more. Such individual shall be eligible for enrollment in RMHP beginning the first day of the month following a sixty (60) day waiting period. Senior Management will be eligible beginning the first day of the month following date of hire.

(2) For Eligible Employees, who are working thirty (30) hours or more per week and whose working hours are reduced below thirty (30) hours per week, Contracting Party may elect, upon written notice to RMHP, to continue Group coverage for such employees under the same conditions and for the same premium, if the following conditions exist: (a) The Eligible Employee is employed as an employee of Contracting Party working thirty (30) hours or more per week and is insured under the designated Evidence of Coverage, or under any group service contract providing similar benefits which said designated Evidence of Coverage replaces, immediately prior to such reduction in working hours; (b) Contracting Party has imposed such reduction in working hours due to economic conditions, or the reduction in hours is due to the Eligible Employee's injury, disability, or chronic health conditions; and (c) Contracting Party intends to restore the employee to a full thirty (30) hour per week work schedule as soon as economic conditions improve or as soon as the Eligible Employee is able to return to full-time work.

(3) Contracting Party agrees to provide dependent coverage to same-sex domestic partners and Designated Beneficiaries of Eligible Employees. Such coverage is subject to the terms, conditions and requirements imposed by RMHP at the time enrollment is requested, including submission of complete and accurate forms, and is subject to continuing compliance with RMHP eligibility requirements as set forth in the designated Evidence of Coverage.

Attachment II

Health Care Plans & Premiums

Grand Junction Regional Airport Authority

1. Open Enrollment Provisions: The month of August annually for a September 1 effective date is the Annual Open Enrollment Period.
2. Other Provisions: Employees or dependents who miss their opportunity to enroll may apply at other than the Annual Open Enrollment Period, subject to late enrollee and special enrollment provisions as provided in the designated Health Benefits contract.
3. Health Care Plan(s) selected and applicable Monthly Premium Schedule are as follows:

Health Care Plan: Good Health Classic 50/80  
Prescription Benefit: \$15/\$40/\$55/20%/30%

Monthly Premium Schedule:	Single	EE/Spouse	EE/Child(ren)	Family
	\$661.91	\$1390.03	\$1257.63	\$1985.75

Health Care Plan: Good Health Classic 50/80  
Prescription Benefit: \$10 Copay Tier 1

Monthly Premium Schedule:	Single	EE/Spouse	EE/Child(ren)	Family
	\$593.37	\$1246.13	\$1127.45	\$1780.18

For small employer Groups (Groups with 50 employees or less), no more than 15% of enrolled employees may reside outside the service area and be enrolled in Good Health National Access.

Except as set forth below, the foregoing Premiums are effective September 1, 2015, and shall remain in effect through August 31, 2016.

The rates illustrated here include any amounts for assessments imposed on carriers by Federal or State law. In addition to the premium presented here, RMHP must collect \$1.25 per Employee per month to help fund Connect for Health Colorado. This fee will be listed as a separate line-item on your billing statement.

Premiums are subject to change by RMHMO on the Contracting Party's Anniversary Date or for large groups, if there is an increase or decrease in the number of Members covered by Rocky Mountain under this Agreement which equals or exceeds: (a) 10% when the number of Members on the first day of a calendar month is compared to the number of Members on the first day of the immediately prior calendar month; or (b) 20% when the number of Members on the first day of a calendar month is compared to the number of Members on the first day of the calendar month which is three (3) months earlier. Notwithstanding the previous sentence, RMHMO may change Premiums at any time upon notice to Contracting Party at least thirty (30) days prior to the effective date of the change.

Attachment III

Additional Services

Enrollment and Premiums

Grand Junction Regional Airport Authority

Delta Dental Benefit - Delta Dental Premier High Option \$2000 Prevention HMO  
Underwritten and Administered by Delta Dental of Colorado

Monthly Premium Schedule:	Single	EE/Spouse	EE/Children	Family
	\$40.39	\$80.48	\$82.26	\$123.57

Except as set forth below, the foregoing Premiums are effective September 1, 2015, and shall remain in effect through August 31, 2016.

The above Premiums are subject to change by RMHP (1) on the Contracting Party's Anniversary Date, or (2) upon notice to Contracting Party at least thirty (30) days prior to the effective date of the change.

ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.  
GROUP SERVICE AGREEMENT

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ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC., a Colorado nonprofit corporation d/b/a Rocky Mountain Health Plans (herein "RMHP")	C #0  Group Service Agreement + Addendum 5
2775 Crossroads Boulevard Post Office Box 10600 Grand Junction, CO 81502-5600	Gr Be Gr An An

This Group Service Agreement is entered into to provide the Member: eligible through Contracting Party specified in the Health Benefits Contract applicable to II to this Group Service Agreement ("designated Health Agreement, including Attachments I, II and III (if Attachment III is a part of this Group Service Agreement), and such designated Health Benefits Contract and amendments thereto, shall be referred to herein as "Agreement."

Contracting Party and RMHP agree to all of the attached Terms and Conditions, together with the Attachments listed below, all of which are incorporated herein by this reference.

This Agreement is dated and shall be effective on the date set forth above by RMHP as the Group Effective Date.

ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC., a Colorado nonprofit corporation d/b/a Rocky Mountain Health Plans	Grand Junction Regional Airport Authority _____ (print/type name of Contracting Party)
By: <u>Michelle Walker</u> _____ (signature)  Michelle Walker  Title: Director of Sales Administration August 13, 2007	By: <u>Rex A. Tippetts</u> _____ (signature)  <u>Rex A. Tippetts</u> _____ (print/type name of signatory)  Title: <u>Airport Manager</u>  Date: <u>8/15/2007</u>

**ATTACHMENTS:**  
Attachment I: Additional Eligibility Requirements

Attachment II: Health Care Plans & Premiums  
Attachment III: Additional Services Enrollment & Premiums

## TERMS AND CONDITIONS

1. **Definitions.** The definitions of terms in the designated Health Benefits Contract are incorporated herein by this reference. In addition, the words and terms below shall have the following definitions:

"RMHP Group Policies" shall include all policies and procedures of RMHP with regard to enrollment, eligibility and use of group coverage. The RMHP Group Policies include, but are not limited to, policies regarding minimum group size, minimum contribution requirements for the employee Premium, minimum participation rates as may be required for Eligible Employees, enrollment and disenrollment of employees and dependents and continuing or converting coverage.

2. **Eligibility.** Member eligibility requirements under this Group Service Agreement in addition to those set forth in the designated Health Benefits Contract are set forth on Attachment I.

3. **Application Forms, Change Forms and Inspection of Records.** Contracting Party shall submit completed application forms and change forms as required by RMHP's Group Policies, or as requested by RMHP, to assure correct information is provided for persons who will become Members for the purpose of Premium payment and billing. RMHP shall have the right at reasonable times to examine Contracting Party's records with respect to eligibility and monthly payments under the Agreement.

4. **Premiums.** Premiums under the Agreement are set forth on Attachment II. Premiums shall be set by RMHP as provided on Attachment II.

5. **Payment of Premiums.** On or before the first day of each month for which Benefits are payable, Contracting Party shall pay to RMHP Premiums due under the Agreement (as set forth in Attachment II) for all Members enrolled in RMHP, and shall provide to RMHP all supporting information on eligible Members. If Contracting Party fails to pay monthly Premiums when due, RMHP may at its option and in its discretion notify eligible Members

enrolled under this Group Service Agreement that Contracting Party has failed to pay monthly Premiums when due and that Benefits will be provided only through the date Premiums have been paid ("Paid-Through-Date").

6. **Conditions of Offering RMHP Coverage and Underwriting Guidelines.** Contracting Party shall offer coverage under the Agreement under conditions no less favorable than those of any other alternate health care plan(s) it makes available. Contracting Party shall, during the term of the Agreement, comply with and be subject to RMHP Group Policies, as such may be amended, the RMHP employer manual, and underwriting guidelines for the RMHP health care plan(s) selected by Contracting Party under this Agreement.

7. **Open Enrollment.** There shall be an Annual Open Enrollment Period during which Eligible Employees are offered a choice of enrollment under the Agreement or any alternate health care plan available through Contracting Party, subject to any enrollment restrictions applicable to Late Enrollees. The Annual Open Enrollment Period is set forth on the signature page of this Group Service Agreement. Eligible Employees or Dependents who miss their opportunity to enroll may apply at other than the Annual Open Enrollment Period, subject to late enrollee and special enrollment provisions as provided in the Health Benefits Contract.

8. **Alternate Health Care Plans and Changing Classification for Eligibility and Participation.** Subject to thirty (30) days' prior written notice to RMHP and written approval of RMHP, Contracting Party may:

- A. select an alternate Health Care Plan through RMHP;
- B. select an alternate annual open enrollment period;
- C. select an alternate health care plan through another carrier; or



D. change, modify, or amend eligibility and participation classifications, requirements and conditions on any Anniversary Date.

RMHP may withhold any approval described by this paragraph at its sole discretion. RMHP reserves the right to immediately change the Premium due under this Agreement upon notice to Contracting Party if Contracting Party obtains an alternate health care plan through another carrier.

9. Benefits Not in Lieu of Workers' Compensation. Benefits that are provided under the Health Benefits Contract are not in lieu of workers' compensation insurance. Contracting Party is required to have in effect during the entire term of this Agreement workers' compensation insurance as required by applicable law for all Eligible Employees.

10. Family and Medical Leave Act. This paragraph only applies to a Contracting Party that is subject to the Family and Medical Leave Act of 1993 (FMLA). If a Member who is an employee of such a Contracting Party takes a leave of absence of twelve (12) work weeks or less pursuant to the FMLA and discontinues health care coverage through RMHP during such leave of absence, then RMHP will not impose any new qualification requirements that the Member would have to meet before becoming eligible for health care coverage through RMHP when such Member returns to work.

11. Colorado Continuation of Coverage Requirements and COBRA. RMHP provides continuation of coverage to Members eligible for such coverage as required by applicable law under the terms and conditions of the designated Health Benefits Contract. RMHP provides Contracting Parties that are employers with some assistance to comply with applicable continuation of coverage laws. However, Contracting Party agrees that it, and not RMHP, must comply with applicable continuation of coverage laws, including all notice requirements of such laws. Contracting Party agrees to all terms of RMHP policies regarding RMHP providing assistance in complying with continuation of coverage laws, including any changes to such policies. Contracting Party is responsible for the accuracy of all information provided to RMHP, which information may be used by RMHP in assisting Contracting Party in complying with continuation of coverage laws. Contracting Party

agrees to and shall hold RMHP harmless from any costs, expenses, penalties, forfeitures or any other claims or damages resulting to RMHP as a result of any inaccuracy of information provided to RMHP by Contracting Party, the failure to give timely and proper notice to RMHP regarding an employee's eligibility for continuation of coverage, and from any dispute arising from any failure to comply with the provisions of the Colorado Continuation of Coverage Requirements and COBRA or the employer's interpretation or administration of those laws. Said indemnity shall include penalties, court costs and attorneys' fees, and any fines imposed as a result of any failure to comply with the Colorado Continuation of Coverage Requirements or COBRA, or as otherwise provided by law.

12. Conversion Rights. The designated Health Benefits Contract sets forth conversion rights for Members eligible for such rights under Colorado and federal law.

13. Term and Amendments. The Agreement shall commence on the Group Effective Date set forth above and automatically renew thereafter on each Benefit Renewal Date set forth above unless earlier terminated as provided in the Agreement. "Renew" shall mean the current Agreement terminates and a new Agreement with the same terms as the current Agreement as amended by RMHP hereunder commences, without any requirement for the parties to re-execute or re-issue any contract documents. RMHP may amend the Agreement to the extent permitted by applicable law: (a) to conform to the requirements of state or federal law, statute or regulation at any time; (b) to change any or all terms of the Agreement, including, but not limited to, increasing, reducing or eliminating Benefits, effective on the Benefit Renewal Date by giving written notice to Contracting Party under conditions imposed by applicable law; and (c) to change any or all terms of the Agreement, which change does not increase, reduce or eliminate Benefits, effective not less than thirty (30) days following the giving of written notice of the amendment to Contracting Party.

14. Termination of Group Service Agreement.

A. Termination by RMHP. RMHP may terminate this Group Service Agreement for any reason set forth in paragraphs 15.A through 15.I or any other reason for which state or federal

law does not prohibit RMHP from terminating this Group Service Agreement.

**B. Procedure for Termination by RMHP.**

Except as otherwise provided by state or federal law, Contracting Party shall have until the date stated on the written notice of termination given by RMHP to Contracting Party in which to cure, correct or otherwise resolve to the satisfaction of RMHP the cause of termination to the extent the cause for termination is subject to being cured, corrected or resolved. In the event Contracting Party has failed to cure, correct or otherwise resolve to the satisfaction of RMHP the cause of termination, or if such cause is not subject to being cured, corrected or resolved, this Group Service Agreement shall terminate upon the date set forth in such notice.

**C. Termination by Contracting Party.**

Contracting Party may terminate this Group Service Agreement effective as of the end of a month by giving RMHP written notice of intent to terminate not less than thirty (30) days before the effective date of termination. Contracting Party shall pay Premiums until the effective date of termination of this Group Service Agreement.

**D. Effect of Termination.**

In the event of termination of this Group Service Agreement, the designated Health Benefits Contract shall terminate and Benefits under the designated Health Benefits Contract shall cease for all Members on the date of termination of this Group Service Agreement or the Paid-Through-Date, whichever occurs first. If the Paid-Through-Date is earlier than the date of termination, RMHP will deny any outstanding Member claims and will notify both the Member and Plan Provider that payment has become the Member's responsibility.

15. **Renewability.** Unless this Group Service Agreement has been previously terminated by RMHP pursuant to paragraph 14 above, RMHP shall not refuse to renew this Group Service Agreement except for the following reasons to the extent such nonrenewal is permitted by applicable law:

A. Nonpayment of required Premiums;

B. Fraud or intentional misrepresentation of material fact by Contracting Party, or with

respect to coverage of an individual, fraud or intentional misrepresentation of material fact by the individual or the individual's representative;

C. RMHP elects to discontinue offering and nonrenew all RMHP small group Health Care Plans, if Contracting Party is a small group, or large group Health Care Plans, if Contracting Party is a large group, in Colorado, in accordance with applicable law;

D. Contracting Party fails to comply with participation or contribution requirements;

E. There are no longer any Members covered under the Agreement that live, reside or work in the Service Area;

F. If Contracting Party is an Eligible Small Employer, Contracting Party is no longer actively engaged in the business in which it was engaged on the Group Effective Date of this Group Service Agreement;

G. If Contracting Party is a bona fide association, as defined by Colorado statute, the membership of an employer or organization in Contracting Party ceases;

H. RMHP discontinues the Health Care Plans designated in this Group Service Agreement in accordance with applicable law; or

I. Any other reason for which state or federal law permits nonrenewal of this Group Service Agreement.

16. **False Statements.** Except as set forth below, materially false, misleading or inaccurate statements to RMHP with regard to any application, request for enrollment, health questionnaire or other information submitted by Contracting Party to RMHP with respect to the coverage provided pursuant to this Agreement, which Contracting Party knew were false or inaccurate, shall render this Agreement void at the option of RMHP. If Contracting Party is an Eligible Small Employer and a health questionnaire is not required for issuance of the designated Health Care Plan for such Contracting Party, then this Agreement is not subject to avoidance by RMHP because of statements in any health questionnaire submitted by such Contracting Party. If RMHP elects to void this Agreement, RMHP shall give notice of its election to Contracting Party. In the

event this Agreement is voided for false, misleading or inaccurate statements, Contracting Party shall pay to RMHP upon demand the cost of Benefits paid or incurred by RMHP on behalf of Contracting Party and Members of the Group.

17. Disenrollment of Members.

A. Disenrollment by RMHP. To the extent not prohibited by applicable law, RMHP may disenroll a Subscriber or Member for any of the causes set forth in the designated Health Benefits Contract, including but not limited to:

(1) A Subscriber's or Member's failure to pay when due Copayments, or other sums due RMHP under such designated Health Benefits Contract.

(2) Contracting Party's failure to pay Premiums when due pursuant to this Agreement.

(3) A Subscriber's or Member's making of any materially false, misleading or inaccurate statement to RMHP with regard to a Subscriber's or Member's eligibility contained in a Subscriber's or Member's enrollment application, or contained in any additional or supplemental information required by RMHP in connection with enrollment or change in eligibility of any other matter, which the Subscriber or Member knew was false, misleading or inaccurate, or fraud or abuse by the Subscriber or Member.

(4) The fraudulent use of a Subscriber's or Member's Identification Card for the purpose of obtaining Benefits for a person not authorized to obtain Benefits under such Member Identification Card.

(5) RMHP's receipt from a Subscriber or Member or the Contracting Party of two (2) consecutive insufficient funds checks, or three (3) insufficient funds checks within twelve (12) months for Copayments, or other sums due under the designated Health Benefits Contract or this Agreement.

(6) Any other reason for which state or federal law permits RMHP to terminate or

nonrenew a Subscriber or Member under this Agreement.

B. Disenrollment by Contracting Party.

Contracting Party may disenroll Members by giving notice of disenrollment to RMHP. The effective date of disenrollment is the end of a month if notice is actually received by RMHP before 5:00 p.m. on the first business day following the end of the month. If notice of disenrollment of a Member is received by RMHP following 5:00 p.m. on the first business day of a month, the effective date of disenrollment shall be the end of the month in which notice is received. Premiums are due and owing for the entire month in which a Member is enrolled in RMHP.

18. Arbitration.

A. Agreement to Arbitrate. Any claim arising out of or in any way related to rights, duties and obligations described in this Group Service Agreement shall be submitted to final and binding arbitration in accordance with this paragraph within six (6) months of when such a claim accrues. Consolidation of arbitration proceedings and/or class action arbitration shall not be permitted for arbitration under this Group Service Agreement.

B. Arbitration Procedures. The arbitration shall be governed by the Colorado Uniform Arbitration Act, section 13-22-201, et seq., C.R.S., except as otherwise expressly provided herein. The arbitration shall be initiated by personal service of a demand for arbitration on the other party within such thirty (30) day period or by giving notice of the demand for arbitration to the other party in accordance with paragraph 20 within such thirty (30) day period, provided that any mailing of the demand for arbitration is made by certified mail, return receipt requested. The panel of arbitrators shall consist of three arbitrators. One arbitrator shall be selected by one party, one arbitrator shall be selected by the other party, and the third arbitrator shall be selected by the two arbitrators that have been chosen. If the two arbitrators are unable to agree to the selection of a third arbitrator, the third arbitrator shall be selected in accordance with the Colorado Uniform Arbitration Act. Each party shall be required to make "Disclosures" as

set forth in Colorado Rule of Civil Procedure (C.R.C.P.) 26(a)(1), which disclosures shall be made within ten (10) days after a date is selected for the arbitration hearing. In addition to such disclosures, each party shall disclose to the other party the "Disclosure of Expert Testimony" as set forth in C.R.C.P. 26(a)(2)(A) and 26(a)(2)(B), which disclosures shall be made at least twenty (20) days prior to the date of the arbitration hearing. The arbitration shall be conducted in Mesa County, Colorado or the county in which Contracting Party's principal place of business in Colorado is located. If the parties are unable to agree on venue, the arbitrators shall decide whether the arbitration shall be held in Mesa County or the county in which Contracting Party's principal place of business in Colorado is located. If Contracting Party does not maintain a place of business in Colorado, venue for the arbitration shall be in Mesa County, Colorado. The arbitrators shall follow Colorado law in making an award. Written findings of fact and conclusions of law shall be issued by the arbitrators.

**C. Powers of Arbitrators -- Enforcement of Award.** The arbitrators shall have all powers as set forth in the Colorado Uniform Arbitration Act, section 13-22-201, et seq., C.R.S. The decision or award of the arbitrators shall be binding upon the parties to the same extent and to the same degree as if the matter had been adjudicated by a court of competent jurisdiction. The party in whose favor any award shall be made may file the same with the clerk of the Mesa County, Colorado District Court or the clerk of the district court in the county in which the Contracting Party's principal place of business in Colorado is located, which may enter a judgment thereon, and if such award requires the payment of money, the clerk may issue execution therefor. Each party shall pay its own attorneys' fees and witness expenses, if any, unless, under applicable substantive law, the claim or claims in arbitration allow for an award of attorneys' fees and costs, in which case the arbitrators may award attorneys' fees and costs consistent with such law. For Contracting Parties that are not Eligible Small Employers, each party shall pay: (1) its costs of arbitration, including filing fees, arbitration fees, and other costs; (2) fees and expenses incurred by the arbitrator chosen by that party; and (3) one-half

of the fees and expenses incurred by the arbitrator chosen by the other two arbitrators. For Contracting Parties that are Eligible Small Employers, any filing fees and the arbitrators' fees and expenses will be paid by RMHP.

**D. Jurisdiction and Venue.** No court shall have subject matter jurisdiction of any claim described in paragraph 18.A. The dispute procedure in this paragraph 18 is the exclusive and mandatory dispute resolution procedure under this Agreement. In the event any claim described in paragraph 18.A is attempted to be resolved in any court by either party, the venue of the matter shall only be in Mesa County, Colorado.

**E. Time Requirements.** All time periods to take or request action provided or required under this paragraph 18 shall be strictly construed and shall be of the essence of this Group Service Agreement.

**19. Enforcement.** In the event RMHP seeks to enforce or interpret any provision of this Group Service Agreement in any administrative or legal proceeding (not including any arbitration proceeding described above), and if RMHP is the prevailing party in such an action, RMHP shall be entitled to recover the costs and expenses incurred for enforcement, including reasonable attorneys' fees.

**20. Notice.** Whenever notice is required hereunder, such notice shall be deemed effectively given if in writing and upon mailing, postage prepaid, to the address of RMHP at 2775 Crossroads Boulevard, Post Office Box 10600, Grand Junction, Colorado 81502-5600, or to the address of Contracting Party as such address appears on the records of RMHP. Either RMHP or Contracting Party may change the address to which notice is given hereunder by giving notice of the change of address as described in this paragraph. The Agreement and amendments thereto may be made available electronically with notice provided to the Contracting Party at the address of the Contracting Party as it appears in the records of RMHP.

**21. Assignment.** The rights and privileges of Contracting Party pursuant to the Agreement may not be assigned. RMHP shall have the right to assign the Agreement.

22. Entire Agreement. This Group Service Agreement, including Attachments I, II and III (if Attachment III is a part of this Group Service Agreement), together with the Contracting Party's application for health benefits with RMHP and the designated Health Benefits Contract, and any amendments thereto, constitutes the entire agreement between RMHP and Contracting Party, and supersedes any prior agreement or form of agreement.

23. Relationship of Parties. RMHP and Contracting Party are independent contractors under this Agreement, and neither party shall be considered the principal, agent or partner of the other party. RMHP shall under no circumstances be considered a plan administrator for Contracting Party's employee welfare benefit plan under the Employee Retirement Income Security Act of 1974, as amended (ERISA).

24. Additional Services. Additional services available to Members of the Group, and the charges for such services, are set forth on Attachment III, if included with this Group Service Agreement. Such services may be underwritten or provided by an organization other than RMHP.

25. Certification Regarding Employment Verification. The following provisions apply only to the extent that this Group Service Agreement is a public contract for services as defined by Colorado law. These provisions do not apply to any Group Service Agreement that is not a public contract for services.

A. Effective prior to entering into this Group Service Agreement, RMHP certified that RMHP does not knowingly employ or contract with an illegal alien and that RMHP participates, or has attempted to participate, in the basic pilot employment verification program created in Public Law 208, 104th Congress, as amended, and expanded in Public Law 156, 108th Congress, as amended, and administered by the United States Department of Homeland Security (Basic Pilot Program), in order to confirm the

employment eligibility of all employees who are newly hired for employment in the United States.

B. RMHP, or a company that provides management services to RMHP, has confirmed or attempted to confirm the employment eligibility of all employees who are newly hired for employment in the United States through participation in the Basic Pilot Program, and if RMHP or such company is not accepted into the Basic Pilot Program prior to entering into a public contract for services, that RMHP or such company shall apply to participate in the Basic Pilot Program every three (3) months until RMHP or such company is accepted or the public contract for services has been completed, whichever is earlier (the foregoing provision shall not apply if the Basic Pilot Program is discontinued).

C. RMHP is prohibited from using Basic Pilot Program procedures to undertake pre-employment screening of job applicants while this Group Service Agreement is being performed.

D. If RMHP obtains actual knowledge that a subcontractor knowingly employs or contracts with an illegal alien, RMHP shall 1) notify Contracting Party and the subcontractor within three (3) days that RMHP has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and 2) terminate the subcontract, unless, within three (3) days of receiving notice from RMHP, (a) the subcontractor stops employing or contracting with the illegal alien, or (b) the subcontractor provides information to RMHP to establish that Contractor has not knowingly employed or contracted with the illegal alien.

E. RMHP shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation conducted pursuant to the authority established in section 8-17.5-102(5), C.R.S.



Attachment II

Health Care Plans & Premiums

Grand Junction Regional Airport Authority

1. Open Enrollment Provisions: The month of August annually for a September 1 effective date is the Annual Open Enrollment Period.
2. Other Provisions: Employees or dependents who miss their opportunity to enroll may apply at other than the Annual Open Enrollment Period, subject to late enrollee and special enrollment provisions as provided in the designated Health Benefits Contract.
3. Health Care Plan(s) selected and applicable Monthly Premium Schedule are as follows:

Health Care Plan: GJ Chamber FITT Single Track Plan  
 Prescription Benefit: \$100 Ded 20%,30%,50%

Monthly Premium Schedule: Single	Two Party	Family
\$469.09	\$938.17	\$1,243.08

For small employer Groups (Groups with 50 employees or less), no more than 15% of enrolled employees may reside outside the service area and be enrolled in Good Health National Access.

Except as set forth below, the foregoing Premiums are effective September 1, 2007, and shall remain in effect through August 31, 2008.

The above Premiums are subject to change by RMHMO (1) on the Contracting Party's Anniversary Date, or (2) upon notice to Contracting Party at least thirty (30) days prior to the effective date of the change.

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**ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.**

**AMENDMENT TO GROUP SERVICE AGREEMENT**

The current Group Service Agreement between Rocky Mountain Health Maintenance Organization, Inc. ("RMHP") and each Contracting Party is amended to provide as set forth below, effective March 1, 2009.

Contracting Party's current Attachments I, II and III (if Attachment III is a part of Contracting Party's Group Service Agreement) to the Group Service Agreement remain in effect and the references to Attachments I, II and III in this Amendment shall be to those Attachments, until replaced by RMHP.

The Group Service Agreement is amended to provide as follows:

- 1. **Application Forms, Change Forms and Inspection of Records.** The last sentence of paragraph 3, entitled "Application Forms, Change Forms and Inspection of Records," is amended to provide as follows:

RMHP shall have the right at reasonable times to examine Contracting Party's records with respect to eligibility, monthly payments and reporting under the Agreement.

- 2. **Medicare Reporting Requirements.** The following is added as a new paragraph 4 of the Group Service Agreement:

**Medicare Reporting Requirements.** Unless otherwise exempted by the Centers for Medicare and Medicaid Services, Contracting Party shall timely provide to RMHP Member information required by law (including social security number, age and date of birth, and any other required information) for Medicare to determine primary and/or secondary payor status. For the purpose of determining whether Medicare reporting requirements apply to Contracting Party, Contracting Party shall provide RMHP with the total number of Contracting Party's full- and part-time employees who worked 20 (twenty) or more calendar weeks during the current calendar year and prior calendar year, regardless of whether the employees are enrolled with RMHP, on at least an annual basis as requested by RMHP.

- 3. **Assessments.** The following is added as a new paragraph 7 of the Group Service Agreement:

**Assessments.** Contracting Party shall reimburse RMHP for all assessments imposed upon Colorado carriers based on enrollment and required by state law, including assessments for the "CoverColorado" program, and all other pass through assessments, at the time such assessments become due.

- 4. **Colorado Continuation of Coverage Requirements and COBRA.** Paragraph 13, entitled "Colorado Continuation of Coverage Requirements and COBRA," is amended to provide as follows:



Colorado Continuation of Coverage Requirements and COBRA. RMHP provides continuation of coverage to Members eligible for such coverage as required by applicable law under the terms and conditions of the designated Health Benefits Contract. RMHP provides Contracting Parties that are employers with some assistance to comply with applicable continuation of coverage laws. However, Contracting Party agrees that it, and not RMHP, must comply with applicable continuation of coverage laws, including all notice requirements of such laws. Contracting Party agrees to all terms of RMHP policies regarding RMHP providing assistance in complying with continuation of coverage laws, including any changes to such policies. Contracting Party is responsible for the accuracy of all information provided to RMHP, which information may be used by RMHP in assisting Contracting Party in complying with continuation of coverage laws.

5. **Offset.** The following is added as a new paragraph 21 of the Group Service Agreement:

**Offset.** RMHP shall have the right to recover sums owed to RMHP by a Contracting Party, Subscriber or Member by withholding sums owed to that Contracting Party, Subscriber or Member by RMHP. No provisions of this Group Service Agreement shall restrict this right of RMHP.

6. **Indemnification by Contracting Party.** The following is added as a new paragraph 29 of the Group Service Agreement:

**Indemnification by Contracting Party.** Contracting Party agrees to and shall hold RMHP harmless from any costs, fees (including reasonable attorneys' fees), expenses, penalties, fines, forfeitures or any other claims or damages resulting to RMHP as a result of any inaccurate information provided to RMHP by Contracting Party, Contracting Party's failure to provide information required by this Group Service Agreement, Contracting Party's failure to give timely and proper notice to RMHP regarding an employee's eligibility for continuation of coverage, and from any dispute arising from any failure to comply with the provisions of Medicare reporting requirements, Colorado Continuation of Coverage Requirements and COBRA or the employer's interpretation or administration of those laws, or as otherwise provided by law.

7. **Paragraph References.** All references to specific paragraphs within the Group Service Agreement are amended to retain consistency with the provisions added by this Amendment.

8. **Effect.** Except as set forth in this Amendment, all terms, covenants and conditions of the Group Service Agreement shall remain in full force and effect.

ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.

AMENDMENT TO GROUP SERVICE AGREEMENT

THIS AMENDMENT (Amendment) amends the current Group Service Agreement between Rocky Mountain Health Maintenance Organization, Inc. ("RMHP") and Contracting Party. This Amendment is effective October 1, 2010. All terms defined in the Group Service Agreement shall have the same meaning when used in this Amendment.

1. All references to "Health Benefits Contract & Evidence of Coverage" and all references to "Health Benefits Contract" throughout the Group Service Agreement shall be changed to "Evidence of Coverage."

2. Paragraph 4 of the Group Service Agreement, entitled "Medicare Reporting Requirements," shall be deleted in its entirety and replaced with the following language:

**Reporting Requirements.** Unless otherwise exempted by applicable federal or state law, Contracting Party shall timely provide to RMHP Member information required by law (including social security number, age and date of birth, and any other required information) for all federal and state program and required reporting activities, including but not limited to Medicare to determine primary and/or secondary payor status. For the purpose of determining whether Medicare reporting requirements apply to Contracting Party, Contracting Party shall provide RMHP with the total number of Contracting Party's full- and part-time employees who worked 20 (twenty) or more calendar weeks during the current calendar year and prior calendar year, regardless of whether the employees are enrolled with RMHP, on at least an annual basis as requested by RMHP. Contracting Party shall give Rocky Mountain prior written notice of any actions Contracting Party intends to take which may affect the grandfathered status of any of Contracting Party's health care plans under the Patient Protection and Affordable Care Act and its implementing regulations ("PPACA").

3. The following sentence shall be added to the end of paragraph 10 of the Group Service Agreement, entitled, "Alternate Health Care Plans and Changing Classification for Eligibility and Participation":

Any changes made by Contracting Party pursuant to this paragraph may affect the grandfathered status of Contracting Party's health care plans under PPACA.

4. Paragraph 18 of the Group Service Agreement, entitled "False Statements," shall be deleted in its entirety and replaced with the following language:

**False Statements.** Except as set forth below, any fraudulent statement, act or omission, or intentional misrepresentation of material fact to RMHP with regard to any application, request for enrollment, health questionnaire or other information submitted by Contracting Party to RMHP with respect to the coverage provided pursuant to this Agreement, will render this Agreement subject to rescission at the option of RMHP. If Contracting Party is an Eligible Small Employer and a health questionnaire is not required for issuance of the designated Health Care Plan for such Contracting Party, then this Agreement is not subject to rescission by RMHP because of statements in any health questionnaire submitted by such Contracting Party. If RMHP elects to rescind this Agreement, RMHP shall give at least thirty (30) days notice of its

election to Contracting Party. In the event this Agreement is rescinded for fraudulent statements, acts or omissions, or intentional misrepresentations of material fact, Contracting Party shall pay to RMHP upon demand the cost of Benefits paid or incurred by RMHP on behalf of Contracting Party and Members of the Group.

5. Paragraph 29 of the Group Service Agreement, entitled, "Indemnification by Contracting Party," shall be deleted in its entirety and replaced with the following language:

**Indemnification by Contracting Party.** Contracting Party agrees to and shall hold RMHP harmless from any costs, fees (including reasonable attorneys' fees), expenses, penalties, fines, forfeitures or any other claims or damages resulting to RMHP as a result of any of the following:

- inaccurate information provided to RMHP by Contracting Party,
- Contracting Party's failure to provide information required by this Group Service Agreement,
- Contracting Party's failure to give timely and proper notice to RMHP regarding an employee's eligibility for continuation of coverage,
- any changes made by Contracting Party, including changes made through any alternate health care plan, which result in a loss of grandfathered status of any of Contracting Party's health care plans under PPACA, including the elimination of coverage through an alternate health care plan,
- Contracting Party's failure to give prior written notice to Rocky Mountain regarding any actions Contracting Party intends to take which may affect the grandfathered status of any of Contracting Party's health care plans under PPACA, and
- any dispute arising from any failure to comply with the provisions of Medicare reporting requirements, Colorado Continuation of Coverage Requirements and COBRA or the employer's interpretation or administration of those laws, or as otherwise provided by law.

Except as amended herein, the Group Service Agreement, shall continue in full force and effect.

ROCKY MOUNTAIN  
HEALTH MAINTENANCE ORGANIZATION, INC.



By \_\_\_\_\_  
Michelle Walker, Director – Sales Administration



## ROCKY MOUNTAIN HEALTH PLANS®

We understand Colorado. We understand you.

November 30, 2011

3L - 00694000

Grand Junction Regional Airport Authority  
Attn: Health Benefit Administrator  
2828 Walker Field Dr Ste 301  
Grand Junction CO 81506R667

Dear Valued Employer,

This letter is to notify you of changes to your Group Service Agreement, as a result of the new medical loss ratio (MLR)/rebate requirements under the federal Patient Protection and Affordable Care Act (PPACA). The Group Service Agreement also includes other minor changes as noted below.

PPACA now requires health plans to report their MLR to the Department of Health and Human Services and to distribute rebates to employers and subscribers if minimum MLR targets are not met.

The MLR is the ratio of a health plan's medical expenses to their earned premium for the calendar year. Rocky Mountain Health Plans (RMHP) will file reports in 2012, related to 2011 experience for the following market segments:

- HMO Small Group (up to 50 employees)
- PPO Small Group
- HMO Large Group (51 or more employees)
- PPO Large Group
- Individual

If we report a MLR of less than 80% (for the small group and individual market segments) or less than 85% (for large group market segments) for 2011, we must distribute the difference (under 80% and 85% respectively) in the form of a premium rebate. The rebate amount each employer and subscriber receives is based on the premium contributions they made in 2011.

Since we do not have information regarding employee premium contributions, we will send the entire amount of the rebate to you for you to distribute the employee portion. We will need your help in gathering certain information regarding the rebate distribution.

It is too early to know if RMHP will, in fact, need to distribute rebates in 2012. However, if rebates are due to you and your employees, RMHP will provide detailed guidance to assist in the rebate distribution and reporting requirements.

Enclosed is an addendum to your Group Service Agreement with new provisions to address these new reporting requirements and rebate distribution. Other changes addressed in the addendum include the new Comparative Effectiveness Research (CER) assessment and adding the word "designated" before Evidence of Coverage in various paragraphs.

If you have any questions about this addendum, please contact your broker, your Account Manager, or the Group Management Team at 800-453-2983 Option 1.

Sincerely,

Michelle Walker  
Director, Sales Administration

## ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.

### AMENDMENT TO GROUP SERVICE AGREEMENT

THIS AMENDMENT (Amendment) amends the current Group Service Agreement between Rocky Mountain Health Maintenance Organization, Inc. ("RMHP") and Contracting Party. This Amendment is effective January 1, 2012. All terms defined in the Group Service Agreement shall have the same meaning when used in this Amendment.

1. The following definition is added to paragraph 1 of the Group Service Agreement, entitled "Definitions":

"Health Care Plan" means any prepaid health care plan offered by RMHP which RMHP is authorized by Colorado law to sell and as to which no order or other governmental regulation has been issued which prevents the sale or operation thereof.

2. The current language in paragraph 4 of the Group Service Agreement, entitled "Reporting Requirements," is renamed subparagraph 4.A, and the following language is added as subparagraph 4.B:

Upon RMHP's request, Contracting Party shall timely provide RMHP with all necessary information so that RMHP can comply with the medical loss ratio requirements of the Patient Protection and Affordable Care Act and its implementing regulations ("PPACA"), including, but not limited to, the names and addresses of each Subscriber, the amount contributed by each Subscriber for Premium, and the amount of Premium paid by each Subscriber and Dependents for the applicable time period.

3. The following language is added to paragraph 5 of the Group Service Agreement, entitled "Premiums":

Upon notice to Contracting Party by RMHP, Contracting Party shall distribute any rebates to its past and present Subscribers that RMHP may be required to provide under the PPACA medical loss ratio requirements. Contracting Party shall timely provide to RMHP all records and information required by PPACA in connection with any such rebates, including, but not limited to, the amount contributed by each Subscriber for Premium, the amount of rebate provided to each Subscriber, and the amount of any unclaimed rebate and how it was distributed.

4. Paragraph 7 of the Group Service Agreement, entitled "Assessments," is replaced with the following language:

**Assessments.** Contracting Party shall reimburse RMHP for all assessments imposed upon Colorado carriers based on enrollment and required by state or federal law, including assessments for the "CoverColorado" program and the federal Comparative Effectiveness Research program, and all other pass through assessments, at the time such assessments become due.

5. Paragraph 9 of the Group Service Agreement, entitled "Open Enrollment," is replaced with the following language:

**Open Enrollment.** There shall be an Annual Open Enrollment Period during which Eligible Employees are offered a choice of enrollment under the Agreement or any alternate health care plan available through Contracting Party, subject to any enrollment restrictions applicable to Late Enrollees. The Annual Open Enrollment Period is set forth on the signature page of this Group Service Agreement. Eligible Employees or Dependents who miss their opportunity to enroll may

apply at other than the Annual Open Enrollment Period, subject to late enrollee and special enrollment provisions as provided in the designated Evidence of Coverage.

6. Paragraph 11 of the Group Service Agreement, entitled "Benefits Not in Lieu of Workers' Compensation," is replaced with the following language:

**Benefits Not in Lieu of Workers' Compensation.** Benefits that are provided under the designated Evidence of Coverage are not in lieu of workers' compensation insurance. Contracting Party is required to have in effect during the entire term of this Agreement workers' compensation insurance as required by applicable law for all Eligible Employees.

7. Paragraph 18 of the Group Service Agreement, entitled "False Statements," is replaced with the following language:

**False Statements.** Except as set forth below, any fraudulent statement, act or omission, or intentional misrepresentation of material fact to RMHP with regard to any application, request for enrollment, health questionnaire or other information submitted by Contracting Party to RMHP with respect to the coverage provided pursuant to this Agreement, will render this Agreement subject to rescission at the option of RMHP. If Contracting Party is an Eligible Small Employer and a health questionnaire is not required for issuance of the designated Health Care Plan for such Contracting Party, then this Agreement is not subject to rescission by RMHP because of statements in any health questionnaire submitted by such Contracting Party. If RMHP elects to rescind this Agreement, RMHP shall give at least thirty (30) days notice of its election to Contracting Party and each affected Subscriber. In the event this Agreement is rescinded for fraudulent statements, acts or omissions, or intentional misrepresentations of material fact, Contracting Party shall pay to RMHP upon demand the cost of Benefits paid or incurred by RMHP on behalf of Contracting Party and Members of the Contracting Party.

8. The following language is added at the end of paragraph 29 of the Group Service Agreement, entitled "Indemnification by Contracting Party":

- any failure by Contracting Party to comply with the PPACA medical loss ratio rebate and reporting requirements.

Except as amended herein, the Group Service Agreement, shall continue in full force and effect.

ROCKY MOUNTAIN  
HEALTH MAINTENANCE ORGANIZATION, INC.



By \_\_\_\_\_  
Michelle Walker, Director - Sales Administration



**ROCKY MOUNTAIN  
HEALTH PLANS®**

We understand Colorado. We understand you.

March 1, 2012

3L - 00694000

Grand Junction Regional Airport Authority  
2828 Walker Field Dr Ste 301  
Grand Junction CO 815068667

Dear Valued Employer:

In November, Rocky Mountain Health Plans (RMHP) notified you of changes to your Group Service Agreement, primarily around the medical loss ratio (MLR) provisions of the Patient Protection and Affordable Care Act (PPACA).

Amended regulations were issued after we sent you this notice. The new regulations eliminate some of the reporting requirements regarding the rebate distribution and provide separate rebate distribution options for church groups.

Enclosed is an addendum to your Group Service Agreement (GSA) with new provisions to address these new reporting requirements and rebate distribution.

Other modifications made to your GSA include:

- Clarification that benefits for Members will cease on the date of termination of the Group Service Agreement under "Payment of Premiums" and "Effect of Termination".

If you have any questions about this addendum, please contact your broker, your Account Manager, or the Group Management Team at 800-453-2981 Option 1.

Sincerely,

Michelle Walker  
Director, Sales Administration

**ROCKY MOUNTAIN HEALTH MAINTENANCE ORGANIZATION, INC.  
AMENDMENT TO GROUP SERVICE AGREEMENT**

THIS AMENDMENT (Amendment) amends the current Group Service Agreement between Rocky Mountain Health Maintenance Organization, Inc. ("RMHP") and Contracting Party. This Amendment is effective April 1, 2012. All terms defined in the Group Service Agreement shall have the same meaning when used in this Amendment.

- 1. Subparagraph 4.B of the Group Service Agreement is amended as follows:

Upon RMHP's request, Contracting Party shall timely provide RMHP with all necessary information so that RMHP can comply with the medical loss ratio requirements of the Patient Protection and Affordable Care Act and its implementing regulations ("PPACA").

- 2. Paragraph 5 of the Group Service Agreement, entitled "Premiums," is amended as follows:

Premiums under the Agreement are set forth on Attachment II. Premiums shall be set by RMHP as provided on Attachment II. Premiums are subject to change by RMHP on the Contracting Party's Anniversary Date or, for large groups, if there is an increase or decrease in the number of Members covered by RMHP under this Agreement which equals or exceeds: (a) 10% when the number of Members on the first day of a calendar month is compared to the number of Members on the first day of the immediately prior calendar month; or (b) 20% when the number of Members on the first day of a calendar month is compared to the number of Members on the first day of the calendar month which is three (3) months earlier. Notwithstanding the previous sentence, RMHP may change Premiums at any time upon notice to Contracting Party at least thirty (30) days prior to the effective date of the change.

Upon notice to Contracting Party by RMHP, Contracting Party shall provide any Premium rebates to its Subscribers as required under the PPACA medical loss ratio requirements. Contracting Party shall timely provide to RMHP all records and information required by PPACA in connection with any such rebates.

If Contracting Party is not a governmental plan and is not otherwise subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Contracting Party hereby agrees that any rebates required under the PPACA medical loss ratio requirements, if paid by RMHP to Contracting Party, shall be used for the benefit of Contracting Party's Subscribers, through one of the following methods: (i) for all Subscribers covered under any option offered under Contracting Party's group health plan at the time the rebate is received by Contracting Party, to reduce the Subscribers' portion of Premium for the subsequent policy year; (ii) for Subscribers covered, at the time the rebate is received by the Contracting Party, under the group health plan option for which RMHP is providing a rebate, to reduce the Subscribers' portion of Premium for the subsequent policy year; or (iii) a cash refund to Subscribers enrolled in the group health plan option, at the time the rebate is received by Contracting Party, for which RMHP is providing a rebate.

The reduction in future Premium or the cash refund provided under (i), (ii) or (iii) above, may, at the option of Contracting Party, be divided evenly among such Subscribers; divided based on each Subscriber's actual contributions to Premium, or apportioned in a manner that reasonably reflects each Subscriber's contributions to Premium. Contracting Party agrees to provide any



further written assurances that may be required under PPACA, such that RMHP can distribute rebates to Contracting Party.

3. Paragraph 6 of the Group Service Agreement, entitled "Payment of Premiums," is amended as follows:

On or before the first day of each month for which Benefits are payable, Contracting Party shall pay to RMHP Premiums due under the Agreement (as set forth in Attachment II) for all Members enrolled in RMHP, and shall provide to RMHP all supporting information on eligible Members. If Contracting Party fails to pay monthly Premiums when due, RMHP may at its option and in its discretion notify eligible Members enrolled under this Group Service Agreement that Contracting Party has failed to pay monthly Premiums when due and that Benefits will be provided only through the date of termination.

4. Subparagraph 16(D) of the Group Service Agreement, entitled "Effect of Termination," is amended as follows:

In the event of termination of this Group Service Agreement, the designated Evidence of Coverage shall terminate and Benefits under the designated Evidence of Coverage shall cease for all Members on the date of termination of this Group Service Agreement.

5. The second sentence of subparagraph 20(B) of the Group Service Agreement, entitled "Arbitration Procedures," is amended as follows:

The arbitration shall be initiated by personal service of a demand for arbitration on the other party within such thirty (30) day period or by giving notice of the demand for arbitration to the other party in accordance with paragraph 23 within such thirty (30) day period, provided that any mailing of the demand for arbitration is made by certified mail, return receipt requested.

Except as amended herein, the Group Service Agreement, shall continue in full force and effect.

ROCKY MOUNTAIN  
HEALTH MAINTENANCE ORGANIZATION, INC.



By \_\_\_\_\_  
Michelle Walker, Director - Sales Administration



**ROCKY MOUNTAIN  
HEALTH PLANS®**

We understand Colorado. We understand you.

August, 2013

Grand Junction Regional Airport Authority  
800 Eagle Dr  
Grand Junction, CO 815068600

3L - 00694000

Dear Grand Junction Regional Airport Authority:

Your current Group Service Agreement with Rocky Mountain Health Plans (RMHP) has been updated to address some new requirements and policies resulting from the Affordable Care Act (ACA).

- New reporting requirements are expected to take effect in 2015. RMHP modified this paragraph to address these changes.
- Grace Periods will be introduced as a new term in your Group Service Agreement.
- Assessments required by the ACA are addressed.
- Open Enrollment provisions were modified to delete the term "Late Enrollee".
- Family and Medical Leave Act is updated to include the extended FMLA available to a covered service member.
- Conversion Rights are removed as conversion plans will be discontinued in 2014.
- The False Statements provision was modified to remove any reference to completion of a health questionnaire.

Please retain this Amendment with your existing RMHP Group Service Agreement.

Thank you for your continued partnership with Rocky Mountain Health Plans. If you have any questions regarding this Amendment, please contact your broker, Account Manager or the RMHP Group Management Team.

Sincerely,

Michelle Walker  
Director – Sales Administration

3L-00694000

## Grand Junction Regional Airport Authority

### Agenda Item Summary

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<b>TOPIC:</b>	Food, Beverage & Gift Concession Award Committee
<b>PURPOSE:</b>	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
<b>RECOMMENDATION:</b>	The committee recommends the Board approve the Airport Facilities Lease and Concession Agreement and authorize the Board Chairman to execute the document.
<b>LAST ACTION:</b>	Two board members and two airport staff were appointed to a special committee to review the proposals submitted for the food, beverage and retail concession to make a recommendation to the Board of Commissioners at the February meeting for award.
<b>DISCUSSION:</b>	<p>The committee reviewed 4 proposals. After applying the evaluation criteria in the RFP, the Tailwind RFP was selected. Tailwind currently holds contractual agreements for providing food, beverage and retail concession services at fourteen airport locations across the United States.</p> <p>Tailwind uses the a point of sale (POS) system at all of its locations that allows detailed keystroke reporting and can be monitored remotely real time. The POS will alert to unusual activity and the camera systems allow security to monitor activity.</p> <p>Project highlights:</p> <ol style="list-style-type: none"><li>1. Reconfigure the existing food service space</li><li>2. Add a sit down U-shaped bar with increased seating</li><li>3. Remodel retail space to be more accessible</li><li>4. Add energy efficient cooking equipment</li><li>5. Develop a pre-security food and beverage service</li></ol> <p>Menu:</p> <p>Offering breakfast items, burgers, burritos, pizza, hot and cold sandwiches, freshly prepared wraps, appetizers, soups &amp; salads. There will also be grab 'n go selections such as bagels, yogurt, health bars, wraps &amp; sandwiches. Tailwind wants to work closely with local suppliers, such as breweries.</p>
<b>FISCAL IMPACT:</b>	The 2016 budget had a net revenue for food and beverage operations of \$55,000 and retail operations of \$28,000. Tailwind has an expected revenue payable to the Airport of \$115,000 to \$128,000.

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**ATTACHMENTS:** Airport Facilities Lease and Concession Agreement  
Temporary Management Agreement

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

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**AIRPORT FACILITIES LEASE AND CONCESSION AGREEMENT**

**Grand Junction Regional Airport**

**Grand Junction, Colorado**

DRAFT

**Lessee: Tailwind GJT, LLC**

**Dated: February 16, 2016**

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EXHIBIT A: Diagram of retail and food & beverage location

**AIRPORT FACILITIES LEASE AND CONCESSION AGREEMENT  
GRAND JUNCTION REGIONAL AIRPORT**

THIS LEASE, is made as of February 16, 2016, between the Grand Junction Regional Airport Authority, a public airport authority organized under the laws of Colorado, and having its office at 2828 Walker Field Drive, Grand Junction, Colorado 81506 (the "Lessor"), and Tailwind GJT, LLC, a limited liability company, having a principal address of 408 Landmark Drive, Wilmington, NC 28412 ("Lessee").

**RECITALS**

The parties recite and declare that:

- A. The Lessor is operator and proprietor of the Grand Junction Regional Airport (the "Airport"), located in the City of Grand Junction, Mesa County, Colorado;
- B. The Provision of high quality and reasonably priced food, beverage and retail items at the Airport are desirable for the proper accommodation of passengers arriving at and departing from the Airport; and
- C. The Lessor desires to make such items available at the Airport, and Lessee is qualified, ready, willing and able to offer and perform such services under the terms of this Lease.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein, the Lessor grants Lessee the rights set forth herein, subjects to the terms and conditions set forth below, with which Lessee agrees to comply:

**I. DEFINITIONS:**

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

- 1.1** "Airport" is the Grand Junction Regional Airport located in Mesa County, Colorado
- 1.2** "Airport Management" means the Senior Management of the Airport as may be designated by the Board of Commissioners, or his or her designee.
- 1.3** "Terminal" is the Passenger Terminal Building at the Airport.



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

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

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

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

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

## II. USE OF AIRPORT FACILITIES

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

2.1.1 Lessee shall have the right to sell to the public in the Terminal the items as may be approved by Lessor or its designee pursuant to Lease paragraph 2.1.2

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

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

### III. OBLIGATIONS OF LESSEE

- 3.1 Rentals and Charges.  
On or before the 1st day of each full month during the term of this Agreement, Lessee shall pay to the Lessor, an amount equal to one-twelfth (1/12th) of its guaranteed annual minimum concession rental ("MAG") for each yearly period set forth in its bid proposal of \$60,000. On or before the 15th day of each full month during the term of this Agreement, Lessee shall pay to the Lessor, an amount, if any, by which:

Rent as a percentage of sales:

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

Food, beverage and retail – 10%

Liquor – 12%

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

Food, beverage and retail – 12%

Liquor – 14%

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

Food, beverage and retail – 14%

Liquor – 16%

for the prior month exceeds its MAG for the prior month. Said payment shall be made at the Airport office. At the same time that Lessee makes this payment, Lessee shall provide the Lessor with an itemized statement showing the amount of gross revenues, as defined herein, Lessee enjoyed during the preceding calendar month, broken down by gross revenues derived from business transactions that occurred from the Airport (if Lessee also maintains an off-Airport business location).

Semiannually if the total of monthly payments described in the above paragraph are greater than an amount equal to the MAG for said year, and also higher than an amount equal to (insert bid percentage) of Lessee's gross revenue for said period, then any amount in excess of the higher of those two numbers shall be credited to Lessee's payment due for the second month of the succeeding agreement semi-annual period. If such a payment overage occurs in the last agreement year of the term of this Agreement, and Lessee does not enter into a successor concession agreement with the Lessor, then the Lessor shall refund the overpayment to the Lessee within 60 days after expiration of this Agreement. In the event that this Agreement is sooner terminated as a result of Lessee's default, the Lessor may retain any such overpayment as a setoff against damages owed for Lessee's breach, if any.

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

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

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

**3.2** **Terms and Conditions of Payment.**

- 3.2.1** On or before the 15th day of each month (or if that day shall fall on a Saturday, Sunday or holiday, the following business day), Lessee shall furnish Lessor a separate statement for Gross Revenues received under paragraph 3.1 above, and shall simultaneously pay Lessor amounts due thereunder. If any such statement and/or the Gross Revenue payment is not furnished and/or made to Lessor by the date due, Lessee shall pay Lessor an additional 2.5% of such Gross Revenue as a late fee, and not as liquidated damages or penalty. All such payments shall be made by Lessee to Lessor without notice or demand at its offices in the Terminal.
- 3.2.2** If any fee or charge, other than that due under paragraphs 3.1.1 and/or 3.1.2 above, is not paid within the calendar month of the due date, Lessee shall pay a late charge equal to 3% per month on the unpaid balance, accruing from the date due until paid.
- 3.2.3** Notwithstanding the term expiration date set forth in Section 5.1, on or before the 15th day after the last day of each calendar quarter of the Term of this Lease, (or if that day shall fall on a Saturday, Sunday or holiday, the following business day), Lessee shall furnish Lessor a statement of Gross Revenue, unaudited expenses and other information on Lessee's operations from the immediately preceding calendar quarter on such forms as the Airport Management may reasonably require, which forms may require more detailed information, documentation and verification at the end of each calendar year. Such information shall also be provided by Lessee at other times during the Term upon written request of Lessor, not to exceed twice in any calendar year.
- 3.2.4** Lessee shall, during the Term, keep on the Premises or at a location made known to Lessor by Lessee in Mesa County, Colorado, for a period of thirty (30) consecutive months following the end of each month during the Term, complete and accurate records of all original sales records and sales slips or sales checks, cash register tapes and other pertinent original sales records.

- 3.2.5** Lessor shall have the right at any reasonable time to examine all records maintained by Lessee under subsection 3.2.4 of this Lease and to have an audit prepared, at Lessor expense, by an independent Certified Public Accountant. Provided, however, that in the event there is a discrepancy in excess of 5% of Gross Revenues between Lessee's statements, required by subsections 3.2.1 and 3.2.3 of this Lease, and such independent audit, Lessee shall bear the cost of such audit.
- 3.2.6** Lessee shall prepare a description of its cash handling and sales recording systems and equipment which shall be submitted to the Lessor or its designee for approval. When so approved, such systems and equipment, including any approved revisions, shall be utilized by Lessee in its operations at the Airport.
- 3.2.7** Lessee shall accurately record each sale on a point of sale register acceptable to the Airport Management. Such register shall be non-resettable and sufficient to supply an accurate record of all sales, on tape or otherwise, as directed by the Airport Management. Such register shall have a counter visible to the purchaser.
- 3.3** **Maintenance of Premises.** Except as expressly provided to the contrary herein, Lessee shall be responsible for cleaning and maintaining the Premises and its equipment, including but not necessarily limited to the following:
- 3.3.1** Operating and maintaining the Premises, including its floors, and the furniture, fixtures and equipment installed therein and thereon, all in good order, condition and repair, in clean condition and appearance at all times, and upon termination of this Lease delivering up the Premises to Lessor in good order, condition and repair, reasonable wear and tear excluded.
- 3.3.2** Establishing an adequate preventative maintenance program for the Premises which shall be subject to periodic review by the Airport Management. The program shall include, without limitation, the cleaning of inside windows, doors inside and outside, and the cleaning and repair of all floors, interior walls, ceilings, lighting, decor and equipment located on the Premises, and the routine maintenance of all such equipment. Regardless of Lessee's compliance with its preventive maintenance program, Lessee shall clean such surfaces and equipment on the Premises immediately upon being instructed to do so by the Airport Management or by other governmental agencies having authority.

**3.4 Insurance.**

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

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

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

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

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

**3.4.2 If at any time during the term of this Lease Lessee shall fail to obtain and maintain insurance required in subparagraph 3.4.1, Lessor may affect such insurance by taking out policies in companies satisfactory to Lessor. The amount of the premium or premiums paid for such insurance by Lessor shall be immediately payable by Lessee to Lessor as additional rent upon receipt of notice that such premiums have been paid.**

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

**3.5 Indemnification of Lessor. Lessee agrees to indemnify and hold Lessor harmless against all liability for injuries to persons or damage to property caused by**

Lessee's negligent operations at and from the Airport, or negligent use or occupancy of the Premises, other than injuries or damage caused by the gross negligence or willful misconduct of Lessor.

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

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

**3.6.2** it will obtain the prior approval of Lessor of all items offered for sale by Lessee from the Premises;

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

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

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

**3.6.6** it will be open for business 365 days a year, at all times reasonably necessary to serve the public, which in the absence of Lessor's agreement in writing to the contrary shall be, on each calendar day during the Term, from one hour before the first scheduled flight until at least 6:00 p.m.; provided that if the schedules of commercial flights shall hereafter be changed, or if alternative service is authorized by Lessor, the Lessor may make adjustments to the hours of operation accordingly, and Lessee agrees to abide by such reasonable adjustments. Lessor shall be authorized to grant exemptions from the schedule set forth above, if Lessor in its discretion determines that as a result of unanticipated circumstances, such hours of operation are not necessary to serve the public.

**3.6.7** it will obtain and maintain all necessary certificates, permits and licenses required for its operations hereunder;

- 3.6.8 it will display only advertising matter relating to the authorized business of Lessee at the Airport which is in good taste and which complies with the standards of Lessor and will obtain the prior approval of the Airport Management of all advertising material, including the use of brand name products on its packaging;
- 3.6.9 at all times Lessee's employees performing services shall be neat, appropriately attired, clean and courteous; Lessee shall not permit its agents or employees so engaged to conduct business in a loud, noisy, boisterous, offensive or objectionable manner, to smoke on duty in public view, or to solicit business outside the Premises in any manner whatsoever except through the use of authorized signs;
- 3.6.10 it will meet all expenses in connection with the use of the Premises and the rights and privileges herein granted, including without limitation, taxes, permit fees, license fees and assessments lawfully levied or assessed upon the Premises or structures and improvements situated thereon, and that it will secure all such permits and licenses;
- 3.6.11 it will not interfere with free access and passage in the Terminal generally; will not interfere with effectiveness of heating or ventilating systems; will not install unauthorized locks on any door or window, a key to which has not been provided to the Airport Management; will not permit loitering or sleeping on the Premises; nor do any act which would invalidate, suspend or increase the rate of fire, property or liability insurance required by this Lease or carried by Lessor; and
- 3.6.12 it will operate at the Airport only under a name or names approved by Lessor from time to time.
- 3.7 New Government Regulation. In the event Lessor is required to make additional direct expenditures in connection with the implementation of any future federal regulation imposed upon Lessor as a result of Lessee's operation during the term of this Lease, Lessor may call a conference for the purpose of discussing and determining methods of compliance and recovery from Lessee and other affected lessees of cost so incurred, and Lessee agrees to attend and negotiate in good faith regarding its participation in recovery of such costs.
- 3.8 Manager. Lessee shall select and appoint, a principal, partner or officer who shall serve as manager of Lessee's operations at the Airport. Such person must be vested with full power and authority to accept service of all notices provided



for herein, including those regarding the quality of restaurant and retail goods, and the appearance, conduct and demeanor of Lessee's agents and employees. The manager shall ordinarily be available during regular business hours and shall inform the Airport Management of current telephone/fax numbers of the local office.

### 3.9 Security Requirements.

- 3.9.1 Lessee shall provide approved escort for vendor employees, contractors and delivery personnel requiring access to the sterile area of the Terminal.
- 3.9.2 Lessee shall make future necessary improvements to Lessee's Premises to ensure adequate security, and separation from areas where security measures are carried out under the Lessor's Airport Security Program (the "ASP"), any other Tenant Security Programs, and any exclusive areas in which an airline has assumed responsibility for specified security measures by amendment to the ASP.
- 3.9.3 Lessee shall comply with any applicable provisions of the Lessor's ASP, Security Directives issued by TSA, and any applicable rules and regulations which may be promulgated by TSA from time to time, which have been provided to Lessee ("Security Requirements" hereinafter). The Lessor shall provide Lessee with amended or updated Security Requirements when promulgated, and Lessee shall acknowledge receipt pursuant to paragraph 3.13.7 below. Lessee shall submit to inspections by TSA, the Lessor and/or their security screening contractor, to ensure compliance, with Security Requirements.
- 3.9.4 Any violation of conformance with Security Requirements will be documented in writing and a copy of the violation notice provided to the Lessee's Manager in writing. Lessee will investigate the violation and provide a written response and/or corrective action within twenty four (24) hours. A copy of the response will be provided to the Lessor.
- 3.9.5 To the extent that any action or omission by Lessee, its officers or employees, to follow Security Requirements results in the Lessor being fined, including any type of monetary assessment or penalty (collectively, a "Fine"), by TSA or any other governmental entity having jurisdiction, Lessee shall promptly reimburse the Lessor for any such Fine, together with the reasonable costs incurred by the Lessor in defending against the proceeding or actions which has resulted in the Fine. The Lessor shall notify Lessee if any

such Fine has been proposed, and give Lessee the opportunity to join in the defense of any such proceeding. Lessee shall promptly pay any Fine levied directly against Lessee by TSA or any other governmental entity having jurisdiction, as soon as any protest or appeal process have run or the time for taking them has expired.

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

3.9.7 Lessee acknowledges that all Security Requirements which are shown or provided to it under paragraph 3.13.3 above, are sensitive security information ("SSI") in accordance with 49 CFR Part 1520, that Lessee and any involved persons are required to protect the same from unauthorized disclosure, and that civil penalties may be imposed for failure to do so. The Lessee's general manager (the "Manager") is the designated primary point of contact for receiving any SSI which Lessee receives. The Manager will acknowledge receipt of SSI to the Lessor, and confirm any actions taken by Lessee as required by the SSI. All SSI materials shall be stored in secured areas, or locked in secured cabinets, within the Lessee's Premises at the Airport. Materials marked as containing SSI shall be disposed of by shredding.

#### IV. OBLIGATIONS OF LESSOR

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

4.2 Maintenance and Utilities.

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

4.2.2 The Lessor shall provide electricity and HVAC to the Premises, so long as Lessee uses no more than is customary for the type of business operated.

## V. TERM

- 5.1** Term. Subject to earlier termination as hereinafter provided, the primary term of this Lease shall be for five (5) years, commencing on May 1, 2016 and ending on April 30, 2021, with an option to extend the term of the contract by two (2) additional one (1) year terms at the sole discretion of the Airport.
- 5.2** Holding Over. Holding over or failure to vacate the Premises at the end of the primary or any renewal term shall not be construed to be the granting or exercise of an additional term, but shall create only a month-to-month tenancy which may be terminated by either party upon thirty (30) days notice to the other.
- 5.3** Terminal Remodel and Reconfiguration. The parties acknowledge that the Lessor operates the Airport to serve the public interest. The Lessor acknowledges that it does not currently intend to modify the Terminal during the term of this Lease. Nonetheless, in the event the Lessor determines that the public interest requires modification of the Terminal, to eliminate all or a substantial part of the Premises, or constructs a substitute Terminal building during the term of this Lease, then
- 5.3.1** To the extent reasonably requested by the Lessor, Lessee agrees to consult and cooperate in the design of substitute Premises in such a remodeled Terminal; and
- 5.3.2** At the Lessor's option, and providing that any substitute Premises in a remodeled Terminal building are not less in square footage than the current Premises, this Lease shall apply to such substitute Premises, and Lessee agrees to conduct its operations therein pursuant to this Lease.

## VI. TERMINATION, SURRENDER AND DAMAGES

- 6.1** Termination by Lessee. Lessee shall have the right, upon written notice to Lessor, to terminate the Lease upon the happening of one or more of the following events if said event or events shall then be continuing:
- 6.1.1** The issuance by any court of competent jurisdiction of any injunction, order or decree which remains in force for a period of at least ninety (90) days, preventing or restraining the use by Lessee of all or any substantial part of

the Premises, or preventing or restraining the use of the Airport for normal airport purposes or the use of any part thereof which may be used by Lessee and which is necessary for Lessee's operations on the Airport.

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

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

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

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

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

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

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

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

- 6.2.5** An act occurs which results in the suspension or revocation of any right, power, license, permit or authority necessary for the conduct and operation of the business authorized herein for a period of more than fifteen (15) days.
- 6.2.6** The interest of Lessee under this Agreement is transferred, passes to or devolves upon, by operation of law or otherwise, any other person, firm or corporation without the written consent of Lessor.
- 6.2.7** Lessee becomes, without the prior written approval of Lessor, a successor or merged corporation in a merger, a constituent corporation in a consolidation or a corporation in dissolution.
- 6.2.8** An attachment or execution is levied, a receiver is appointed, or any other process of any court of competent jurisdiction is executed, which is not vacated, dismissed or set aside within a period of thirty (30) days, and which does, or as a direct consequence of such process will, interfere with Lessee's use of the Premises or with its operations under this Agreement.
- 6.2.9** Lessee becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any state, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property or its property located within the Premises.
- 6.2.10** Service ceases or deteriorates for any period which, in the opinion of Lessor, materially and adversely affects the operation of service required to be performed by Lessee under this Agreement, including events described in the paragraph above.
- 6.2.11** Any lien is filed against the Premises because of any act or omission of Lessee and such lien is not removed, enjoined or a bond for satisfaction of such lien is not posted within thirty (30) days.
- 6.2.12** Lessee voluntarily abandons, deserts, vacates or discontinues its operation of the business herein authorized, including by acts described in the paragraph above. Upon any such default, Lessor shall have any and all remedies available to it in law or equity, which remedies are cumulative and may be exercised by Lessor in any order.

6.3 Surrender of Possession.

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

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

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

6.5 Damage or Destruction of Premises.

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

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

service area or may remove the same temporarily during such repair or remodeling.

**6.5.3** Notwithstanding any of the foregoing, in the event any damage or destruction is caused by a negligent act or omission by Lessee, its subleases, agents or employees, Lessee shall reimburse Lessor for its actual costs incurred in repairing the Premises. Nothing in this Lease shall be construed as a waiver of the right of Lessor to recover damages from Lessee arising out of the fault or negligence of Lessee.

## VII. ASSIGNMENT AND SUBLETTING

**7.1** Assignment and Subletting. Lessee shall not at any time assign or sublet their rights under this Lease or any part thereof without the written consent of Lessor. No such assignment or subletting shall release Lessee from its obligations to pay any and all of the rentals and charges and to otherwise perform Lessee's obligations under this Lease.

**7.2** Successors to Lessor. The rights and obligations of Lessor under this Lease may be assigned by Lessor, at the option of Lessor, without the necessity for the concurrence of the Lessee in any such assignment.

## VIII. OTHER AGREEMENTS

**8.1** Rules and Regulations. Lessee agrees to observe and obey all laws, ordinances, rules and regulations presently existing or hereafter promulgated with respect to Lessee's operations and use of the Airport and Premises. Nothing herein shall limit the right of Lessee to challenge any rule or regulation, or the application of such rule or regulation to Lessee, or to seek any legal or equitable remedy including, but not limited to, those set forth in Colorado Statute Section 16-3-114(c)(ii) as it now exists or may hereafter be amended.

**8.2** Lease Subordinate.

**8.2.1** Lessor shall be free, in the future, to renegotiate the Agreement on such terms and conditions as it deems appropriate and in the public interest, without any consent or approval of Lessee or any other person, and Lessee shall be bound by the terms of such renegotiated agreement.

**8.2.2** This Lease shall be subordinate to any existing or future agreement between Lessor and the United States relative to the operation or maintenance of the

Airport, the execution of which has been or may be required as a condition to the expenditure of federal funds for development of the Airport.

- 8.3** Non-Discrimination. Lessee, in its operations at and use of the Airport, shall not, on the grounds of race, color, national origin or sex, discriminate or permit discrimination against any person or group of persons in any manner prohibited by applicable law; shall abide by the provisions of the non-discrimination provision contained in the Agreement; and shall abide by the provisions of Part 21 of the Rules and Regulations of the Office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964.
- 8.4** Inspection by Lessor. Lessor, through its authorized employees and agents, shall have the right at all reasonable times to enter upon the Premises to inspect, to observe the performance by Lessee of its obligations hereunder, and to do any act which Lessor may be obligated to do or have the right to do under this Lease, or under any other agreement to which Lessor is a party or under applicable law.
- 8.5** Service Entrances. Lessor shall have no obligation to provide any special service entrances, including those for utilities, other than those which presently exist in the Terminal. In the event Lessee requires any additional or special service entrances, the same shall be installed at the cost and expense of Lessee.
- 8.6** Improvements on the Premises.
- 8.6.1** Lessee shall provide construction plans, specifications, budgets and schedules for any and all proposed improvements on the Premises. Such plans and specifications shall be subject to Lessor approval. Lessor may reject submissions which are not in accordance with applicable codes, rules, regulations, ordinances and statutes, and which, in its judgment, are inadequate or incompatible with Airport conditions or inconsistent with Airport architectural style and design or with uses not typically made of public use airports.
- 8.6.2** Prior to any construction of improvements, Lessee shall submit to the Airport Management certificates establishing coverage for workers compensation in the amounts and form required by Colorado law, together with all permits and licenses required for construction of such improvements.
- 8.6.3** Any and all improvements placed or constructed on the Premises by Lessee shall, upon termination or sooner expiration of this Lease, be considered part of the Terminal and shall become the sole property of Lessor.



8.7 Disadvantaged Business Enterprise.

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

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

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

8.8 Bankruptcy. Notwithstanding anything herein to the contrary, in the event that a petition for relief under Title 11 of the United States Code or under any similar or successor federal, state, or local statute is filed by or against the Lessee (a "Filing"):

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

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

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

**8.8.4** If Lessee determines that it wishes to assume this Lease and assign it to a third-party, Lessee will give the Lessor not less than 60 days notice of such intention, provide to the Lessor all pertinent information with respect to the proposed assignee concurrently with the notice, cure all defaults, compensate the Lessor for all damages incurred as a result of such defaults, provide the Lessor with adequate assurances of future performance through the proposed assignee and comply with any and all other statutory or legal requirements prior to the effective date of such assumption and assignment.

**8.8.5** If Lessee wishes to reject the unexpired term of the Lease, if any, Lessee will not seek to have the effective date of such rejection determined to be a date earlier than the date on which Lessee shall return control and possession of the Preferential Premises to the Lessor in the condition and on the terms set forth herein relevant to the redelivery of possession to the Lessor, and shall fully and timely pay all rent and other charges through the date of such rejection.

**8.8.6** Lessee shall be deemed to have expressly consented to the modification of the stays of proceedings in any Filing in the event of any post-Filing default by the Lessee under the terms of this Lease for the purpose of allowing the Lessor to exercise any default rights or remedies arising from such default.

**8.9** **Reservation of Lessor Rights.** Notwithstanding anything herein to the contrary, the Lessor reserves the following rights:

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

**8.9.2** During time of war or national emergency, the right to lease the Airport or any part thereof, including the Premises or any part thereof, to the United States Government for military purposes, and, in the event of such lease to the United States for military purposes, the provisions of this Lease shall be suspended insofar as such provisions may be inconsistent with the provisions of the lease to the United States.

**8.9.3** The right to direct all activities of Lessee at the Airport in the event of an emergency.

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

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

#### IX. MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

- 9.6** Severability. Any covenant, condition or provision herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Lease, but such deletion shall in no way affect any other covenant, condition or provision herein contained so long as such deletion does not materially prejudice Lessor or Lessee in their rights and obligations contained, in valid covenants, conditions or provisions.
- 9.7** Effect of Lease. All covenants, conditions and provisions in this Lease shall extend to and bind the successors of the parties hereto, the assigns of Lessor and to the permitted assigns of Lessee.
- 9.8** Notices. Notices and demands provided for herein shall be sufficient if hand delivered; sent by Certified Mail, Return Receipt Requested, postage prepaid; or sent via nationally recognized overnight courier service; to the addresses set forth above or to such other addresses as the parties may from time to time designate in writing. Notices given in accordance with these provisions shall be deemed received when mailed.
- 9.9** Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Colorado, and any action to enforce or interpret its provisions shall be brought in a court in and for Mesa County, Colorado.
- 9.10** Entire Agreement. This Lease embodies the entire agreement between the parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposals, negotiations, understandings and agreements, whether written or oral, provided, however, that Lessee's proposal submitted to Lessor with respect to the operations authorized by this Lease, shall be attached hereto as Exhibit B and shall become a part of this Lease as if fully set forth herein, and Lessee shall be bound to provide the services and execute the plans set forth therein. All of Lessee's operations on or from the Airport are subject to this Lease.
- 9.11** Nature of Relationship. Nothing contained herein shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture, or any association between Lessor and Lessee, it being expressly understood and agreed that neither the method of

computation of rent nor any other provisions contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

9.12 Modification of Agreement. This Lease may not be altered, modified or changed in any manner whatsoever except by a writing signed by both parties.

DRAFT

**IN WITNESS WHEREOF**, the parties have executed this Lease on the 16<sup>th</sup> day of February 2016, effective as of the day and year first above written.

Tailwind GJT, LLC.

\_\_\_\_\_

By: Alan Giaquinto  
CEO, Tailwind GJT, LLC

Grand Junction Regional Airport Authority

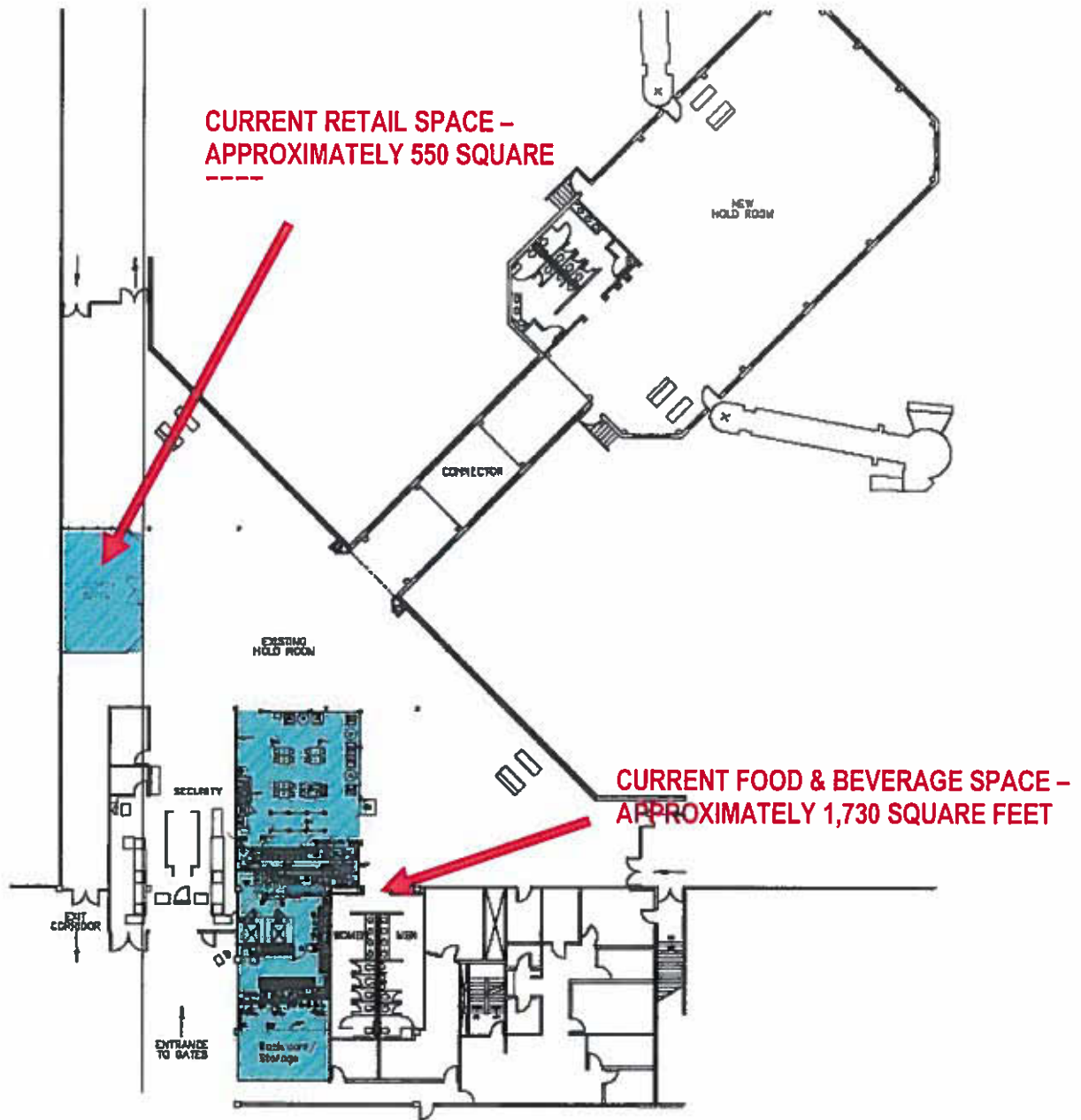
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By: Steve Wood  
Chairman, Board of Commissioners  
Grand Junction Regional Airport Authority

DRAFT

APPENDIX A

NOTE: SHADED AREAS DELINEATE CURRENT FOOD, BEVERAGE, AND RETAIL SPACES.



**TEMPORARY MANAGEMENT AGREEMENT  
FOR AIRPORT FOOD & BEVERAGE CONCESSIONS**

by and between

TAILWIND GJT, LLC

(as "MANAGER")

and

GRAND JUNCTION REGIONAL AIRPORT AUTHORITY

(as "OWNER")

Dated as of

February 16, 2016



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## TEMPORARY MANAGEMENT AGREEMENT

**THIS MANAGEMENT AGREEMENT** (“Agreement”) is executed as of the \_\_\_\_\_ day of (“Effective Date”), between GRAND JUNCTION REGIONAL AIRPORT AUTHORITY (“Owner”), 800 Eagle Drive, Grand Junction, Colorado 81506, and TAILWIND GJT, LLC. (“Manager”), 408 Landmark Drive, Wilmington, NC 28412.

### RECITALS

- A. GRAND JUNCTION REGIONAL AIRPORT is the owner of fee title to the parcel of real property (the “Site”) described on Exhibit A, which is attached to this Agreement and incorporated by reference herein.
- B. The Site has been improved with food and beverage (“Restaurant”) services containing approximately 1,730 square feet, including restaurant, customer seating area, kitchen/prep, storage, and administrative offices (collectively, the “Restaurant Improvements”).
- C. Owner currently owns the franchise rights to operate Subway and maintains a liquor license with the City of Grand Junction.
- D. Owner desires to engage Manager to manage and operate the Restaurant on an interim basis to fulfill Restaurant services including all liquor sales and Manager desires to accept such engagement upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner and Manager agree as follows.

## ARTICLE I

---

### 1.1 Management of Restaurant

Owner hereby appoints and employs Manager to supervise, direct and control the management and operation of the Restaurant for the Term. Manager accepts said appointment and agrees to manage and operate the Restaurant during the Term in accordance with the terms and conditions hereinafter set forth.

### 1.2 Delegation of Authority

The operation of the Restaurant shall be under the supervision and control of Manager which, except as otherwise specifically provided in this Agreement, shall be responsible for the proper and efficient operation of the Restaurant. In fulfilling its obligations under this Agreement, Manager shall act as a reasonable and prudent operator of the Restaurant. Manager shall operate the Restaurant with the goal of achieving high customer service and profitability. Subject to the terms hereof, Manager shall have discretion and control in all matters relating to management and operation of the Restaurant, free from interference, interruption or disturbance, but in all respects subject to the provisions of this Agreement.

### 1.3 Management Responsibilities

A. Manager shall manage the Restaurant in accordance with the standards set forth in this Agreement and perform each of the following functions with respect to the Restaurant:

- i. Provide food and beverage services, including the sale of alcoholic beverages.
- ii. Establish employment policies and recruit, employ, supervise, direct and discharge the employees at the Restaurant.
- iii. Establish prices, rates and charges for services provided in the Restaurant.
- iv. Establish and revise, as necessary, administrative policies and procedures, including policies and procedures for the control of revenue and expenditures, for the purchasing of supplies and services, for the control of credit, and for the scheduling of maintenance, and verify that the foregoing procedures are operating in a sound manner.
- v. Receive, hold and disburse funds, maintain bank accounts and make payments on accounts payable and handle collections of accounts receivable.
- vi. Prepare and deliver interim accountings, annual accountings and such other information as is required by this Agreement and be available at reasonable times to discuss generally with Owner the above-listed items as well as the operations at the Restaurant.
- vii. Provide, or cause to be provided, risk management services relating to the types of insurance required to be obtained or provided by Manager under this Agreement.
- viii. Except as provided in this agreement, use reasonable efforts to obtain and keep in full force and effect, either in Manager's name or in Owner's name, as may be determined by Owner or as required by applicable law, any and all operating licenses and permits.

B. Manager will use its reasonable efforts to comply with and abide by all applicable Legal Requirements pertaining to its operation of the Restaurant and all sale of alcoholic beverages.

### 1.4 Licenses and Permits

Owner agrees that, upon request by Manager, Owner will sign without charge, applications for licenses necessary for operation of the Restaurant. While the liquor license remains in the name of

Owner, Owner and Manager will comply with state liquor laws.

### 1.5 Employees

- A. All personnel employed at the Restaurant shall, at all times from and after the Effective Date, be the employees of Manager (or one of its Affiliates). Manager shall have absolute discretion with respect to all personnel employed at the Restaurant, including, without limitation, decisions regarding hiring, promoting, transferring, compensating, supervising, terminating, directing and training all employees at the Subway, and, generally, establishing and maintaining all policies relating to employment. All information regarding individual employees, such as employee records and individual compensation information, is proprietary to Manager and confidential and shall not be disclosed to Owner.
- B. All settlements or payments of Employee shall be made by Manager.
- C. With respect to all litigation or arbitration involving Employee Claims in which both Manager and Owner are involved as actual or potential defendants, Manager shall have exclusive and complete responsibility for the resolution of such Employee Claims. In the event that any Employee Claim is made against Owner, but not against Manager, Owner shall give notice to Manager of the Employee Claim in a timely manner so as to avoid any prejudice to the defense of the Employee Claim, provided that Manager shall in all events be so notified within twenty (20) days after the date such Employee Claim is made against Owner. Manager will thereafter assume exclusive and complete responsibility for the resolution of such Employee Claim.

### 1.6 Owner's Right to Inspect

Owner and its agents shall have access to the Restaurant at any and all reasonable times.

### 1.7 Regular Meetings

At Owner's request, Owner and Manager shall have monthly meetings at the Restaurant and at mutually convenient times. The purpose of the meetings shall be to discuss the performance of the Restaurant and other related issues.

## ARTICLE II

---

### 2.1 Term

The "Term" of this Agreement shall begin on February 27, 2016 and shall continue until either i) a new Concessionaire Agreement is executed by the Owner as contemplated by its Request for Proposal,; or ii) March 31, 2016, whichever occurs first. The agreement may continue on a month to month basis after March 31, 2016 upon written agreement signed by both parties.

### 2.2 Termination

Either party shall have the right to terminate this Agreement by serving 30 days advance written notice ("Termination Notice") thereof on the other party.

## ARTICLE III

---

### 3.1 Fees Due to Manager

- A. Manager shall be paid the sum of the following:
  - Manager shall retain all Gross Revenues.

### 3.2 Fees Due to Owner

- A. Manager shall pay to Owner the following:
- February 2016 – 10% of Gross Revenues
  - March 2016 – 10% of Gross Revenues
  - April 2016 – 10% of Gross Revenues

## ARTICLE IV

---

### 4.1 Accounting and Revenue Distributions

Within five (5) days after the close of each weekly accounting period, Manager shall deliver an accounting report to Owner showing Gross Revenues, Deductions, Operating Profit. At time Manager delivers such report, Manager shall transfer to Owner amounts due Owner.

### 4.2 Books, Records, and Operating Statement

- A. Books of control and accounting pertaining to the operations of the Restaurant shall be kept in accordance with generally accepted accounting principles.
- B. Owner may at reasonable intervals during Manager's normal business hours examine the Books and Records.
- C. Manager shall have the right, at its option, to provide Owner with automated delivery, in electronic format, of the data required under this Section. The parties shall cooperate reasonably with each other in order to adapt to new technologies that may be available with respect to the transmission of such.

### 4.3 Fixed Asset Supplies

- A. Owner shall, within a reasonable number of days after request by Manager, provide funds that are necessary to increase or replace Fixed Asset Supplies to levels determined by Manager, in its good faith judgment, to be necessary to satisfy the needs of the Restaurant.
- B. Fixed Asset Supplies shall remain the property of Owner during the Term and upon Termination.

## ARTICLE V

---

### 5.1 Repairs and Maintenance Costs Which Are Expensed

- A. Manager shall maintain the Restaurant in good repair and condition, and shall make or cause to be made such routine maintenance, repairs and minor alterations as it determines are necessary for such purposes. The phrase "routine maintenance, repairs, and minor alterations" as used in this Section shall include only those which are normally expensed under generally accepted accounting principles. The cost of such maintenance, repairs and alterations shall be paid from Gross Revenues and shall be treated as a Deduction from Gross Revenues.

### 5.2 Capital Expenditures

- A. Manager shall not make any Capital Expenditures
- B. If, in the Manager's reasonable judgment, a Capital Expenditure is necessary, to keep the Restaurant in a first-class, competitive, efficient and economical operating condition, Manager shall make, in writing to Owner, request for such expenditure.
- C. Owner shall reply in good faith within five (5) days after receipt of such request to review and either approve or deny such request. Such decision is at Owner's sole discretion.
- D. In the event Owner disapproves any portion of such expenditure, Owner shall provide Manager in

writing with the specific reasons for its disapproval.

E. Capital Expenditures shall remain the property of Owner during the Term and upon Termination

## ARTICLE VI

---

### 6.1 Insurance Carried by Manager

A. Commencing with the Effective date and thereafter during the Term, Manager shall procure and maintain the following:

- i. Commercial general liability insurance against claims for bodily injury, death or property damage occurring on, in or in conjunction with the operations of the Restaurant, and automobile liability insurance on vehicles operated in conjunction with the Restaurant, with a combined single limit for each occurrence of not less than One Million Dollars (\$1,000,000);
- ii. Liquor liability coverage as may be required under applicable laws in the amount not less One Million Dollars (\$1,000,000).
- iii. Workers' compensation coverage as may be required under applicable laws covering all of Manager's employees at the Restaurant, and employer's liability insurance of not less than One Million Dollars (\$1,000,000) per accident/disease;
- iv. Such other insurance in amounts as Manager, in its reasonable judgment, deems advisable for protection against claims, liabilities and losses arising out of or connected with the operation of the Restaurant.

B. All insurance described in this Section may be obtained through blanket insurance programs, provided that such blanket programs substantially fulfill the requirements specified herein.

C. All insurance required under Section shall be carried in the name of Manager. The insurance required under Section shall include Owner, as additional insured.

D. Manager, shall deliver to Owner, certificates of insurance evidencing the insurance coverages required under this Section and any renewals thereof. All such certificates of insurance shall, to the extent obtainable, state that the insurance shall not be canceled or materially reduced without at least thirty (30) days' prior written notice to the certificate holder.

E. All insurance premiums, costs and other expenses, including any Insurance Retention, for insurance procured pursuant to this Section shall be treated as Deductions from Gross Revenues.

## ARTICLE VIII

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### 8.1 Ownership of the Restaurant

A. Owner hereby covenants that it holds good and marketable fee title to the Site, and that, during the Term, it will have and maintain good and marketable fee title to the Site.

## ARTICLE IX

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### 9.1 Assignment

A. Neither party shall assign or transfer its interest in this Agreement.

## ARTICLE X

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10.1 Consents and Cooperation

- A. Wherever in this Agreement the consent or approval of Owner or Manager is required, such consent or approval shall not be unreasonably withheld, delayed or conditioned, shall be in writing and shall be executed by a duly authorized officer or agent of the party granting such consent or approval.
- B. Additionally, Owner agrees to cooperate with Manager by executing such leases, subleases, licenses, concessions, equipment leases, service contracts and other agreements negotiated in good faith by Manager and pertaining to the Restaurant that, in Manager's reasonable judgment, should be made in the name of the Owner.

10.2 Relationship

- A. In the performance of this Agreement, Manager shall act solely as an independent contractor.
- B. Neither this Agreement nor any agreements, instruments, documents, or transactions contemplated hereby shall in any respect be interpreted, deemed or construed as making Manager a partner, joint venture with, or agent of, Owner.

10.3 Applicable Law

This Agreement shall be construed under and shall be governed by the laws of the State of Colorado.

10.4 Communications

Notices, statements and other communications to be given under the terms of the Agreement shall be in writing and delivered by hand against receipt or sent by certified or registered mail, postage prepaid, return receipt requested or by nationally utilized overnight delivery service, addressed to the parties as follows:

To Owner: Grand Junction Regional Airport, 800 Eagle Drive, Grand Junction, Colorado 81506

To Manager: Tailwind GJT, LLC, 408 Landmark Drive, Wilmington, NC 28412

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the day and year first written above.

**OWNER:** GRAND JUNCTION REGIONAL AIRPORT AUTHORITY

Signature: \_\_\_\_\_

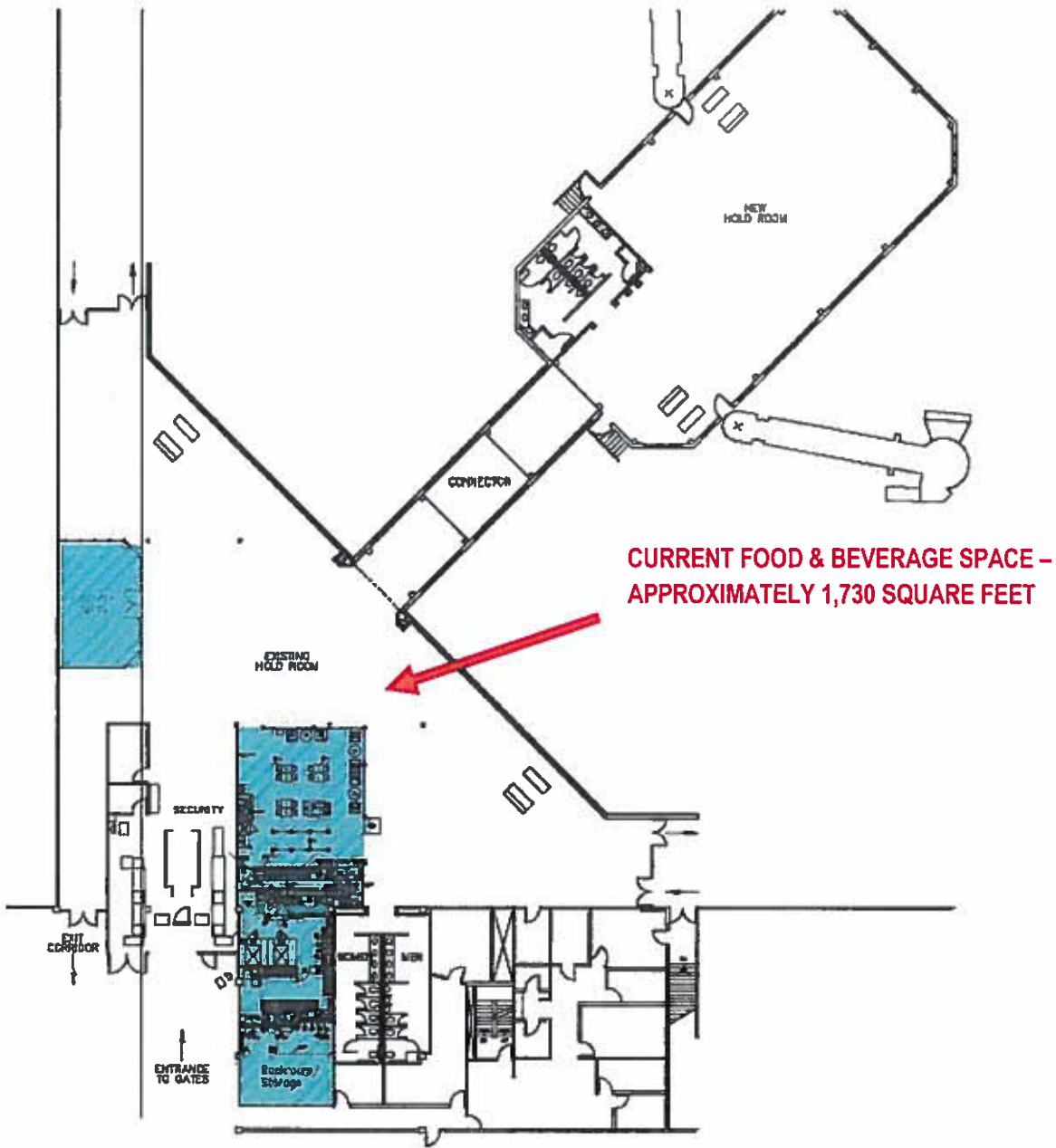
Printed Name: \_\_\_\_\_

**MANAGER:** TAILWIND GJT, LLC

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

EXHIBIT A





**Grand Junction Regional Airport Authority**

**Agenda Item Summary**

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<b>TOPIC:</b>	Parking Lot Operating Agreement		
<b>PURPOSE:</b>	Information <input checked="" type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
<b>RECOMMENDATION:</b>	Staff recommends the Board approve the attached addendum to extend Republic Parking lot management from April 1, 2016 to March 31, 2021.		
<b>LAST ACTION:</b>	At the January 2016 regular meeting the board approved the Republic Parking hold over agreement to reduce the 60 day termination requirement to 30 days.		
<b>DISCUSSION:</b>	<p>The parking committee reviewed proposals received to determine the best path forward for the airport for the management of the airport parking. There were two options available: parking management by a third party or in-house management. The airport has a contract with Republic Parking that expires on March 31, 2016. There was an RFP for parking lot equipment that would be used for in-house parking lot management and there was an RFP for third party parking lot management. We received three responses to the parking equipment RFP and two responses to the parking management RFP. As a third option to the two RFP's we could extend the existing Republic Parking contract an additional 5 years.</p> <p>The in-house management of the parking lot is a reasonable request and does compete very well with the third party management. The financial differences between in-house management and the current Republic Parking is negligible.</p> <p>After a financial review by the parking lot committee it was determined to extend the existing agreement with Republic Parking for an additional 5 years.</p> <p>Airport's attorney has reviewed the attached addendum.</p>		
<b>FISCAL IMPACT:</b>	<p><b>REVENUE</b></p> <p>The 2016 parking revenue budget was based on an in-house management of parking starting April 2016, generating annual gross revenue of approximately \$1,300,000. The following is the existing and proposed concession agreement</p> <ul style="list-style-type: none"><li>A. 80.45% of gross revenues from \$0.00 up to, and including \$500,000.00; plus 91.50% of gross revenues in excess of \$500,000.00</li><li>B. Minimum Annual Guarantee \$350,000.00</li></ul>		

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This adjustment from in-house management to a concession agreement would reduce the gross revenue by approximately \$165,000.

#### EXPENSE

The 2016 budget expense items for parking was one additional employee at a base cost of \$30,000 plus a full package of benefits for a burden of \$13,000. There was also the addition of an after-hours security services to respond to parking lot needs at a cost of \$5,500 per month at an annual cost of \$66,000. The major expense item not included in the budget was the cost of hardware and software support. The support expense ranged from \$10,000 to \$50,000 annually. Therefore, there was a total expense budget of \$109,000, not including hardware and software support.

#### CAPITAL EXPENSE

The 2016 budget capital expense for the purchase of a parking lot control system was \$250,000. The cost for new equipment in the Republic Parking fourth addendum is \$207,000.

#### CONCLUSION

Revenue loss	\$165,000
Expense savings	\$109,000
Capital expense savings	\$43,000
Net reduction in revenue	\$13,000

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**ATTACHMENTS:** Fourth Addendum to Parking Lot Operating Agreement

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

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## **FOURTH ADDENDUM TO PARKING LOT OPERATING AGREEMENT**

This Fourth Addendum to the Parking Lot Operating Agreement (hereinafter referred to as "Addendum") between **GRAND JUNCTION REGIONAL AIRPORT AUTHORITY** (hereinafter referred to as "GJRAA"), a body corporate and politic and constituting a subdivision of the State of Colorado, and Republic Parking System, Inc., a privately held corporation (hereinafter referred to as "Operator"), will become effective April 1, 2016.

**WHEREAS**, the GJRAA and the Operator have entered into a Parking Lot Operating Agreement (hereinafter referred to as "Agreement") commencing on April 1, 2001, whereby Operator agreed to operate the Airport's terminal building public parking areas pursuant to a competitive bid process.

**WHEREAS**, in 2005 the parties agreed to a First Addendum to the Parking Lot Operating Agreement and extended it for one (1) additional year;

**WHEREAS**, in 2006 the parties agreed to a Second Addendum to the Parking Lot Operating Agreement for an extension in exchange for the purchase, installation, and maintenance of revenue control equipment at Operator's expense;

**WHEREAS**, in 2011 the parties agreed to a Third Addendum to the Parking Lot Operating Agreement and extended it for five (5) years;

**WHEREAS**, the parties now want to extend the Parking Lot Operating Agreement for another five (5) year term including certain changes to the contract described herein;

**WHEREAS**, the GJRAA and the Operator agree that all other provisions of the Agreement remain in full force and effect;

**NOW THEREFORE**, the GJRAA and the Operator agree as follows:

1. The term of the Agreement will be extended for one (1) additional five (5) year term commencing 12:00 midnight, April 1, 2016 and terminating at 11:59 p.m., March 31, 2021. The parties further agree that the Agreement may be extended for one (1) additional five (5) year term terminating at 11:59 p.m., March 31, 2026 at the mutual agreement of GJRAA and Operator. If GJRAA does not provide Operator with written notice at least sixty (60) days prior to 11:59 p.m., March 31, 2021 this Agreement will terminate and expire at 11:59 p.m., March 31, 2021, unless terminated sooner, subject to the provisions of the Agreement.
2. Operator agrees to purchase and install a Parking Access and Revenue Control System (PARCS) on GJRAA's premises as described in the letter from Operator to GJRAA dated January 15, 2016. GJRAA agrees to reimburse Operator for the PARCS at a cost of \$207,000 once final installation and acceptance from GJRAA is completed.

Title to PARCS and improvements installed by Operator shall vest with GJRAA upon payment to Operator. Operator shall maintain at Operator's expense on the premise, the PARCS as described in the letter from Operator to GJRAA dated January 15, 2016 at Operator's expense for the proper operation of the paid public parking facilities.

3. In consideration for additional overheads relating to the operation of the parking facilities, Operator shall deduct \$2,000 from the monthly percentage of revenue that it pays to GJRAA each month.

Except as specifically modified or supplemented by this Fourth Addendum, the terms and provisions of the Agreement including all of the terms and conditions of the Operator's Concession Fee Proposal, as modified and supplemented by the terms of the Agreement, shall continue to be in full force and effect.

Done and entered into on the date first above written.

GRAND JUNCTION REGIONAL AIRPORT AUTHORITY

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

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

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

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

REPUBLIC PARKING SYSTEM, INC. (OPERATOR)

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

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

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

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

## Grand Junction Regional Airport Authority

### Agenda Item Summary

<b>TOPIC:</b>	G4S Secure Solutions Contract Addendum		
<b>PURPOSE:</b>	Information <input checked="" type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
<b>RECOMMENDATION:</b>	Staff recommends that the Board approve the contract addendum as attached.		
<b>LAST ACTION:</b>	None		
<b>DISCUSSION:</b>	<p>Currently G4S security guards are equipped with either physical altercation or a firearm to handle security situation at the airport. It has been expressed by G4S and the airport that the offering of a non-lethal deterrent in the form of tasers would be welcomed among the officers that patrol the ticket counters, checkpoints, and airport property. The G4S guards on any given day can deal with situations like domestic violence, angry passengers, intoxicated passengers, disgruntled employee's and any other threat to the public safety that flies in and out of Grand Junction. This added non-lethal equipment would allow the guards to be better prepared for whatever situation arises with the ongoing threats that surround airports. Staff agrees that providing a non-lethal deterrent better suits the guards, rather than just having physical contact or a lethal deterrent. Training would be provided locally by G4S secure solutions.</p>		
<b>FISCAL IMPACT:</b>	Average Monthly hours: 450 x \$0.83= \$373.00/Month \$373.00 x 12 months= \$4,476.00 per year.		
<b>COMMUNICATION STRATEGY:</b>	None		
<b>ATTACHMENTS:</b>	Contract Addendum		
<b>STAFF CONTACT:</b>	Chance Ballegeer Airport Security Coordinator Office: 970.248.8586 Email: <a href="mailto:cballegeer@gjairport.com">cballegeer@gjairport.com</a>		

## CONTRACT ADDENDUM

This **Contract Addendum** is made and entered into this 1<sup>st</sup> day of March, 2016, between the Grand Junction Regional Airport Authority (hereinafter "GJRAA"), 800 Eagle Drive, Grand Junction, Colorado 81506, and G4S Secure Solutions (USA) Inc. (hereinafter "Contractor"), 1395 University Blvd, Jupiter, Florida 33458.

### RECITALS

**Whereas**, GJRAA and Contractor entered into a Security Services Agreement on March 24, 2015 (hereinafter "Agreement"), and the term of the Agreement is from May 4, 2015 until February 28, 2017; and

**Whereas**, GJRAA and Contractor desire to amend the Agreement whereby Contractor would provide GJRAA additional services; and

**Therefore**, in consideration of the agreements set forth herein, as well as for other good and valuable consideration, GJRAA and Contractor hereto agree as follows:

### AGREEMENT

1. Contractor will hereby provide the following additional Security Services to GJRAA:

Contractor's security guards are to be equipped with tasers while working at the Grand Junction Regional Airport.

2. Based upon the additional Security Services being provided, Contractor's compensation for "Primary Services" will be increased by \$0.83 cents per labor hour, as those rates are identified in the Agreement, that Contractor provides Security Services as required by the Agreement.

3. Except as specifically modified or supplemented by this Contract Addendum, the terms and provisions of the Agreement shall continue to be in full force and effect and remain unchanged.

[INTENTIONALLY LEFT BLANK]

Done and entered into on the date first written above.

**GJRAA**

By: (Sign) \_\_\_\_\_

Name: Steve Wood

Title: Chairman of the Board

**Contractor**

By: (Sign) \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Grand Junction Regional Airport Authority

### Agenda Item Summary

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TOPIC:	Subway franchise agreement termination
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends the Board approve the termination letter to Doctor's Associates (Subway) written and signed by Ben Wegener from Younge & Hockensmith representing the Airport Authority.
LAST ACTION:	N/A
DISCUSSION:	As part of the restaurant concession award to Tailwind, as previously discussed on the agenda, there is no longer a need to have a franchise agreement to operate a Subway in the airport.
FISCAL IMPACT:	Previously discussed in the concession award to Tailwind
ATTACHMENTS:	Termination letter from Younge & Hockensmith
STAFFCONTACT:	Ty Minnick, Finance Manager Email: <a href="mailto:tminnick@gairport.com">tminnick@gairport.com</a>

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YEULIN V. WILLETT  
BRENT A. CARLSON  
BENJAMIN WEGENER  
RICHARD E. LANE

**YOUNGE & HOCKENSMITH**  
PROFESSIONAL CORPORATION,  
ATTORNEYS AT LAW

THOMAS K. YOUNGE  
(1908 - 1997)  
FRANK M. HOCKENSMITH  
(1919 - 2002)

BRITTANY M. VICK  
JULIA B. RIEKE  
OLIVIA D. ROSSI

743 HORIZON COURT, SUITE 200  
GRAND JUNCTION, COLORADO 81506  
PHONE: 970-242-2645 FAX: 970-241-5719  
[www.youngelaw.com](http://www.youngelaw.com)

[ben@youngelaw.com](mailto:ben@youngelaw.com)

Direct Line:  
(970) 242-2645; Ext. 203

OF COUNSEL

February 16, 2016

*Via Certified Mail, Return Receipt Requested, To:*

Doctor's Associates, Inc.  
Attn: Legal Dept.  
325 Bic Drive  
Milford, CT 06461-3059

Re: *Grand Junction Regional Airport Authority Franchise Agreement;  
Franchise Number 48873*

To Whom It May Concern:

Please be advised that this office represents the Grand Junction Colorado Regional Airport Authority (GJRAA). In this regard, and pursuant to Paragraph XI of the Non-Traditional Location Rider to the above referenced Franchise Agreement, the GJRAA hereby provides its written notice to terminate its Franchise Agreement with Doctor's Associates, Inc. In particular, Paragraph XI of the Non-Traditional Location Rider states that the GJRAA "may, at any time, terminate this [Franchise] Agreement and cease operation of the Restaurant after giving [Doctor's Associates, Inc.] thirty (30) days' prior written notice."

Upon receipt of this correspondence, I would ask that the Legal Department for Doctor's Associates, Inc., contact me to discuss the finalization of the termination of the Franchise Agreement and to discuss some additional matters related thereto. That being said, it is my understanding in speaking with Ty Minnick, the Finance Director for the GJRAA, that in his discussions with Mr. Dan Mitchek of Doctor's Associates, Inc./Subway, renovations of the space within the GJRAA Terminal Building that the Subway currently occupies can begin immediately upon the expiration of J&L Sandwiches, Inc.'s Management Agreement with the GJRAA. This Management Agreement currently is set to expire around on or about February 27, 2016.

If this is incorrect, please notify me at (970) 242-2645; Ext. 203 immediately; otherwise, the GJRAA will move forward with the renovation of the space that Subway occupies at the end of February, 2016. Thank you, in advance, for your prompt attention to this matter.

Very truly yours,

**YOUNGE & HOCKENSMITH**  
PROFESSIONAL CORPORATION

Benjamin M. Wegener

/bmw

cc: Mr. Dan Mitchek (Via Email)  
Commissioner David Murray (Via Email)  
Commissioner Rick Taggart (Via Email)  
Mr. Ty Minnick (Via Email)  
Mr. Chance Ballegeer (Via Email)

## Grand Junction Regional Airport Authority

### Agenda Item Summary

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TOPIC:	Ground Lease Agreement Termination and New Lease Agreements: Rocky Mountain Hangar Association
PURPOSE:	Information <input checked="" type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board approve the ground lease termination with Rocky Mountain Hangar Association, and approve the new ground lease agreements with 1) Rocky Mountain Hangar Association, Inc., 2) Dr. John Herr, 3) Mr. Glen Songer, and 4) Mr. Robert Barry, and authorize the Executive Airport Director to execute the documents.
LAST ACTION:	<p>The Grand Junction Regional Airport Authority entered into a lease agreement with Rocky Mountain Hangar Association, Inc. in July 1997. The members of the Association have requested the ground lease agreement be separated into individual ground leases with the respective hangar owners.</p> <p>The Association and respective owners have commissioned new lease surveys, which are reflected in the leases. Additionally, the ground leases have been moved onto the new standard form lease.</p> <p>As the Lease Agreements are lengthy, they have not been included in this Board Packet. The Lease Agreements are standard form.</p>
FISCAL IMPACT:	See Attachment.
ATTACHMENTS:	<ol style="list-style-type: none"><li>1. Termination of Ground Lease Agreement</li><li>2. Ground Lease Agreements Overview</li><li>3. Ground Lease Exhibits<ol style="list-style-type: none"><li>a. Rocky Mountain Hangar Association, Inc.</li><li>b. Dr. John Herr</li><li>c. Mr. Glen Songer</li><li>d. Mr. Robert Barry</li></ol></li></ol>
STAFFCONTACT:	Chance Ballegeer Office: 970.248.8586 Email: <a href="mailto:cballegeer@giairport.com">cballegeer@giairport.com</a>

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**TERMINATION OF GROUND LEASE AGREEMENT**

**BETWEEN**

**THE GRAND JUNCTION REGIONAL  
AIRPORT AUTHORITY**

**AND**

**ROCKY MOUNTAIN HANGAR, INC.**

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

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

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

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

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

**GRAND JUNCTION REGIONAL  
AIRPORT AUTHORITY**

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

By \_\_\_\_\_

Its \_\_\_\_\_

**ROCKY MOUNTAIN HANGAR, INC:**

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

By \_\_\_\_\_

Its \_\_\_\_\_

**DR. JOHN HERR:**

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

By \_\_\_\_\_

Its \_\_\_\_\_

GLEN SONGER:

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

By \_\_\_\_\_

Its \_\_\_\_\_

ROBERT BARRY:

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

By \_\_\_\_\_

Its \_\_\_\_\_



## EXHIBIT A

### LEASE DESCRIPTION – PARCEL 309A

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

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

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

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

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

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

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

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

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

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

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

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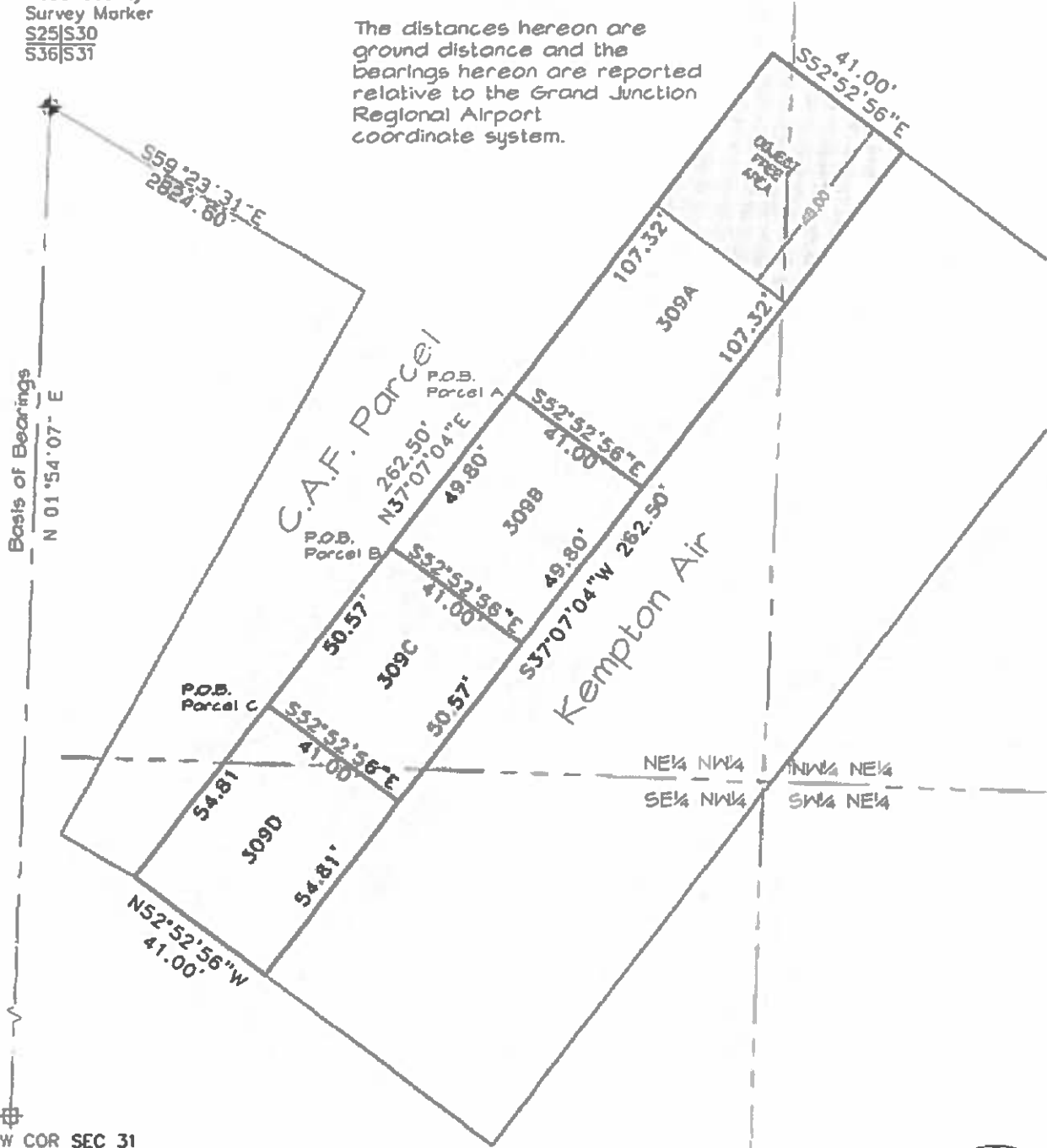
**NOTICE:** Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

# EXHIBIT B

## C.A.F. Parcel Addition

Mesa County  
Survey Marker  
S25|S30  
S36|S31

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

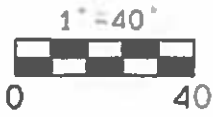


SW COR SEC 31  
3" GLO BRASS CAP  
"T1N R1W R1E  
S36|S31 S1|S6 T1S"

**RIVERCITY**  
CONSULTANTS

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

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



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

## EXHIBIT A

### LEASE DESCRIPTION – PARCEL 309B

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

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

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

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

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

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

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

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

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

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

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

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

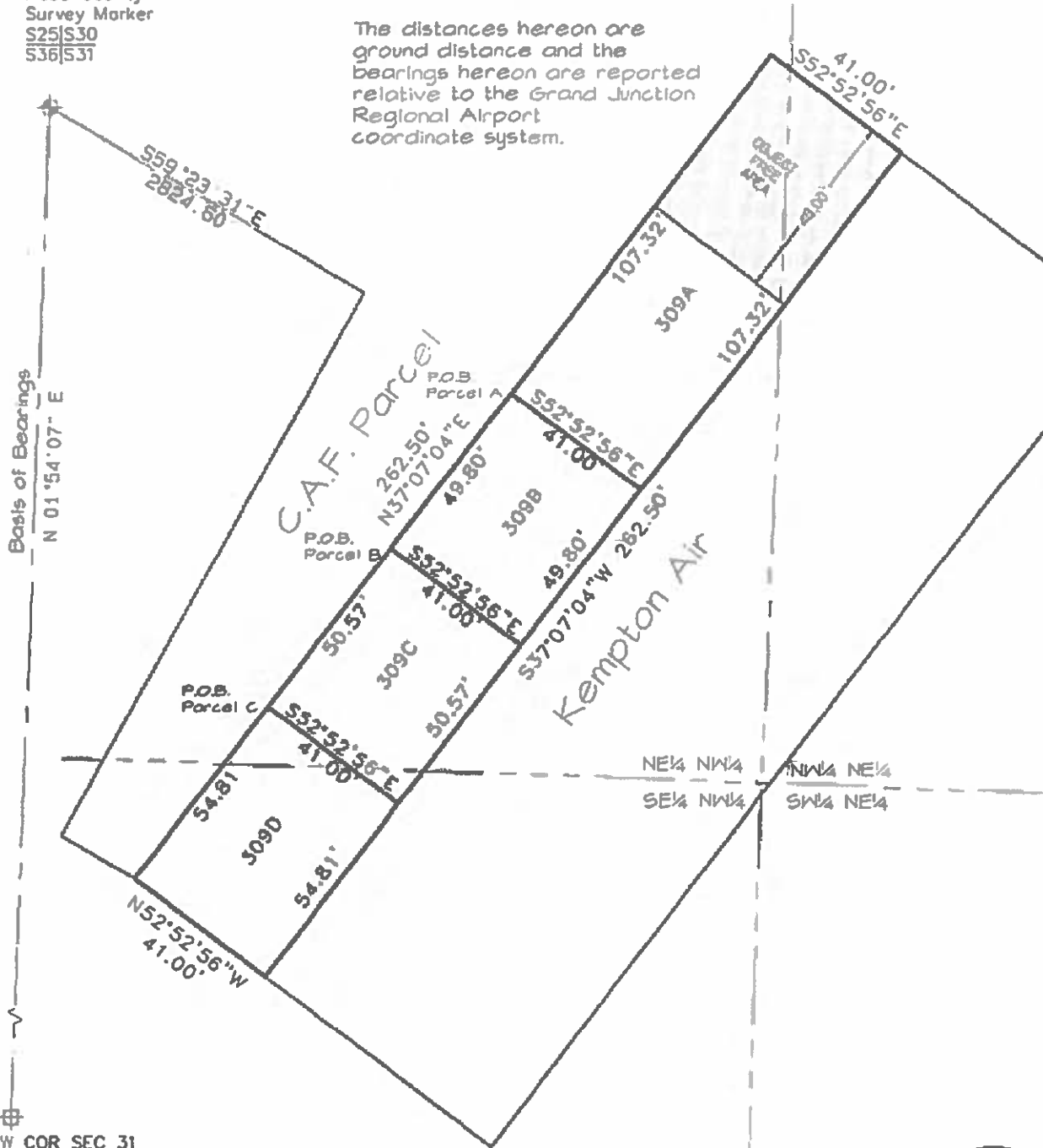


# EXHIBIT B

## C.A.F. Parcel Addition

Mesa County  
Survey Marker  
S25|S30  
S36|S31

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



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



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



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

Drawn:kst Checked: Aug 12, 2015

S:\PROJECTS\4 C.A.F. \CAF.pro

## EXHIBIT A

### LEASE DESCRIPTION – PARCEL 309C

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

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

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

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

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

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

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

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

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

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

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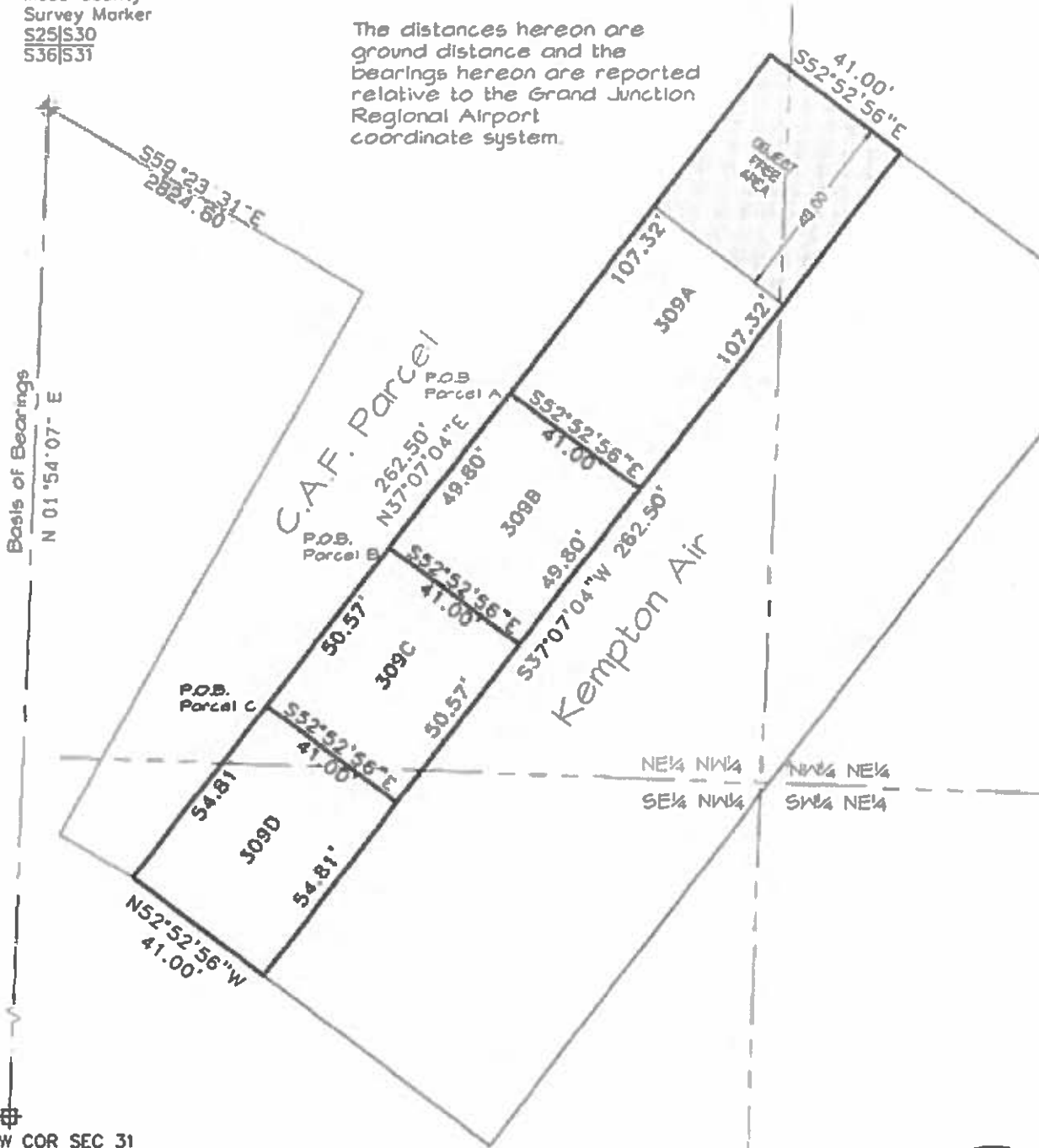
This description was prepared by:  
K. Scott Thompson  
Colorado P.L.S. 18480  
744 Horizon Court - #110  
Grand Junction, CO 81506

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

# EXHIBIT B C.A.F. Parcel Addition

Mesa County  
Survey Marker  
S25|S30  
S36|S31

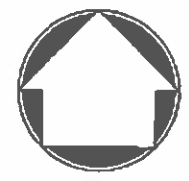
The distances hereon are ground distance and the bearings hereon are reported relative to the Grand Junction Regional Airport coordinate system.



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

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

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



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

## EXHIBIT A

### LEASE DESCRIPTION – PARCEL 309D

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

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

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

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

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

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

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

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

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

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

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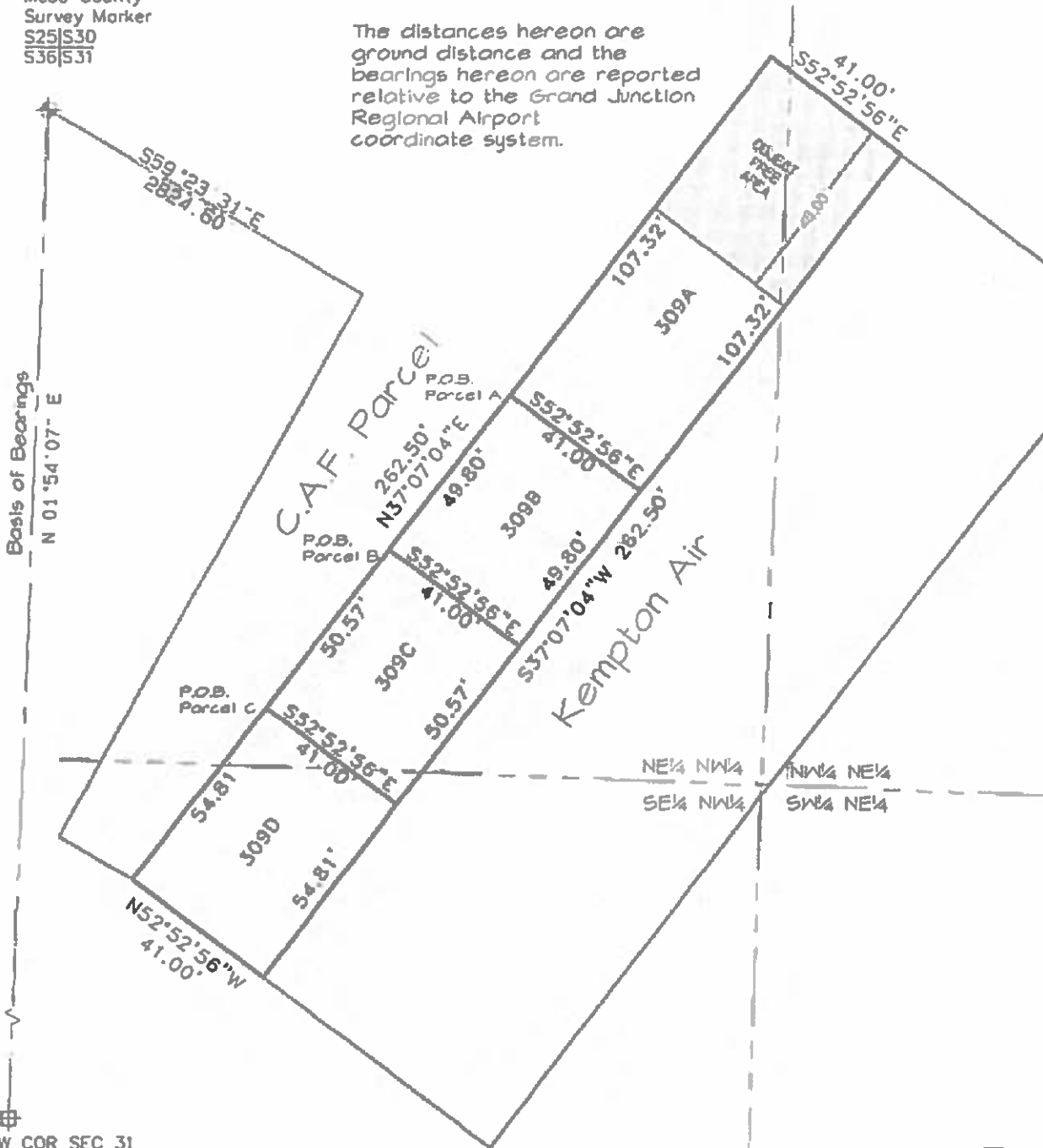
**NOTICE:** Any rewriting or retyping of this description must NOT include this preparation information. Lack of an embossed seal indicates this document is not the original.

# EXHIBIT B

## C.A.F. Parcel Addition

Mesa County  
Survey Marker  
S25|S30  
S36|S31

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



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

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



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

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

# Grand Junction Regional Airport Authority

## Agenda Item Summary

TOPIC:	Standard Loan agreement with Department of the Navy
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Staff recommends that the Board consent to the Standard Renewal Loan Agreement between the Department of the Navy and the Grand Junction Regional Airport, and authorize the Board Chairman to execute the Agreement.
LAST ACTION:	N/A
DISCUSSION:	Currently the GJRAA has been allowed by the Department of the Navy 2 aircrafts, an A-6E Intruder and an F-11A Tiger, that stand at memorial park. The Dept. of Navy would like to renew the contract for 5 years, with an option for renewal, subject to conditions that the airport has already been following. This contract allows the GJRAA to continue keeping the displays as long as we continue to maintain the aircraft, by corrosion control, and routine maintenance and to provide small requests to the Navy to ensure that their property is being taken care of.
FISCAL IMPACT:	No anticipated fiscal impact within the length of contract.
COMMUNICATION STRATEGY:	N/A
ATTACHMENTS:	Loan Agreement proposed by the Department of the Navy
STAFF CONTACT:	Chance Ballegeer Airport Security Coordinator Email: cballegeer@gjairport.com Office: 970-248-8586



**DEPARTMENT OF THE NAVY  
NATIONAL NAVAL AVIATION MUSEUM  
1750 RADFORD BLVD  
SUITE C  
PENSACOLA FLORIDA 32508-5402**

4002  
N43/ 2 0 9 - - -

**STANDARD RENEWAL LOAN AGREEMENT**

By this agreement, made as of 21 October 2015 between the United States of America, hereinafter called "the Government," represented by the Director, National Naval Aviation Museum (NNAM), hereinafter called "the Lender," and the Grand Junction Regional Airport Authority, hereinafter called "the Borrower," incorporated and operating under the laws of the State of Colorado and located at 800 Eagle Drive, Grand Junction CO, 81506.

Pursuant to (Public Law 80-421 (10 U.S.C. 2572)), the Lender hereby loans to the Borrower the following United States Government property which is permanently assigned to the Lender:

<u>AIRCRAFT/ ARTIFACT</u>	<u>BUREAU/ SERIAL NUMBER</u>	<u>NNAM ACCESSION NUMBER</u>	<u>VALUE</u>
A-6E INTRUDER	154131	2005.184.001	\$100,000
F-11A TIGER	141796	2005.185.001	\$100,000

The Lender agrees to renew the current loan for the above listed property on sub-custody to the Borrower for a period of five years commencing 1 November 2015 and ending 1 November 2020, with an option for renewal, subject to the stipulations as set forth below.

The Borrower agrees to not sub-lease or display the above Government property at another location without prior written permission from the Lender.

Any work product, equipment or material resulting from efforts or at the expense of the Borrower with regard to the aircraft will become a permanent part of the aircraft and will be considered the property of the Lender unless specifically exempted by the Lender.

The Borrower agrees to repair or replace, at the discretion of the Lender, the borrowed item for any and all loss or damages that may be inflicted on the item while the life of the loan is in effect and/or until the loaned material is returned to the physical custody of the Lender. The Borrower agrees to be responsible to maintain corrosion control and routine maintenance. If the material borrowed is irreplaceable the borrower may be required to make monetary restitution to the Lender up to and including the full amount of value of the item.

The Borrower shall obtain no interest in the loaned property by reason of this agreement and title shall remain in the Lender at all times. Any improvements, modifications or additions on or to the property is limited to that approved in writing by the Lender and becomes the property of the Lender.

The Borrower agrees to use the loaned property in a careful and prudent manner, not without

prior written permission of the Lender to modify, restore, or mount on pylons or any structure above ground in any way, which would alter the original form, design, or the historical significance of said property, to perform routine maintenance so as not to reflect discredit on the Lender and to display and protect it in accordance with the instructions set forth in Attachment One, incorporated herewith and made part of this Loan Agreement. Additionally, refer to Attachment I, Supplemental Requirements for Aircraft, Item 3, for more guidelines.

The Borrower agrees to report annually to the Lender on the condition and location of the property. The Borrower agrees to display prominently a placard with the property at all times which contains the following credit line: "THIS AIRCRAFT IS ON LOAN FROM THE NATIONAL NAVAL AVIATION MUSEUM AT PENSACOLA, FLORIDA." Additionally, articles published or submitted for publication or websites that refer to the loaned aircraft must credit the National Naval Aviation Museum as owner of the aircraft with, at a minimum, the words: "THIS AIRCRAFT IS ON LOAN FROM THE NATIONAL NAVAL AVIATION MUSEUM, PENSACOLA, FLORIDA."

The Borrower agrees to provide the Lender with 4 x 6 color prints on the loaned property within 90 days of the arrival of the aircraft at the Borrower's location and upon submission of the annual certification statement. The photographs shall depict one full length photograph and one individual photograph clearly identifying the Bureau Number/Serial Number, if applicable. Photographs shall include general views of the display/storage areas with enough detail to identify each aircraft and/or artifact.

The Borrower agrees not to use the loaned property as security for any loan, not to sell, lease, rent, lend, or exchange the property for monetary gain or otherwise under any circumstances. Sub-custody assignment or loaning the property to any other entity will be only with the prior written approval of the Lender.

The Borrower agrees to allow authorized Department of Defense representatives access to the Borrower's records and facilities to assure accuracy of information provided by the Borrower and compliance with the terms of this Loan Agreement.

The Borrower agrees to indemnify, save harmless, and defend the Lender from and against all claims, demands, actions, liabilities, judgements, costs, and attorney's fees, arising out of, claimed on account of, or in any manner predicated upon personal injury, death, or property damage caused by or resulting from possession and/or use of the loaned property.

The Borrower agrees to return said property to the Lender on termination of this Loan Agreement, or earlier, if it is determined that the property is no longer required, at no expense to the Lender.



The failure of the Borrower to observe any of the conditions set forth in this Loan Agreement and the attachment(s) thereto shall be sufficient cause for the Lender to repossess the loaned property. Repossession of all or any part of the loaned property by the Lender shall be made at no cost or expense to the Government; the Borrower shall defray all maintenance, freight, storage, crating, handling, transportation, and other charges attributable to such repossession.

The Borrower has read, understands and acknowledges that concealing a material fact and/or making a fraudulent statement in dealings with the federal government may constitute a violation of 18 USC 1001 (Attachment Two).

Executed on behalf of the Lender this 21 day of October, 2015, at Pensacola, Florida.

United States of America

By: Lenore F. Taylor

LENORE F. TAYLOR  
By direction  
National Naval Aviation Museum  
1750 Radford Boulevard, Suite C  
Pensacola, FL 32508-5402

#### ACCEPTANCE

The Borrower, through its authorized representative, hereby accepts responsibility for the loaned property subject to the terms and conditions contained in the Loan Agreement set forth above.

Executed on behalf of the Borrower this \_\_\_\_\_ day of \_\_\_\_\_, 2015, at \_\_\_\_\_.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: ( ) \_\_\_\_\_

Fax: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_

## ATTACHMENT ONE

### SUPPLEMENTAL REQUIREMENTS FOR AIRCRAFT

1. The Borrower agrees to use the loaned aircraft for display or educational purposes only and to protect the aircraft from vandalism by displaying it behind fences, or by other suitable means to deter easy access. The Borrower agrees to furnish the Lender a notarized statement within 15 calendar days following the last day of each calendar year, certifying that the aircraft is still in the possession of the Borrower and being displayed in the same manner and condition as indicated by the original photograph or provide an updated photograph and details regarding changes.

2. The Borrower agrees that the loaned aircraft shall not be restored to flying condition, nor shall the aircraft be flown under any circumstances.

3. The Borrower agrees to maintain the loaned aircraft in good material condition including corrosion control, painting, preservation, etc. and not to cannibalize, exchange, or remove parts of the aircraft or to modify the aircraft without written permission by the Lender. In addition, the Borrower shall seek written permission from the Lender PRIOR to painting any markings or insignia onto aircraft, especially with respect to names being applied to aircraft.

4. If, at any time, the loaned aircraft is no longer used for display or educational purposes, or if the Borrower no longer wishes to keep the loaned aircraft, written notice shall be given to the Lender and the Lender shall be entitled to immediate repossession of the aircraft. The Lender will exercise its option within 60 days after receipt of written notice from the Borrower and will:

a. Advise the Borrower that the Lender has another requirement for the loaned aircraft and will make appropriate arrangements for repositioning.

b. Advise the Borrower that the Lender desires to repossess the loaned aircraft and will arrange for appropriate disposition at the present location.

c. Advise that the Lender has no further requirement for the loaned aircraft and that the Borrower, at the Borrower's expense, is authorized, based on the Borrower's preference, to dispose of the loaned aircraft by one of the following methods:

(1) Demilitarize/destroy the property to the extent required by current Department of Defense policy as set forth by detailed guidance to be provided by the Lender. The Borrower will be required to certify in writing to the Lender that all requirements have been met and will provide the Lender with photographs depicting the specific demilitarization and/or destruction accomplished.

(2) Transport the loaned aircraft to the nearest military activity, providing the installation commander of that activity is agreeable to accepting the aircraft. The Borrower will be responsible for any disassembly necessary and all arrangements to accomplish the movement and will be required to obtain a receipt from the military installation to be provided to the Lender for record purposes.

ATTACHMENT TWO

TITLE 18 – CRIMES AND CRIMINAL PROCEDURE

PART I – CRIMES

CHAPTER 47 – FRAUD AND FALSE STATEMENTS

Sec. 1001. Statements or entries generally

(a) Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully—

- (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;
- (2) makes any materially false, fictitious, or fraudulent statement or representation; or
- (3) makes or uses any false writing or document knowing the same to contain any materially false fictitious, or fraudulent statement or entry;

shall be fined under this title or imprisoned not more than 5 years, or both.