

SUBMITTAL CHECKLIST

SITE PLAN REVIEW

Location: _____

Project Name: _____

ITEMS		DISTRIBUTION																				TOTAL REQ'D.						
DESCRIPTION	SSID REFERENCE	<input checked="" type="checkbox"/> City Community Development	<input checked="" type="checkbox"/> City Dev. Eng.	<input type="checkbox"/> City Utility Eng.	<input type="checkbox"/> City Property Agent	<input type="checkbox"/> City Parks/Recreation	<input checked="" type="checkbox"/> City Fire Department	<input checked="" type="checkbox"/> City Attorney	<input type="checkbox"/> City Downtown Dev. Auth.	<input type="checkbox"/> County Planning	<input checked="" type="checkbox"/> County Bldg. Dept.	<input type="checkbox"/> Irrigation District	<input type="checkbox"/> Drainage District	<input type="checkbox"/> Water District	<input type="checkbox"/> Sewer District	<input type="checkbox"/> U.S. West	<input type="checkbox"/> Public Service	<input type="checkbox"/> GVRP	<input type="checkbox"/> CDOT	<input type="checkbox"/> Corps of Engineers	<input checked="" type="checkbox"/> Walker Field		<input type="checkbox"/> Persigo WWT	<input type="checkbox"/> Mesa County Health	<input type="checkbox"/> State Environ. Health	<input type="checkbox"/> City Sanitation	<input type="checkbox"/> School Dist #51	
● Application Fee \$115 ✓	VII-1	1																										
● Submittal Checklist *	VII-3	1																										
● Review Agency Cover Sheet* ✓	VII-3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
● Planning Clearance* ✓	VII-3	1																										
● 11"x17" Reduction of Assessor's Map	VII-1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
● Evidence of Title - Lease Agreement	VII-2	1						1																				
○ Deeds	VII-1	1						1																				
○ Easements	VII-2	1	1	1	1			1																				
○ Avigation Easement	VII-1	1						1																				
○ ROW	VII-2	1	1	1	1			1																				
○ Improvements Agreement/Guarantee*	VII-2	1	1	1				1																				
○ CDOT Access Permit	VII-3	1	1																									
○ Industrial Pretreatment Sign-off	VII-4	1		1																								
● General Project Report	X-7	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
○ Elevation Drawing	IX-13	1	1																									
● Site Plan	IX-29	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
○ 11"x17" Reduction of Site Plan	IX-29				1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
○ Grading and Drainage Plan	IX-16	1	2										1							1								
○ Storm Drainage Plan and Profile	IX-30	1	2										1			1	1	1										
○ Water and Sewer Plan and Profile	IX-34	1	2	1			1						1	1	1	1	1											
○ Roadway Plan and Profile	IX-28	1	2										1															
○ Road Cross-Sections	IX-27	1	2																									
○ Detail Sheet	IX-12	1	2																									
✕ Landscape Plan ✓	IX-20	2	1	1																								
○ Geotechnical Report	X-8	1	1								1																	
○ Final Drainage Report	X-5,6	1	2										1															
○ Stormwater Management Plan	X-14	1	2										1							1								
○ Phase I and II Environmental Rerpot	X-10,11	1	1																									
○ Traffic Impact Study	X-15	1	2																	1								

NOTES: * An asterisk in the item description column indicates that a form is supplied by the City.

GENERAL PROJECT REPORT

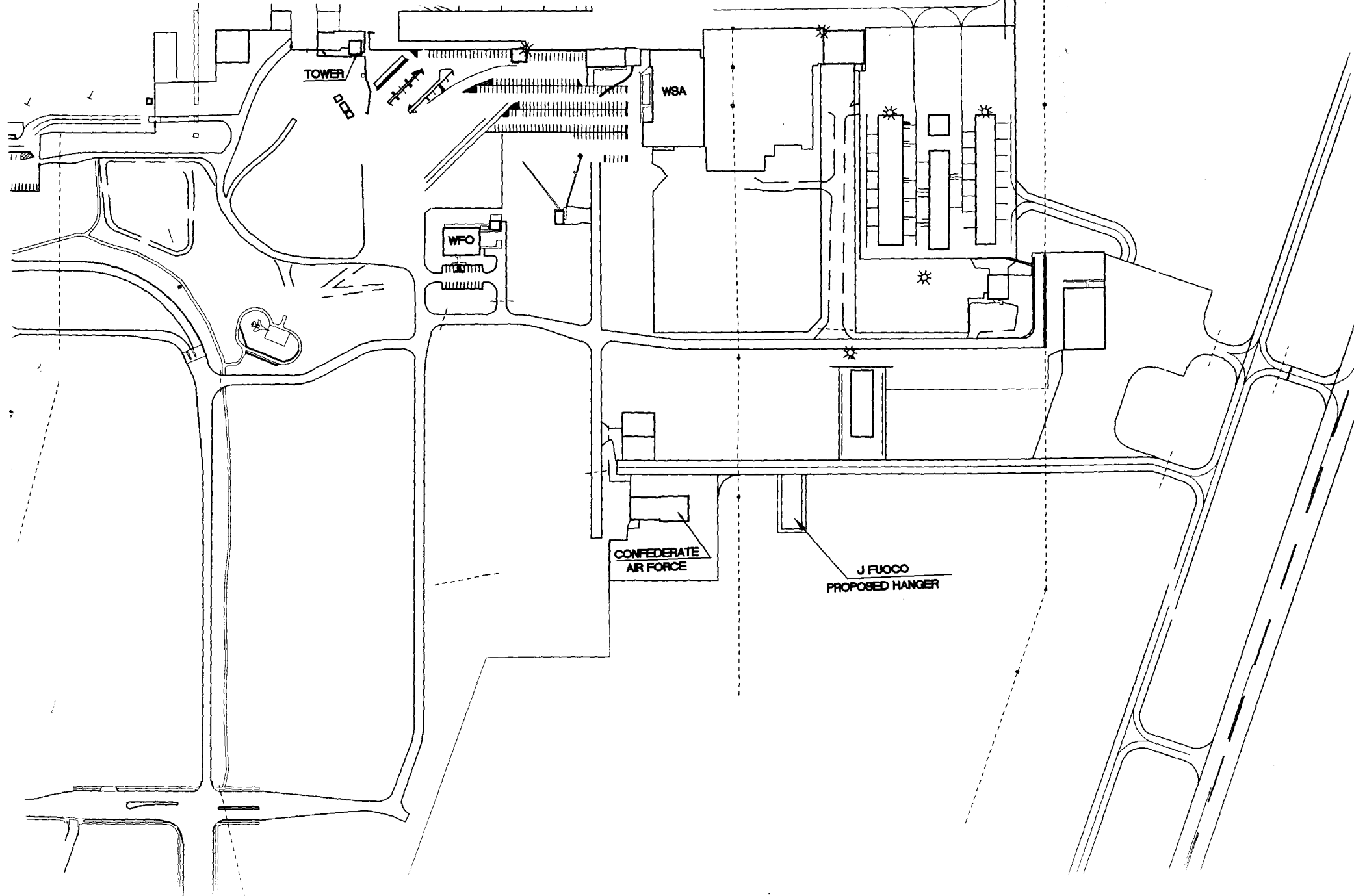
SUBMITTED BY: JFUOCO L L C

CONSTRUCTION: Aircraft storage hanger

PROJECT: A personal aircraft storage facility. The use will be for storage only with no water or sanitary improvements. The building will have insulation and radiant heat, a power operated overhead door. The building color is to be white with medium blue trim. The building will be equipped with gutter and down spouts to control runoff of the roof.

The approach to the building will be asphalt and the grade will be less than 20/o.

Almost all the labor and materials will be purchased or obtained through local sources.



TOWER

WSA

WFO

CONFEDERATE
AIR FORCE

J FUOCO
PROPOSED HANGER

REVIEW COMMENTS

Page 1 of 1

FILE #SPR-95-151

TITLE HEADING: Site Plan Review - Airport Hanger

LOCATION: Walker Field

PETITIONER: Jim Fuoco, JFUOCO

PETITIONER'S ADDRESS/TELEPHONE: 4360 Racquet Court
Grand Junction, CO 81506
256-0081

PETITIONER'S REPRESENTATIVE: Armstrong Engineers

STAFF REPRESENTATIVE: Michael Drollinger

NOTE: WRITTEN RESPONSE (4 COPIES) BY THE PETITIONER TO THE REVIEW COMMENTS IS REQUIRED. A PLANNING CLEARANCE WILL NOT BE ISSUED UNTIL ALL ISSUES HAVE BEEN RESOLVED.

GRAND JUNCTION FIRE DEPARTMENT

9/6/95

Hank Masterson

244-1414

1. A fire flow survey is required - submit complete building plans to the Fire Department for this purpose and for our plan review.
2. A site plan must be submitted to the Fire Department showing water main sizes and area hydrant locations.

MESA COUNTY BUILDING DEPARTMENT

9/5/95

Bob Lee

244-1656

No comments - City licensed general contractor required.

WALKER FIELD AIRPORT AUTHORITY

9/7/95

Marcel Theberge

244-9100

1. This proposal was approved by the Walker Field Authority Board on August 22, 1995.
2. A lease has been prepared, and the site details are in the process of finalization.
3. The final site plan details will be determined subject to the Walker Field Development and Architectural Standards as previously adopted, as well as applicable Grand Junction Zoning and Development Codes.

COMMUNITY DEVELOPMENT DEPT.

9/13/95

Michael Drollinger

244-1439

No comment.

CITY DEVELOPMENT ENGINEER

9/13/95

Jody Kliska

244-1591

No comment.

GROUND LEASE AGREEMENT
WALKER FIELD, COLORADO, PUBLIC AIRPORT AUTHORITY
AND
JFUOCO, L.L.C.

September 1, 1995 through August 31, 2015

(WITH A TEN YEAR RIGHT OF RENEWAL THROUGH AUGUST 31, 2025)

GROUND LEASE AGREEMENT
BETWEEN THE
WALKER FIELD, COLORADO, PUBLIC AIRPORT AUTHORITY
AND
JFUOCO, L.L.C.

INDEX

<u>ARTICLE</u>		<u>PAGE</u>
ARTICLE I.	LEASED PREMISES	1
ARTICLE II.	GRANT OF USE	3
ARTICLE III.	TERM	4
ARTICLE IV.	GROUND RENT AND OTHER FEES	5
ARTICLE V.	COOPERATION WITH AUTHORITY IN COLLECTING FEES OWED	10
ARTICLE VI.	SECURITY DEPOSIT	12
ARTICLE VII.	IMPROVEMENTS	13
ARTICLE VIII.	MAINTENANCE AND UTILITIES	15
ARTICLE IX.	SIGNS	16
ARTICLE X.	DAMAGE TO AIRPORT	16
ARTICLE XI.	TAXES AND ASSESSMENTS	17
ARTICLE XII.	INSURANCE AND INDEMNIFICATION	17
ARTICLE XIII.	DEFAULT AND REMEDIES	18
ARTICLE XIV.	COMPLIANCE WITH STATUTES, RULES, REGULATIONS, DIRECTIVES	23
ARTICLE XV.	INSPECTION	24
ARTICLE XVI.	QUIET ENJOYMENT	24
ARTICLE XVII.	NON-DISCRIMINATION	25
ARTICLE XVIII.	REPRESENTATIONS REGARDING AUTHORITY	27
ARTICLE XIX.	WAIVER	27
ARTICLE XX.	NOTICE	27

ARTICLE XXI.	RELATIONSHIP OF PARTIES	28
ARTICLE XXXII.	PARTIAL INVALIDITY	28
ARTICLE XXIII.	SUCCESSORS	29
ARTICLE XXIV.	ATTORNEY'S FEES, COSTS AND EXPENSES OF LITIGATION	29
ARTICLE XXV.	ASSIGNMENT	29
ARTICLE XXVI.	SUBLEASE	29
ARTICLE XXVII.	WASTE	30
ARTICLE XXVIII.	SURRENDER UPON TERMINATION	30
ARTICLE XXIX.	HAZARDOUS WASTE/ENVIRONMENTAL POLLUTION	32
ARTICLE XXX.	EMINENT DOMAIN	33
ARTICLE XXXI.	SUBSTITUTION OF PREMISES	34
ARTICLE XXXII.	AIRPORT DEVELOPMENT RIGHTS/ EMERGENCY USE OF LEASED PREMISES	35
ARTICLE XXXIII.	PATENTS AND TRADEMARKS	37
ARTICLE XXXIV.	RENEWAL	37
ARTICLE XXXV.	GOVERNING LAW AND VENUE	38
ARTICLE XXXVI.	HOLDING OVER	38
ARTICLE XXXVII.	MISCELLANEOUS PROVISIONS	38
ARTICLE XXXIX.	ENTIRE AGREEMENT	41

EXHIBITS

- A. Legal Description of Leased Premises
- B. Map Depicting General Location of Leased Premises
- C. Minimum Standards
- D. Architectural Standards
- E. Fees and Charges
- F. Corporate Resolution
- G. Map of Option Parcel

GROUND LEASE AGREEMENT

This Ground Lease Agreement is entered into and effective this ____ day of _____, 1995, by and between the Walker Field, Colorado, Public Airport Authority ("Airport Authority"), a political subdivision of the State of Colorado, and JFUOCO, L.L.C., a Colorado limited liability corporation ("Lessee").

RECITALS

A. The Airport Authority owns and operates the Walker Field Airport, located in Grand Junction, Colorado ("Airport").

B. Lessee is a Colorado limited liability corporation that wishes to construct a new metal hangar building on the Airport, to store and maintain aircraft owned or leased by the corporation.

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

ARTICLE I. LEASED PREMISES

A. The Airport Authority hereby leases to Lessee, and Lessee hereby leases from the Airport Authority, a parcel of real property on the Airport, consisting of 8,960 square feet, and any and all rights, privileges, easements and appurtenances now or hereafter belonging to said parcel, subject, however, to all liens, easements, restrictions and other encumbrances of record, the exact legal description of which is set forth on attached Exhibit "A", and the general location of which is depicted on the map attached as Exhibit "B". The parcel of real property involved shall hereinafter be referred to as the "Leased Premises". Lessee understands and agrees that it shall be leasing the Leased Premises in an "as is" condition, without warranties or representations from the Airport Authority that

the Leased Premises, or any portions thereof, are suitable for a particular purpose, or can accommodate any particular weight or size of aircraft.

B. Lessee is also granted the non-exclusive right to utilize such Airport runways, taxiways, and public use aprons ("airfield areas"), and such other rights of way and access across the Airport ("Airport rights of way"), as necessary for ingress and egress to their Leased Premises, and to the extent necessary to enable Lessee to provide the aeronautical services authorized below from the Leased Premises. Lessee's use of said air-field areas and other Airport rights of way shall be on a non-exclusive, non-preferential basis with other authorized users thereof. Lessee shall abide by all directives of the Authority, the Federal Aviation Administration ("FAA") and any other governmental entity having jurisdiction over the Airport, governing their use of said airfield areas and other Airport rights of way, either alone or in conjunction with other authorized users thereof. Furthermore, the Authority may from time to time increase or decrease the size or capacity of any airfield areas and other Airport rights of way or facilities (other than the Leased Premises), make alterations thereto, reconstruct or relocate them, modify the design and type of construction thereof, or close them, or any portion or portions of them, either temporarily or permanently, without being liable for any damages, including lost profits or revenues, that may be caused Lessee thereby, and without being deemed to have terminated this Agreement as a result thereof.

C. Pursuant to Section 39-26-117(1)(b), C.R.S., neither the Leased Premises, nor any of Authority's improvements, fixtures, or personal property thereon (such as the Authority's security fencing and gating), or any other portions of the Airport which Lessee

is authorized to utilize hereunder on a non-exclusive, common basis with others, nor any of Authority's improvements, fixtures or personal property located within said non-exclusive common use areas, nor any future fixtures, improvements or personal property which Authority may hereafter affix to or provide for the Leased Premises, or elsewhere on the Airport, shall be subject to a state or local lien, should Lessee fail to pay any local or state taxes owed as a result of its operations hereunder or otherwise.

ARTICLE II. GRANT OF USE

A. The Airport Authority hereby grants Lessee the exclusive right to use the Leased Premises, and all of the improvements located thereon, to provide, on a non-exclusive basis at the Airport, the following aeronautical services and activities: to construct a hangar thereon, to store and maintain aircraft owned or leased by Lessee, but not to provide fuel to said aircraft.

B. Lessee shall not use, nor permit others to use, the Leased Premises, and any improvements thereon, to store, service, or repair aircraft owned or leased by third parties other than Lessee; to store automobiles, aircraft, or equipment unrelated to Lessee's operations under this Agreement; to fuel any aircraft or vehicles; for any purpose that would violate exclusive use rights granted by the Airport Authority to any other Airport tenant; or for any other purpose than Lessee's aeronautical services and activities authorized by subparagraph A above, unless the Airport Authority authorizes Lessee, in writing, to use the Leased Premises, and any improvements thereon, for said additional purposes.

ARTICLE III. TERM

A. The initial term of this Ground Lease Agreement shall be deemed to commence at 12:01 a.m. on September 1, 1995 (the "commencement date"), and shall terminate at midnight on August 31, 2015.

B. Provided that Lessee is current in all monies and other obligations owed or to be performed hereunder, both at the time of Lessee's provision of its written notice of intent to extend this Lease, and at the expiration of the initial term of this Lease, Lessee shall have the right to extend this Lease Agreement for an additional ten year period (i.e. through August 31, 2025), by giving the Airport Authority written notice of its decision to do so by no later than February 28, 2015. Should Lessee exercise its right to extend this Lease Agreement, all of the terms and conditions of this Lease Agreement shall apply during the ten year renewal term. Should Lessee fail to provide the Airport Authority with the required written notice of its decision to renew this Lease by on or before February 28, 2015, Lessee shall be conclusively deemed to have waived its right to renew this Lease, and this Lease shall automatically expire on August 31, 2015. In exercising its renewal right, Lessee shall only have the right to renew this Lease Agreement for the entirety of the Leased Premises and for the full ten year period. Finally, if Lessee is not current in all monies and other obligations owed or to be performed hereunder both at the time Lessee provides written notice of its intent to extend this Lease, and at the expiration of the initial Lease term, Lessee's right to extend this Lease automatically shall be deemed terminated, and this Lease shall expire at the end of the initial Lease term, unless sooner terminated for Lessee's defaults hereunder.

ARTICLE IV. GROUND RENT AND OTHER FEES

A. Ground Rent

1. **Initial Rent:** The monthly ground rent for the Leased Premises shall be \$.1334 per square foot per year, equal to \$99.61 per month total, for the initial annual period of this Lease, from September 1, 1995, through August 31, 1996.

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

Effective at the commencement of each leasehold year that this Agreement is in effect (i.e., September 1 of each year), the initial monthly ground rent of \$.1334 per square foot shall be adjusted by the increase or decrease in the Consumer Price Index, using the U.S. City Average for all urban consumers ("CPI-U"), all items index, set forth in the October to October report published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve month period ending in the calendar year immediately preceding the leasehold year in which the annual cost-of-living adjustment is to be made, until such time as the ground rent is periodically adjusted pursuant to subparagraph IVA3, below. If the "CPI-U" index is no longer published by the U.S. Department of Labor, the parties shall use the U.S. Department of Labor index or report most closely approximating the "CPI-U."

3. **Periodic Adjustments to Ground Rent**

The Airport Authority may, in its sole discretion, periodically increase or decrease Lessee's monthly ground rent hereunder, pursuant to local market and/or comparable airport rent studies satisfactory to the Airport Authority, establishing ground rental rates for all tenants at the Airport, provided that:

(a) No such discretionary adjustment may be imposed upon Lessee prior to September 1, 2000;

(b) At least five years must elapse between each discretionary adjustment imposed upon Lessee by the Airport Authority hereunder;

(c) Each new discretionary adjustment shall not result in a per acre monthly rental more than twenty percent (20%) lower than the per acre monthly rental established at the time of the commencement date of this Lease Agreement (for purposes of the first discretionary rental adjustment) or more than twenty percent (20%) lower than the per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment (for purposes of each succeeding discretionary rental adjustment);

(d) Each new discretionary adjustment shall not result in a per acre monthly rental more than twenty percent (20%) higher than the per acre monthly rental established at the time of the commencement date of this Lease, or at the time of the immediately preceding discretionary rental adjustment, as the case may be, unless the actual per acre monthly rental in effect in the month preceding the new discretionary adjustment involved is already more than twenty percent (20%) higher than the per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment (or the commencement date of this Lease, as the case may be), due to cost of living adjustments imposed hereunder upon said monthly rental during the time between the immediately preceding discretionary adjustment (or the commencement date) and the subject new adjustment, in which event the new per acre monthly rental shall be the actual monthly

rental then in effect or the new monthly rental established by the Airport Authority for the Airport as a whole, whichever amount is less. The following examples illustrate the manner in which the discretionary rental adjustments authorized under this subparagraph IVA3(d) are to be applied:

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

Example No. 2.: If the per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment has been increased by thirty-five percent (35%) for COLA adjustments during the intervening five year period, and the Airport Authority's market survey indicates that ground rent should be twenty six percent (26%) more than the per acre monthly rental established at the time of the immediately preceding rental adjustment, Lessee's ground rent in effect in the month preceding the new discretionary rental adjustment would be decreased nine percent (9%), resulting in a new per acre monthly rental twenty-six percent (26%) higher than the per acre monthly rental established at the time of the immediately preceding discretionary rental adjustment.

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

would remain at the rate in effect in the month preceding the new proposed discretionary adjustment; and

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

Should the Airport Authority periodically increase, decrease or leave as is Lessee's ground rent pursuant to its discretionary authority under subparagraph IVA3, above, the Airport Authority shall thereafter increase or decrease said adjusted rent, effective each September 1 every year following the year in which the discretionary adjustment occurred, by the increase or decrease in the CPI-U, all items index, set forth in the October to October report published by the Bureau of Labor Statistics (or pursuant to the closest report thereto published by the U.S. Department of Labor if the Department no longer publishes the "CPI-U"), for the twelve month period ending in the calendar year immediately preceding the leasehold year in which the cost of living adjustment is to be made.

B. Miscellaneous Other Fees

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

2. Lessee shall pay such fees as set forth in the Airport's Fees and Charges, for the usage of the Airport's disposal station, either by itself, or by its assigns and subtenants, as the same may be amended from time to time. The present fee is \$10.00 per use of the station.

3. Lessee shall pay the Airport Authority an amount, to be established by the Airport Authority from time to time, for stand-by services provided by Airport Authority employees to Lessee, or to its assigns and subtenants, from 11:30 p.m. to 5:30 a.m., including but not limited to the following stand-by services: Aircraft Rescue & Fire Fighting (ARFF); emergency first aid; custodial, maintenance and security services; special events on Airport property. The current rate for said stand-by services is \$18.00 per hour, per employee, charged in quarter-hour increments.

4. Lessee, on behalf of itself and its assigns and subtenants, shall pay landing fees for all aircraft utilizing its hangar, owned or leased by Lessee or its assigns or subtenants, in the amount of the landing fees required by the Airport Authority's Fees and Charges for general aviation aircraft using the Airport, as said amount may be amended from time to time. Presently no landing fees are charged general aviation aircraft by the Fees and Charges.

5. Lessee further agrees to pay such other fees and charges as may be imposed by the Airport Authority in the future, for services and facilities provided by Airport Authority to Lessee, or its assigns and subtenants, on a pro rata, non-discriminatory basis with the other users of said services or facilities.

C. **Payment of Fees**

1. Payment of Lessee's monthly ground rent shall be made in advance, on or before the 1st day of each month involved.

2. Payment of future general aviation landing fees owed pursuant to subparagraph IVB4, above, shall be made in accordance with procedures adopted by the Airport Authority if and when such landing fees are imposed in the future.

3. Payment for the use of the Airport's disposal station shall be made in arrears, on or before the tenth day of the month following the month in which the station was used.

4. Payment of its pro rata share for the draining of the Airport Authority's holding tank, and such future services and facilities that may be provided by the Airport Authority under subparagraph IVB5, above, shall be made within thirty (30) days of each billing for said services and facilities.

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

E. Interest

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

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

A. Lessee understands that commercial ground transportation operators who pick-up their patrons at Lessee's Leased Premises must pay access fees, as well as other fees and charges, to the Authority, pursuant to the Authority's Fees and Charges, as said fees and

charges may be amended from time to time. Accordingly, in order to assist the Authority in determining the fees owed to the Authority by said ground transportation operators, Lessee hereby agrees, to the best of its ability to do so, to provide, in writing, to the Authority, on or before the fifth (5th) day of each month, the following information for each non-local taxicab, for-hire van, for-hire luxury limousine, for-hire people mover, for-hire bus, local hotel/motel courtesy vehicles, and off-Airport rental car operators (i.e., for each ground transportation vehicle operator other than local taxicab or on-Airport rental car operators) that picked-up a ground transportation customer on Lessee's Leased Premises during the preceding month:

(a) the name, business address and telephone number of each operator involved; and

(b) the date and time of each customer picked-up by each such operator during the preceding month.

B. Lessee further agrees to provide to the Airport Authority or third party governmental agency involved, such additional information or clarifications as the Authority or governmental agency may request, to enable the Authority to calculate the landing fees, access fees, and other fees owed by aircraft and ground transportation operators to the Authority pursuant to the Authority's Fees and Charges, as the same may be amended from time to time, to further the Authority's ability to market, promote and manage the Airport, or to comply with governmental monetary collections and reporting requirements. Any subsequent changes or corrections in the information provided by Lessee shall be reported

to the Authority and/or governmental agency involved within seven (7) days of Lessee's discovery of said changes or corrections.

C. Lessee further agrees that it shall not provide any repair or other services authorized hereunder to any aircraft operator, or permit a ground transportation operator to access its Leased Premises to pick-up or drop off a ground transportation patron, if said aircraft or ground transportation operator is more than thirty (30) days delinquent in any monies owed to the Authority, and Lessee receives written notice from the Authority requesting that Lessee cease providing its services or access to said operator.

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

ARTICLE VI. SECURITY DEPOSIT

Lessee shall establish either a savings account or certificate of deposit, in the exclusive name of the Authority, in an amount equal to four months' ground rental owed hereunder, as the same may be adjusted from time to time. The parties hereby agree that \$398.44 shall constitute the initial security deposit required hereunder. Lessee shall be responsible for all service charges on said account or deposit. Lessee shall be entitled to enjoy and withdraw all interest that accrues on said proceeds. Should Lessee wish to withdraw said interest, Authority shall execute such documents as necessary to permit Lessee to do so. Alternatively, Lessee may pay its required security deposit hereunder directly to the Airport Authority, in which case the monies will be deposited into an Airport Authority account and all interest thereon shall be deemed to be the sole property of the Airport

Authority. In the event Lessee falls into default under this Agreement, the Authority shall be entitled to withdraw a portion or all of the principal balance of said security deposit proceeds, pursuant to the provisions of subparagraph XIIIIB3, below.

ARTICLE VII. IMPROVEMENTS

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

1. The improvements, alterations, and additions are performed by qualified and licensed contractors and subcontractors; and

2. Prior to the construction of new buildings, major exterior changes to any buildings, interior renovations that affect the structural integrity or office and hanger configuration of any improvements Lessee may hereafter construct upon the Leased Premises, and interior renovations to any buildings or other improvements that hereafter may be constructed by the Airport Authority upon the Leased Premises:

- (a) Lessee submits the proposed plans to the Airport Authority for its review; and

- (b) The Airport Authority determines in its sole discretion that the proposed improvements, alterations or additions are consistent with the Airport's master and land use plans, the Authority's Development and Architectural Standards, and the Authority's Requirements and Minimum

Standards for Services and Activities at the Airport ("Minimum Standards"), as the same may be amended from time to time.

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

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

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

ARTICLE VIII. MAINTENANCE AND UTILITIES

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

B. During the term of this Lease, Lessee shall also be responsible for providing, at its own expense, all utilities, including but not limited to lighting, heating, air conditioning, water, gas, and electricity, required for the Leased Premises and any improvements, alterations, or additions thereon.

C. During the term of this Lease, Lessee agrees to maintain, at its expense, all portions of the Leased Premises, any improvements, fixtures and equipment thereon, and all of its improvements, fixtures and equipment located elsewhere on the Airport, in a safe and clean condition, and to not permit any unsightly accumulation of wreckage, debris, or trash where visible to the general public visiting or using the Airport.

ARTICLE IX. SIGNS

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

ARTICLE X. DAMAGE TO AIRPORT

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

ARTICLE XI. TAXES AND ASSESSMENTS

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

ARTICLE XII. INSURANCE AND INDEMNIFICATION

A. At all times during the terms of this Lease, Lessee agrees to maintain automobile, general liability, bodily injury and property damage insurance naming the Airport Authority as an additional insured covering all of the services, operations, and

activities of Lessee and its subtenants at the Airport in such amounts as follows: One Million Dollars (\$1,000,000), combined single limit.

B. Lessee further agrees to maintain such hazard insurance as necessary to cover the replacement cost of each of the improvements it, or its assigns or subtenants, or the Airport Authority own or have constructed upon the Leased Premises, and that the proceeds of said insurance shall be used to repair or replace the improvements involved, as necessary.

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

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

E. Lessee shall indemnify and hold harmless the Airport Authority, its Board members, officers, agents and employees, from and against any and all liabilities, obligations, claims, damages, costs and expenses, including attorney's fees, incurred by or asserted against the Airport Authority, its Board members, officers, agents and employees, by any person or entity whatsoever, resulting from the acts or omissions of Lessee, its board

members, officers, employees, agents, contractors, subcontractors, subtenants, assigns, guests, invitees, customers, or any third party acting under its direction or control.

ARTICLE XIII. DEFAULT AND REMEDIES

A. **Events of Default.** The following shall constitute defaults by Lessee:

1. Failure to pay monthly ground rents, or any other monies owed hereunder, or under any other agreements between the parties, when such monies are due, and the failure to cure said delinquency within a period of ten (10) days following written notice of said delinquency;

2. Any other failure in the performance of any covenant or obligation required herein, or under any other agreement between Lessee and the Airport Authority, and the failure to cure said delinquency within a period of thirty (30) days following written notice of said delinquency;

3. The acquisition of Lessee's interest in this Lease Agreement by execution or other process of law when said process of law is not discharged within fifteen (15) days thereafter; and

4. Lessee's general assignment of its rights, title and interest hereunder for the benefit of creditors; or the appointment of a receiver for Lessee's property if the appointment is not vacated within ninety (90) days.

B. **Remedies Upon Default.**

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

1. The Airport Authority may sue for specific performance;
2. The Airport Authority may sue for recovery of all damages incurred by the Airport Authority, including incidental damages, consequential damages, if any, and reasonable attorney's fees;
3. The Airport Authority may utilize any portion, or all, of the security deposit proceeds provided by Lessee to remedy the default and to reimburse the Airport Authority for any damages, including reasonable attorney's fees and other expenses of collection, that it may sustain as a result of the default. In such event, Lessee shall not be permitted to resume operations under this Lease until such time as it furnishes another security deposit that satisfies the requirements of Article VI. However, this Lease shall not be deemed terminated during said period unless written notice of termination shall have been given and become effective in accordance with subparagraph B4, below.
4. The Airport Authority may terminate this Lease Agreement and, at the option of the Airport Authority, any other agreement in effect between the parties. The termination of these agreements, however, shall only be effective upon written notice of same provided by the Airport Authority to Lessee. In no event shall this Lease be construed to be terminated unless and until such notice is provided. The termination may be effective immediately upon provision of said notice, or at any other time specified in the notice. If this Lease is terminated, Lessee shall continue to be liable for: (a) the performance of all terms and conditions, including the payment of all monthly ground rent and all other monies due or accrued hereunder

prior to the effective date of said termination; and (b) all damages, including attorney's fees and other expenses of collection, incurred as a result of any default.

5. Without terminating the Lease by so doing, and without further notice to Lessee, Airport Authority may re-enter the Leased Premises with or without process of law, repossess the Leased Premises and all fixtures and improvements thereon, and remove Lessee and any third parties who may be occupying or within the Leased Premises and all of their respective personal property, by using either such reasonable force as may be necessary, summary proceedings, ejectment, or any other means Airport Authority, in its sole discretion, deems appropriate without being deemed guilty of any trespass, eviction, or forcible entry and detainer by so doing. In such case, Airport Authority shall be obligated to attempt, in good faith, to negotiate the reletting of the Leased Premises, and any improvements thereon, or any portion thereof, on behalf of Lessee, for such period of time and upon such terms and conditions as Airport Authority deems appropriate. The Airport Authority shall in no way be obligated under the terms of this subparagraph to relet all or any portion of the Leased Premises, or any improvement thereon, to any third party, or upon terms and conditions, that are not acceptable to the Airport Authority, or which the Airport Authority, in its sole discretion, does not feel to be in the best interests of the Airport; nor shall the Airport Authority be responsible for any failure by the sublessee or new tenant to pay rent or to perform any other conditions due upon such reletting. Lessee hereby expressly authorizes Airport Authority to make any reasonable repairs or renovations necessary to relet the Leased Premises, or any

improvements thereon, on Lessee's behalf. Assuming Airport Authority attempts to relet the Leased Premises, in good faith, whether or not Airport Authority is able to relet the Leased Premises, Lessee shall remain liable for the performance of all terms and conditions of the Lease and the payment of all monies due under the Lease for the remainder of the Leasehold term, although Lessee shall receive credit for any monies paid or conditions performed as a result of reletting. Lessee shall also be responsible for reimbursing the Airport Authority for all costs and expenses Airport Authority incurs in reletting or attempting to relet the Leased Premises, including commission/broker fees and reasonable repair and renovation costs. Finally, if, as a result of such reletting, Airport Authority becomes entitled to receive excess rentals or other benefits over and above what Airport Authority would have been entitled to receive under this Lease Agreement, Airport Authority shall be entitled to retain all such surplus rentals and other benefits, and Lessee shall have no rights or interest therein.

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

C. **Force Majeure.**

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

governing the operation of the Airport, with which the Airport Authority or Lessee must comply.

ARTICLE XIV. COMPLIANCE WITH STATUTES, RULES,

REGULATIONS, DIRECTIVES

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

propylene glycol as a deicing agent, or such other deicing agent as may be authorized by the Airport Authority in the future.

B. Lessee shall be responsible for security of the gates and doors it uses leading to the Air Operations Area.

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

ARTICLE XV. INSPECTION

During normal weekday and weekend business hours, the Airport Authority may inspect the Leased Premises, any improvements, fixtures or equipment thereon, and any of Lessee's improvements, fixtures or equipment on any other areas of the Airport.

ARTICLE XVI. QUIET ENJOYMENT

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

ARTICLE XVII. NON-DISCRIMINATION

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

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

C. Lessee shall make its accommodations and/or services available to the public on fair and reasonable terms without unjust discrimination on the basis of race, creed, color, religion, sex, age, national origin, or handicap.

D. Non-compliance with subparagraphs A, B and C, above, after written finding, shall constitute a material breach thereof and in the event of such non-compliance the Airport Authority shall have the right to terminate this Lease Agreement and the estate hereby created without liability therefor or at the election of the Airport Authority or the United States either or both said Governments shall have the right to judicially enforce said subparagraphs A, B and C.

E. Lessee assures that it shall undertake an affirmative action program as may be required by 14 CFR Part 152, Subpart E, to insure that no person shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E on the grounds of race, creed, color, religion, national origin, age, handicap or sex. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it shall require that its covered suborganizations provide assurances to Lessee that they similarly shall undertake affirmative action programs and that they shall require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

F. This Lease Agreement is also subject to the requirements of the U.S. Department of Transportation's regulations, 49 C.F.R. part 23, subpart F. Lessee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, age, religion, sex or handicap, in connection with the award or performance of any operating agreement covered by 49 C.F.R. part 23, subpart F. Lessee further agrees to include the preceding statements in any subsequent sub-operating agreements at the

Airport that it enters into and to cause those businesses to similarly include the statements in further agreements, as required by FAA Rules, Regulations and Directives.

ARTICLE XVIII. REPRESENTATIONS REGARDING AUTHORITY

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

With respect to Lessee, the undersigned warrants and represents that (1) he is Lessee's President; (2) he is authorized to execute this Lease on Lessee's behalf; and (3) Lessee shall be bound as a signatory to this Lease by his execution of this Lease. Further, attached hereto as Exhibit "F" is a Resolution of Lessee's Board of Directors, authorizing the undersigned agent to execute this Lease on behalf of Lessee and to bind Lessee hereto.

ARTICLE XIX. WAIVER

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

ARTICLE XX. NOTICE

Any and all notices required herein to be made by either party to the other shall be written notice made by depositing such notice, correctly addressed, in the registered or

certified mail of the United States of America, postage prepaid, and such notice shall be deemed to have been served on the date of such depositing.

All notices to the Airport Authority shall be mailed to:

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

All notices to Lessee shall be mailed to:

James E. Fuoco, Manager
JFUOCO, L.L.C.
4360 Racquet Court
Grand Junction, CO 81506

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

ARTICLE XXI. RELATIONSHIP OF PARTIES

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

ARTICLE XXII. PARTIAL INVALIDITY

If any term or condition of this Lease Agreement or the application thereof to any person or event shall to any extent be invalid and unenforceable, the remainder of this Lease Agreement and the application of such term, covenant or condition to persons or events other than those to which it is held invalid or unenforceable shall not be affected and

each term, covenant and condition of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XXIII. SUCCESSORS

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

ARTICLE XXIV. ATTORNEY'S FEES, COSTS AND EXPENSES OF LITIGATION

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

ARTICLE XXV. ASSIGNMENT

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

ARTICLE XXVI. SUBLEASE

Lessee may not sublease all or any portion of the Leased Premises, or all or any portion of the improvements thereon, without first obtaining written consent of the Airport Authority for the sublease, which consent shall not be unreasonably withheld. Any such sublease must be in writing and be made subject to the terms and conditions of this Lease.

In addition, before any sublease may take effect, any sublessee must execute an agreement with the Airport Authority, in a form and for a rental amount and other consideration acceptable to the Airport Authority, pursuant to the requirements of the Minimum Standards, by which such subtenant is authorized to do business on the Airport.

ARTICLE XXVII. WASTE

Lessee may not conduct mining or drilling operations, remove sand, gravel, or kindred substances from the ground, commit waste of any kind, nor in any manner substantially change the contour or condition of the Leased Premises without prior written permission of the Airport Authority.

ARTICLE XXVIII. SURRENDER UPON TERMINATION

A. Upon the expiration or sooner termination of this Lease Agreement, for any reason whatsoever, Lessee shall peaceably surrender to the Airport Authority possession of the Leased Premises, together with any improvements, fixtures or personal property of the Airport Authority thereon, such as the Airport Authority's security fencing and gating, in as good a condition as the Leased Premises, and improvements, fixtures and personal property were initially provided to Lessee, ordinary wear and tear excepted, without any compensation whatsoever, and free and clear of any claims of interest of Lessee or any other third party whomsoever.

B. Subject to the Authority's lien rights under subparagraph XXXVIIA, below, upon expiration or sooner termination of the Lease, Lessee shall have one hundred and twenty (120) days from such date of expiration or termination to remove from the Leased Premises all personal property, improvements and fixtures belonging to Lessee, including

but not limited to the new hangar building it will be constructing thereon. Following its removal of any improvements, fixtures or other personal property from the Leased Premises or from any improvement on the Leased Premises, Lessee shall restore the Leased Premises, and other improvements from which the fixtures or property were taken (if the improvement involved is not also being removed from the Leased Premises), to good condition and repair. Following the exercise of its right to remove any improvement from the Leased Premises, Lessee shall restore the Leased Premises upon which such removed improvements were located to a flat and level condition, and if paved, then repaved to the same depth as existing at the expiration or sooner termination of this Lease Agreement. Title to all personal property, fixtures and improvements not removed by Lessee from the Leased Premises within one hundred twenty (120) days of the expiration or sooner termination of this Lease, including the new hangar it will be constructing thereon, shall automatically vest in the Airport Authority, without payment by the Airport Authority to Lessee of any compensation whatsoever, and said personal property, fixtures and improvements shall thereafter be owned by the Airport Authority free and clear of any claim of interest by Lessee or of any third party whomsoever. The Airport Authority also shall be entitled to a reasonable rental from Lessee for the use of the Leased Premises for Lessee's personal property, fixtures and improvements until such time as Lessee removes said personal property, fixtures and improvements from the Leased Premises, or Lessee provides the Airport Authority with written notice of its decision not to remove said personal property, fixtures, and improvements from the Leased Premises, or upon the running of one hundred twenty (120) days from the expiration or sooner termination of the Lease, whichever event

occurs first. Furthermore, the Airport Authority may remove Lessee's fixtures or personal property and place them into storage on Lessee's behalf and at Lessee's cost and expense, until such time as Lessee notify the Airport Authority in writing that it does not desire said fixtures and personal property, or upon the running of one hundred twenty (120) days from the expiration or sooner termination of the Lease, whichever event occurs first. For purposes of determining under this paragraph the pro-rated rent Lessee shall owe the Airport Authority for the use of the Leased Premises, or any portion thereof, for storing its personal property, fixtures and improvements, Lessee shall owe the rent in effect at the time of expiration or sooner termination of this Lease, for the entirety of each parcel on which each such improvement, fixture or personal property is situated, as said parcel is defined in Article I and attached Exhibit "A", until such time as Lessee either removes the same, gives notice that it desires to abandon the same, or the lapse of one hundred twenty (120) days, whichever event occurs first.

XXIX. HAZARDOUS WASTE/ENVIRONMENTAL POLLUTION

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

XXX. EMINENT DOMAIN

A. Subject to Articles XXXI and XXXII, below, in the event that all or any portion of the Leased Premises is taken for any public or quasi-public purpose by any lawful condemning authority, including the Airport Authority, exercising its powers of eminent domain (or in the event that all or any portion of the Leased Premises is conveyed to such a condemning authority in settlement and acceptance of such condemning authority's offer to purchase all or any portion of the Leased Premises in connection with its threat to take said areas under power of condemnation or eminent domain), the proceeds, if any, from such taking or conveyance shall be allocated between the Airport Authority and Lessee according to the applicable Colorado law of eminent domain. If a portion of the Leased Premises is so taken or sold, and as a result thereof, the remaining part cannot be used reasonably to continue the authorized purposes contemplated by this Lease Agreement as set forth in Article II in an economically viable manner, then this Lease Agreement shall be deemed terminated at the end of a period of sixty (60) days following said taking or conveyance. In that event and at that time, Lessee shall surrender the Leased Premises to the Airport Authority and all of the Airport Authority's fixtures and personal property thereon, and Lessee may remove its improvements, fixtures and personal property located upon the Leased Premises, in accordance with the provisions of Article XXVIII, above.

B. The Airport Authority expressly reserves the right to grant or take easements or rights-of-way across the Leased Premises if the Airport Authority determines it is in its best interests and in accordance with applicable Colorado law of eminent domain. If the Airport Authority grants or takes such an easement or right-of-way across any of the Leased

Premises, Lessee shall be entitled to compensation in accordance with applicable Colorado law of eminent domain.

XXXI. SUBSTITUTION OF PREMISES

A. Notwithstanding Article XXX, above, and subject to Article XXXII, below, Lessee understands and agrees that Airport Authority has the right to take all or any portion of the Leased Premises, and any additions, alterations or improvements thereon, should the Airport Authority, in its sole discretion, determine that said portion of the Leased Premises, and improvements thereon, are required for other Airport purposes. If such action is taken, the Airport Authority may require Lessee to vacate the Leased Premises, or any portion thereof, and the Airport Authority shall substitute comparable areas within the Airport, or any additions or extensions thereof, brought to the same level of improvement as the area taken. The Airport Authority shall bear all expenses of bringing the substituted area to the same level of improvement as the area taken, and of moving Lessee's improvements, equipment, furniture and fixtures to the substituted area. If any of Lessee's improvements, equipment, furniture or fixtures cannot be relocated, Airport Authority shall replace, at its own expense, such non-relocatable improvements and other property with comparable property in the substituted area, and the Airport Authority shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Lessee, or any other third party whomsoever. It is the specific intent of this subparagraph that Lessee be placed, to the extent possible, in the same position it would have been, had the Airport Authority not substituted new premises for the Leased Premises; provided, however, that Airport Authority shall not be

obligated to reimburse Lessee for any damages, including lost profits or revenues, due to such substitution.

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

ARTICLE XXXII. AIRPORT DEVELOPMENT RIGHTS/EMERGENCY

USE OF LEASED PREMISES

A. Subject to the provisions of Articles XXX and XXXI concerning Eminent Domain and Substitution of Premises, above, the Airport Authority reserves the right to further develop or improve all areas within the Airport, including landing areas, as the Airport Authority may determine, in its sole discretion, to be in the best interests of the Airport, regardless of the desires or views of Lessee, and without further interference or hindrance from Lessee.

B. Lessee hereby permits the Authority to utilize all, or a portion of, Lessee's Leased Premises, as well as the public airfield areas and any other parts of the Airport,

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

C. This Lease Agreement shall also be subject and subordinate to the requirements of any existing or future contracts or agreements between the Airport Authority and federal, state or local governments, or any agencies thereof, and to the requirements of any federal, state, or local statutes, regulations, or directives governing the operation of the Airport, and the Airport Authority shall not owe any damages to Lessee,

such as lost profits or revenues, as a result of its compliance with said contracts, statutes, rules or directives. The Airport Authority shall also be excused from its obligations to pay Lessee eminent domain compensation under Article XXX, above, or to provide substitute leasehold premises pursuant to Article XXXI, above, unless the payment of said proceeds or provision of substitute premises is specifically directed by the contract, statute, regulation or directive involved.

ARTICLE XXXIII. PATENTS AND TRADEMARKS

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

XXXIV. RENEWAL

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

ARTICLE XXXV. GOVERNING LAW AND VENUE

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

ARTICLE XXXVI. HOLDING OVER

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

ARTICLE XXXVII. MISCELLANEOUS PROVISIONS

A. Lien Rights.

To further assure Lessee's payment of rents, taxes, damages, and any other charges due by Lessee under this Agreement, or under any other agreement between the Authority and Lessee, and Lessee's performance of all of its other obligations under this Agreement and any other agreement executed between the parties, Lessee hereby covenants and agrees that it shall not utilize the new hangar building it will be constructing hereunder, or any future fixtures, additions, or alterations therein or thereto, as collateral to secure the repayment of any loans or other obligations Lessee might owe in the future to any third party, and that said hangar, and any future fixtures, additions, or alterations thereto shall

be owned by Lessee, free and clear of any liens or encumbrances, during the entire term of this Lease Agreement. Lessee shall not remove said hangar, and any future additions, alterations or fixtures thereto, from the Leased Premises, without the prior written consent of Authority, unless and until all of Lessee's obligations under this Agreement and any other agreement executed between the parties shall have been performed. If Lessee has not paid all monies, or performed all obligations, owed under this Lease or under any other agreement between the parties at the time of expiration or sooner termination of this Lease, Lessee shall not have the right to remove said hangar, or future fixtures, additions or alterations thereto, pursuant to its removal rights under Article XXVIII, above, until it fulfills all of said monetary and other obligations. If Lessee has not fulfilled all of its monetary and other obligations under this Lease, and any other agreement between the parties, as of the 120th day following the expiration or sooner termination of this Lease, Lessee shall be deemed to have forfeited its removal rights under Article XXVIII, and the Airport Authority shall be deemed the owner of the hangar, and of all future fixtures, additions, or alterations thereto, without having to pay any consideration to Lessee therefor, and free and clear of any claims of right, title, or interest of Lessee or any third party whomsoever. In addition, Lessee shall continue to be responsible for the payment of all monies due, and for the performance of all obligations owed, the Airport Authority, under this Agreement and any other agreement between the parties, through said 120th day deadline.

B. First Right of Refusal on Option Parcel.

The parties acknowledge that Lessee is exploring the possibility of leasing a parcel of property, located south of his current leased premises to the new east-west roadway under construction ("option parcel"), in order to build additional hangars to store aircraft for third

party subtenants. A map depicting the general location of the option parcel is attached as Exhibit "G." The Airport Authority hereby provides Lessee a first right of refusal to lease the option parcel, subject to the terms and conditions of this subparagraph. Specifically, if the Airport Authority receives a bona fide offer to lease a portion or all of the option parcel from a third party, upon terms which the Airport Authority is willing to accept, the Airport Authority shall provide written notice of the terms of the bona fide offer to Lessee. Lessee shall then have thirty (30) days from the date of service of said written notice upon him to advise the Airport Authority, in writing, whether he wishes to lease the portion of the option parcel involved, and such additional portions of the option parcel he may desire to let, either upon the same terms and conditions as the bonafide offer, or upon such alternative terms and conditions as may be mutually agreed upon by the Airport Authority and Lessee during said thirty (30) day notice period. If Lessee fails to notify the Airport Authority, in writing, within said thirty day notice period that he wishes to lease the portion of the option parcel involved, and any additional portions of the option parcel, subject to the terms of the bonafide offer, or if the parties cannot mutually agree upon the alternative terms by which Lessee will lease the portion of the option parcel involved within said thirty day period, Lessee's first right of refusal to lease the option parcel, or any portion thereof, shall be deemed terminated, and the Airport Authority shall be free to lease the portion of the option parcel to the third party bonafide offeree, pursuant to the terms of the bonafide offer, and the remaining balance of the option parcel to any third party whomsoever, upon terms the Airport Authority deems acceptable, in its sole discretion, without any further claim of right, title, or interest in the option parcel by Lessee.

ARTICLE XXXVIII. ENTIRE AGREEMENT

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

Done and executed on the date first above written.

ATTEST:

WALKER FIELD, COLORADO,
PUBLIC AIRPORT AUTHORITY

Devin P. Piptone
Clerk

By *John C. Cook*, Chairman

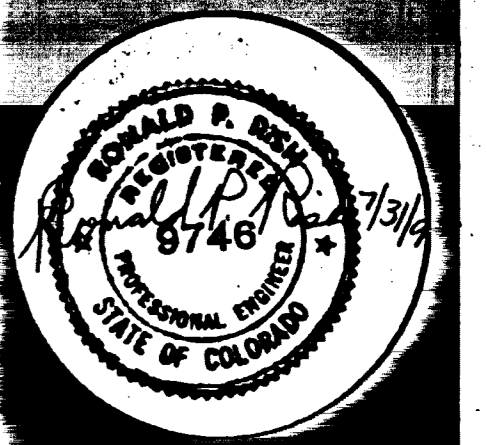
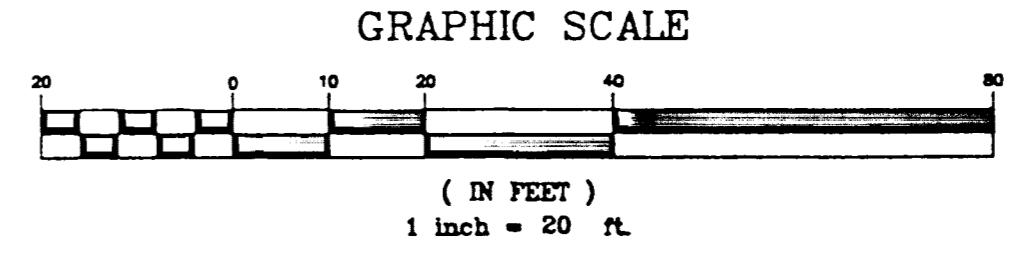
JFUOCO, L.L.C.

By *James E. Fuoco*
James E. Fuoco, Manager

LEGEND

- x17.00 EXISTING SPOT ELEVATION
- PROPOSED SPOT ELEVATION
- EXISTING PAVEMENT
- EXISTING CONTOUR
- - - PROPOSED CONTOUR
- - - EXISTING STORM SEWER
- - - PROPOSED APRON/HANGAR
- FLOW LINE
- - - EXISTING C.A.F. LEASE LINE

BENCHMARK
 CONCRETE ● S.E. CORNER OF
 EXISTING INLET.
 ELEV. = 4814.54



ARMSTRONG CONSULTANTS, INC.

881 ROOD AVENUE
 GRAND JUNCTION, COLORADO 81501
 (303) 242-0101

ENGINEERS
 PLANNERS
 SURVEYORS
 MATERIAL TESTING
 SOIL TESTING
 GEOTECHNICAL ENGINEERS

WALKER FIELD AIRPORT
 JAFCO LLC APRON

Revisions:

Project No: 955475
 Date: 7-28-95
 File Name: SITE

Drawn: JLW
 Checked: RPR
 Approved: KEK

SITE PLAN
 JUL 31 1995

Sheet: 1 of 1

