

LEASE

This lease is effective this 14th day of January, 1998, by Front Range Airport Authority, a political subdivision of the State of Colorado, located at 5200 Front Range Parkway, Watkins, Colorado 80137 ("Landlord") and Ronald C. Webster, located at 2810 Eaton, Wheatridge, CO 80214 ("Tenant"). This lease cancels and supersedes the lease dated April 16, 1996, between the Front Range Airport Authority and Ronald C. Webster.

For and in consideration of the mutual covenants hereinafter contained, the parties agree as follows:

1. Lease and Description. Upon the terms and conditions hereinafter set forth, Landlord does hereby lease to Tenant and the Tenant does hereby lease from the Landlord those certain Premises situated at the Front Range Airport, County of Adams, State of Colorado, hereinafter called the ("Premises"), the configuration of and legal description of the Premises are set forth on the site plan attached hereto marked as Exhibit "A" and incorporated herein by this reference as though set forth herein verbatim. The Tenant shall have the non-exclusive use of taxiways, runways and other areas of the airport not within the exclusive use of other tenants and Landlord.

2. Business Purpose. The Premises are to be used for the construction and use of aircraft hangar buildings and facilities, which shall be subject to and pursuant to this Lease, and shall not in any way be interpreted as creating or vesting a fee ownership interest in the Tenant or any unit owners to the Premises.

The aircraft hangar building and the leasehold herein are to be used for aeronautical - related purposes including but not limited to parking and storing of aircraft, maintenance and other activities associated with aircraft ownership. Tenant/s are subject to this Lease Agreement, the minimum standards of the Front Range Airport which "minimum standards" shall be provided to Tenant by Landlord from time-to-time as they are amended and all Federal, State and Local ordinances and laws.

3. Term. The initial term of this Lease shall be for twenty years commencing May 1, 1996 and ending at midnight on April 30, 2016. So long as the Tenant is in full compliance with the terms of this lease and the Minimum Standards, as may be changed from time to time, and so long as Tenant remains a financially viable entity and that the Authority has determined that the structural integrity and condition of the building(s) remains good, Landlord shall extend the term of this lease for a five (5) year period. Thereafter, additional five (5) year renewal terms may be offered. Renewal rental rates shall be adjusted according to current land lease rates. Tenant shall provide 90 days prior written notice if it desires to terminate this Lease at the end of the Term or each subsequent renewal period.

4. Rent. The rent for said leasehold space for 1996, the first year of this lease commencing upon execution hereof, shall be \$2,500.47, computed at the pro-rated, annual rate of .18 cents per square foot, times the building footprint plus fifteen (15) feet or 23,814 square feet as shown on Exhibit A. The total (Premises), for which Tenant is responsible, is three hundred ten (310) feet by one hundred thirty-one (131) feet

or 40,610 square feet. Such rent shall be paid to the landlord on September 1, 1996, and shall be mailed or delivered by hand to 5200 Front Range Parkway, Watkins, Colorado 80137.

a. Future Rental Periods. Commencing on January 1, 1997, and once every year thereafter the rent shall be \$4,286.52, computed at the annual rate of .18 cents per square foot, with the leasehold space consisting of 23,814 square feet. Commencing January 1, 2002, and every five years thereafter, the annual rental sum shall be adjusted based upon the prevailing land rental rate for the Front Range Airport and shall be calculated using 23,814 square feet as shown on Exhibit "A", footprint of the leasehold space.

b. Late Charges. The annual rent shall be due and owing as of the first day of each lease-year, commencing January 1, 1997. In the event rent is not timely paid, Landlord may assess, and the Tenant shall pay upon any installment of rent or portion thereof not paid within ten (10) days after such rent installment is due and payable, a late charge penalty for each month or fraction thereof during which the rent or a portion thereof is not paid, within ten (10) days after due date, equal to five percent (5%) of the amount of such rent or portion thereof (plus accrued late charge penalties, if any) due and payable. The amount of the late charge penalty shall be added to the amount due each month and the total thereof shall be subject to a late charge for each succeeding month or fraction thereof in the amount of five percent (5%) of the total.

5. Assignment of Lease; Release of Lessee. Tenant shall not assign, transfer, encumber or otherwise pledge any or all part of Tenant's interest or obligation of this agreement without the written consent of the Landlord and such consent will not be unreasonably withheld.

6. Buildings Constructed on Premises. Any construction of buildings and roads proposed on the Premises shall be approved by the Landlord in writing prior to commencement of construction. Any buildings and roads so constructed shall be done strictly in accordance with the full design plans and specifications, including drawings and elevations showing the dimensions, appearance, interior characteristics, and color of the finished buildings, to be filed with the Landlord and approved by the Landlord prior to commencing construction. Tenant agrees to construct a hangar, two hundred ninety four (294) by fifty-one (51) feet, two aprons having a single wheel aircraft weight bearing capacity of not less than 12,500 pounds. The East apron shall be forty (40) by three hundred ten (310) feet. The West Apron shall be forty (40) by three hundred ten (310) feet. The buildings shall be placed upon the lot at the location shown on the plot plan submitted to the Adams County Building Department, which must be first approved by the Front Range Airport Authority. Any excess soil from this construction shall be removed from the site by the Tenant. All buildings shall be used for the business purpose(s) set forth in paragraph 2 of this Lease. All work shall be warranted for a period of two years by the Tenant and Tenant agrees to correct any work which proves defective or deficient without cost to the Landlord. This warranty can not be assigned, transferred or delegated to subsequent Tenants unless otherwise agreed to by Landlord.

a. Unless construction of the buildings to be located upon the Premises, as set forth in Exhibit A to this Lease, is commenced within one hundred eighty (180) days of the date this Lease is executed, this agreement shall become null and void unless Landlord agrees to a longer period and Tenant shall be entitled to all advanced rents and other fees paid to Landlord. Tenant shall complete the hangar and have a Certificate of Occupancy no later than 120 days after the start of construction.

It shall be the responsibility of the Tenant to secure at Tenant's sole expense all permits, legal descriptions, Exhibit "A" and approvals required for the use of the Premises and construction of any buildings thereon.

7. Repairs. Tenant will at all times keep the Premises neat, clean and in a sanitary condition, and will replace any glass of all broken windows and doors of the buildings as may become cracked or broken, and except for reasonable wear and tear and damage by fire or other unavoidable casualty, will at all times present the Premises in as good repair as they are at the commencement of this Lease. All repairs shall be at Tenant's sole cost and expense.

8. Utilities. Tenant is responsible for bringing utilities from the present point of termination to the perimeter of the of the Premises. The Tenant must provide all improvements within the perimeter of the Premises including, but not limited to, paving, landscaping, buildings, parking, lighting, septic/sewer, gas, telephone and other facilities or utilities. All utilities shall be underground and after installation pavement shall be repaired according to airport standards or at Landlords request. The Tenant hereby covenants and agrees to pay all monthly or other regular charges for heat, light, and water, and for all other public utilities which shall be used in or charged against the Premises during the full terms of this Lease. Landlord agrees to cooperate in the acquisition of temporary hook ups.

9. Taxes. The Tenant hereby covenants and agrees to pay all property and other taxes that are assessed against the Premises during the terms of this Lease. Taxes shall be paid not later than November 15 of each tax year commencing with the first tax statement received by Tenant.

10. No Occupancy of Building(s) Prior To Issuance Of Certificate of Occupancy. The Tenant shall not occupy or use any buildings hereafter erected on the Premises until a certificate of occupancy thereof shall have been issued.

11. Structure Repair and Maintenance. The Tenant agrees at its expense, without cost or expense to the Landlord, during the terms hereof, to keep the Premises and improvements thereof and thereon in good and usable repair and maintenance and the improvements in a safe, sanitary, orderly and sightly condition. The Premises shall, at all times, be maintained in accordance with any applicable Building Code of Adams County, as adopted, amended or modified from time to time as required by law. Without limiting the foregoing:

a. Good Condition. Tenant shall keep leased Premises in good order and condition as set out above and will do all necessary and appropriate

maintenance. If Tenant fails to so maintain the Premises, the Landlord, after (30) days written notice to Tenant, may, but shall not be obligated to, perform such maintenance and the cost thereof shall be invoiced to the Tenant by Landlord, for immediate payment.

b. Removal of Waste. Tenant shall be responsible for the placement and charges of suitable trash containers for the removal of waste. Tenant shall not permit rubbish, debris, waste materials, or anything noxious or detrimental to safety or health or likely to create objectionable odors, a fire hazard, or conducive to deterioration, to remain on any part of the leased Premises or to be disposed of improperly. Tenant shall not permit any wastes, liquids, or other material to become a part of the influence to the Landlord's sewage plant which would cause malfunction of the plant equipment or impede the normal chemical and biological workings of the plant process system.

c. Snow Removal and Maintenance. Tenant shall be responsible for the cost of removing snow from and maintaining the cleanliness of leasehold paved areas as shown on Exhibit "A".

d. Repair. Tenant agrees to repair and maintain the parking spaces and apron within the leased premises so that surface and subsurface conditions are safe and structurally sound.

12. Use. The Tenant shall conduct and carry on in the Premises only the business for which the Premises are leased, and shall not use the Premises for illegal purposes.

13. Liens and Insolvency. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. If the Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if receiver, assignee, or other liquidating officer is appointed for the business of the Tenant, the Landlord may cancel this Lease through appropriate legal means.

14. Assignment

a. Rentals. Tenant may rent or sell hangar space for the purpose described in paragraph 2 of this Lease for a term in which the Tenant determines in its sole discretion, provided (1) the Tenant submits and receives Landlord approval of the proposed sale or rental of lease space; (2) the Tenant keeps the Landlord informed of the name, address, telephone number and aircraft registration number of all current hangar number and aircraft registration number of all current hangar subtenants; and (3) the subtenant must abide by the terms of this Lease.

b. Default. If all or any part of the Premises are sublet or occupied by anybody other than the Tenant, the Landlord may, after default by the Tenant, collect rent from any and all subtenants or occupants, but such collection shall not be deemed a waiver of any agreement, term, covenant, or condition thereof, nor the acceptance by the Landlord of any subtenant or occupant as tenant.

15. Access. The Tenant will allow the Landlord or the Landlord's agents free access at all reasonable times and upon at least twenty-four (24) hours' notice to the Premises during normal business hours for the purpose of inspection. Nothing herein shall be construed in any way as limiting the authority of the Landlord's building official under existing law. In case of any emergency, the Landlord shall have immediate access.

16. Liability Insurance. Tenant shall at all times carry and maintain liability insurance in a company or companies which are acceptable to Landlord, insuring Tenant against all claims for damages for personal injury, including death, and against all claims for damage and destruction of property, which may arise by the acts or negligence of the Tenant, its agents, employees or servants, or by any means of transportation whatsoever, including owned, non-owned, and hired automobiles, to the extent required in Exhibit "B" attached hereto and incorporated herein. Landlord shall be named in all such policies as an additional named insured, and a duplicate true certified copy of the original of such insurance policy or policies shall be furnished to Landlord. Each such policy shall provide that the policy may not be canceled without the company first giving Landlord at least thirty (30) days written notice.

17. Accidents-Indemnity. All personal property on said leased premises shall be at the risk of the Tenant. Landlord shall not be liable for any damage, either to person or property, sustained by the Tenant or others, caused by defects now at said premises or hereafter occurring therein, or due to the condition of any buildings hereafter erected to any part or appurtenances thereof becoming out of repair, or caused by fire, or by the bursting or leaking of water, gas, sewer, or steam pipes, or from any act of Tenant or other occupant(s) of the building(s), or any other person(s), or due to the happening of any accident from any cause in or about said buildings.

18. Fire Insurance. The Tenant shall at all times and during construction carry at its own expense fire insurance, hazard insurance, and vandalism and malicious mischief fire insurance on all buildings existing or hereafter constructed on the Premises acceptable to the Landlord, which policy or policies shall name the Landlord as an additional named insured, and to the extent of Landlord's improvements upon the property, if any. The original policy, a duplicate certified true copy, or such other evidence of insurance as the Landlord shall have agreed in writing to accept, shall be on deposit with the Landlord at all times during the term hereof. Each such policy shall provide that the policy may not be canceled without the company first giving the Landlord at least thirty (30) days prior written notice. No such policy shall contain a deductible clause greater than ONE THOUSAND DOLLARS (\$1,000) per claim. In the event of loss, the Tenant shall pay such deductible sum.

19. Application of Fire Insurance Proceeds in the Event of Loss. If any building(s) on the premises is partial or totally destroyed by fire, earthquake, or other casualty during the term of this Lease, the proceeds of insurance shall be used for the purpose of rebuilding such building(s) and or clean up. The proceeds shall first be applied to the cost of clean-up to the extent required by the Landlord. It is understood that if the Tenant sublets the premises and passes the expense of fire, earthquake, or other casualty

insurance or of liability insurance on to the subtenant, the Tenant will require all insurance policies to name both the Landlord and Tenant (but as Landlord thereunder) as insured parties as required above, as their interests may appear.

Any sublease declaration shall reflect the provisions of this Lease as to the selection of the insurer and the amount and nature of the coverage.

20. Recovery of Leased Premises. The Landlord is authorized to recover the leased premises from the Tenant in the event that the Airport determines the premises are required for another airport purpose. In the event such a determination is made and Landlord elects to recover the Premises, Landlord shall compensate Tenant for the value of the remainder of this Lease and the improvements on the premises based upon a twenty five (25) year Lease term. In the event of disagreement as to the value of the remainder of this Lease and the improvements on the premises, Landlord and Tenant agree to each retain an appraiser to determine the value of the remainder of this Lease and the improvements on the premises. If those appraisers are unable to agree on the value, a third appraiser shall be appointed by the two appraisers and that appraisers valuation shall be conclusive and binding upon both parties. The value of the improvements shall be pro-rated based upon the remaining length of this twenty year Lease, unless prior notice of termination has been given by Tenant. If the tenant has given written notice of termination, the Premises shall be surrendered by Tenant to Landlord without regard to this provision.

21. Tenants Right of Cancellation. In addition to any other remedies available to the Tenant, this agreement shall be subject to cancellation by the Tenant should any one or more of the following events occur.

a. Abandonment of Airport. The permanent abandonment of the Airport as an operating airport by act or decision of the Landlord. Tenant would be entitled to retake the hangar on the premises and be entitled to recover prepaid rent.

b. Supervening Event. The occurrence of any act of God which precludes the Tenant, from the use of the property for the purposes enumerated herein or from the use of airport facilities for a period of at least six months; however, neither Tenant nor Landlord shall have any liability under this subparagraph for any act of God under any theory on which recovery may be sought;

c. Landlord Breach of Lease. The breach by the Landlord of any of the covenants, terms or conditions of this agreement to be kept, performed and observed by the Landlord and the failure to remedy such breach within a period of sixty (60) days after written notice from the Tenant of the occurrence of the breach;

22. Improvements After Termination of Lease. Upon termination of this Lease the buildings, alterations, additions, and improvements made by the Tenant to the property shall be removed by Tenant at Tenants sole expense and premises surrendered in the same condition as existed at the time of execution of this Lease.

23. Notice. All notices and consents hereunder shall be given in writing, delivered in person, or mailed by certified mail, return receipt requested, postage

prepaid, to the Front Range Airport Authority, with a copy to the Director of Aviation at its address below, Front Range Airport Authority, 5200 Front Range Parkway, Watkins, Colorado 80137-7131, the Board of County Commissioners at 450 South 4th Avenue, Brighton, Colorado 80601 and to the Tenant, Ronald C. Webster, 2810 Eaton, Wheatridge, CO 80214.

24. Governmental Fees. All fees due under applicable law to the City, County or State on account of any inspection made on leased Premises by any officer thereof shall be paid by the Tenant.

a. Signs. All signs and symbols placed in the windows or doors or elsewhere about the Premises, or upon the exterior part of the buildings, shall be subject to the approval of the Landlord or Landlords agents. In the event the Tenant places signs or symbols on the exterior of said buildings or in the windows or doors or elsewhere where they are visible from the street that are not satisfactory to the Landlord or Landlord's agents, the Landlord or Landlord's agents may immediately demand removal of such signs or symbols at the cost of Tenant, and the refusal of the Tenant to comply with such demand within a reasonable time will entitle the Landlord to immediately remove said signs at Tenants expense. Any signs so placed on the Premises shall be so placed upon the understanding and agreement that the Tenant will remove same at the termination of the tenancy herein, and if not by Tenant, then the Landlord may have same removed at Tenant's expense. In installing any signs the Tenant shall conform to all requirements of applicable laws and regulations and pay applicable fees.

25. Default and Re-entry. Unless resulting from events enumerated in paragraphs 19 and 20 herein, if any rents above reserved or any part thereof shall be and remain unpaid when the same shall become due, or if the Tenant shall violate or default in any of the covenants and agreements herein contained, the Landlord may cancel this Lease upon giving 60 days written notice to the Tenant. If the default or violation is not cured within said 60 days, the Lease shall then be canceled at the end of the said 60 days and the parties' obligations pursuant to the terms of this Lease shall terminate at that time. Tenant shall be entitled to any advance rents or other fees paid in advance and Landlord shall then be entitled to re-take the Premises. If Tenant refuses to remove itself from the premises, Landlord will then have the Tenant removed pursuant to Colorado statute.

26. Breach of Lease by Tenant. In the event of breach of any condition or term of this Agreement by Tenant, the Landlord shall have the right to terminate this Lease upon 60 days written notice if Tenant does not cure any default within the said 60 day period.

27. Nonwaiver of Breach. The failure of either party to insist upon strict performance of any of the covenants and agreements of this Lease, shall not be construed to be a waiver or relinquishment of any such strict performance, or any other covenants or agreements, but the same shall be and remain in full force and effect.

28. Hold Over. Should the Tenant hold over after the expiration of the term of this Lease, Tenant agrees to pay Landlord rent pursuant to the terms of this Lease.

29. Landlord's Ownership. Landlord warrants that it is the owner of the Premises and that it has the right to lease the Premises under the terms of this Lease.

30. Hazardous Substances. The Landlord warrants that the Premises being leased hereunder are free from contamination from hazardous substances. The Tenant shall not permit hazardous substances upon the Premises except those that are normally associated with aeronautical-like purposes.

31. Motor Vehicle Parking on Premises. Parking of vehicles will be permitted only in designated parking area or within the hangars. Only operational vehicles will be parked on Tenants Premises.

32. Parking Aircraft on Premises. Tenant shall not park or leave aircraft on taxiways or on pavement adjacent to the premises in a manner which unduly interferes with or obstructs access to adjacent hangars. Only airworthy aircraft will be parked on Tenants apron.

33. Venue. Each party hereto acknowledges that this agreement is entered into within the State of Colorado and that the courts of the County of Adams, State of Colorado, shall have jurisdiction and venue for any and all claims, controversies, disputes and disagreements arising out of this agreement or the breach thereof.

34. Site Plan. Where reference is made in this Lease to a plot plan or site plan, it is understood and agreed between the parties that such plan must include as a minimum those matters hereinafter set forth and shall be in the form of a scale drawing of the entire leased Premises with all of those matters set forth to scale and legible thereon:

- a. Location of all structures and sizes thereof, together with size and location of any future structures which the Tenant anticipates may be placed on the Premises;
- b. Location of all roads, driveways, entrances, and exits;
- c. Location of all parking areas and description of method of delineating such areas by curbs or other methods;
- d. Location of all utilities and, in case of underground utilities, mention thereof;
- e. Interior and exterior drainage;
- f. Location and type of all fencing and gates;
- g. Site and exterior building lighting;
- h. Location of taxiway ingress and egress.

35. Completion of Improvement. Tenant agrees to complete the improvements in complete compliance with the terms of this agreement. Should Tenant fail to complete construction of the building pursuant to the terms of Section 6., Tenant agrees to pay Front Range Airport Authority the sum of monies as shall be necessary for Front Range Airport Authority or its designee to satisfactorily complete the improvements. Such monies shall be paid to Front Range Airport Authority within 30 days from receipt of invoice.

36. Indemnification. Tenant assumes the risk of loss or damage to the hangar and its contents, whether from windstorm, fire, earthquake, snow, water run-off, or any other causes whatsoever. Tenant covenants and agrees that it will indemnify and save harmless Landlord from all demands, claims, costs, causes of action or judgment, from all expenses that be incurred, in investigating or resisting the same, arising from or growing out of acts or omissions of Tenant, its contractors, agents, members, stockholders, employees, invitees, servants, subtenants, successors or assigns in connection with its occupancy or their occupancy of any portion of Front Range Airport, including the leased premises.

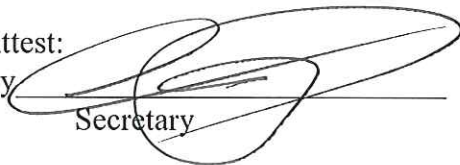
37. Legal Description. At the completion of the project, the Tenant is responsible for providing Landlord with a legal description of the site and structures including the location of utilities. If the legal description is greater than 5% or less than 5% of the square footage of the building the legal description shall be used to compute land lease fees effective with the effective date of the lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the 14th day of January, 1998.


Landlord:
Front Range Airport Authority

Attest:

By

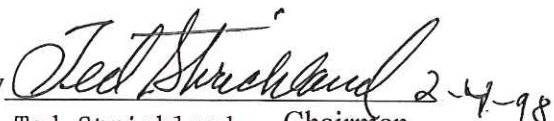

Secretary

By


Perry Miller, Chairman

Adams County Board of Commissioners

By


 2-4-98
Ted Strickland, Chairman

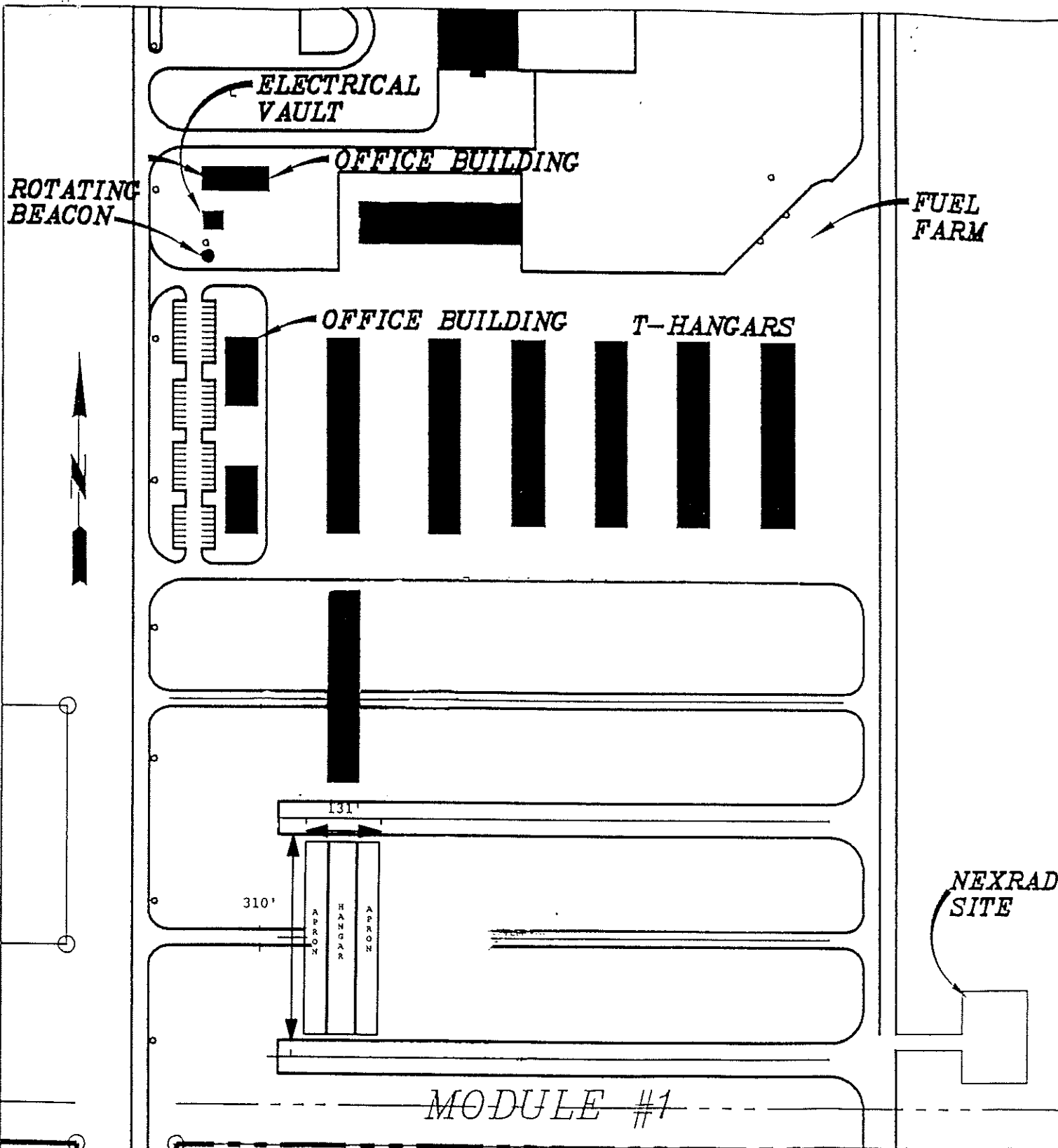
approved as to form



Tenant:

By


Ronald C. Webster



FRONT RANGE AIRPORT **EXECUTIVE AND T-HANGAR AREA**

EXHIBIT "A"

A PARCEL OF LAND LOCATED IN THE N.E. 1/4, S.E. 1/2 OF SEC. 16,
 TOWNSHIP 3 SOUTH , RANGE 64 WEST OF THE 6TH P.M., ADAMS
 COUNTY, COLORADO



310'

APRON

T-HANGAR

APRON

294'

TAXIWAY

51'

15'

15'

131'

TAXIWAY

FRONT RANGE AIRPORT

Exhibit "A"

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NOTE

The tenant is responsible for construction and maintenance cost of the Premises as described in the lease.

EXHIBIT B

INSURANCE

The Tenant will be required to procure and maintain, at its own expense and without cost to the Landlord, the kinds and minimum amounts of insurance as follows:

I. Comprehensive General Liability

In the amount of not less than one million dollars combined single limit.
Coverage to include:

- A. Premises
- B. Products/Completed Operations
- C. Broad Form Comprehensive, General Liability
- D. Front Range Airport Authority and Adams County as Additional Insured

II. Comprehensive Automobile Liability

In the amount of not less than \$600,000 combined single limit for bodily injury and property damage.

III. Employers Liability, Worker's Compensation and Unemployment Insurance

The Tenant shall secure and maintain employer's liability, Workman's Compensation Insurance and Unemployment Insurance that will protect it against any and all claims resulting from injuries to and death of workmen engaged in work under this contract.

Certificate of Insurance

The Tenant shall not commence work under this contract until it has submitted to the landlord, and received approval thereof, certificates of insurance showing that it has complied with the foregoing insurance.

All referenced insurance policies and/or certificates of insurance shall be issued to include the Front Range Airport Authority as an "additional insured". The name of the bid or project must appear on the certificate of insurance.

- 1. Underwriters shall have no right of recovery or subrogation against the Front Range Airport Authority; it being the intent of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.

2. The clause entitled "Other Insurance Provisions" contained in any policy including Front Range Airport Authority as an additional named insured shall not apply to Front Range Airport Authority.
3. The insurance companies issuing the policy or policies shall have no recourse against Front Range Airport Authority for payment of any premiums due or for any assessments under any form or any policy.
4. Any and all deductibles contained in any insurance policy shall be assumed by and at the sole risk of the Tenant.

If any of the said policies shall be or at any time become unsatisfactory to the Landlord as to form or substance, or if a company issuing any such policy shall be or at any time become unsatisfactory to the Landlord, the Tenant shall promptly obtain a new policy, submit the same to the Landlord for approval and thereafter submit a certificate of insurance as herein above provided. Upon failure of the Tenant to furnish deliver an maintain such insurance as provided herein, this contract, at the election of the Landlord, may be immediately declared suspended, discontinued or terminated after 60 days written notice to the Tenant. Failure of the Tenant in obtaining and/or maintaining any required insurance shall not relieve the Tenant from any liability under the contract, nor shall the insurance requirements be construed to conflict with the obligations of the Tenant concerning indemnification.