

T-63

UNIMPROVED LAND LEASE

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CAROL S. SYDER
ADAMS COUNTY

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This lease is effective this 1st day of June, 1999, between the 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").

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 that certain parcel of land situated at the Front Range Airport, in the 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 as Exhibit "A" and incorporated herein by this reference. 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 an aircraft hangar building 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, all Federal, state and local laws, regulations and ordinances. Tenant(s) are also subject to the Minimum Standards of the Front Range Airport. The Minimum Standards shall be provided to Tenant by Landlord from time-to-time as they are amended.

3. Term: The initial term of this Lease shall be for twenty years commencing June 1, 1999 and ending at midnight on May 31, 2019. The Landlord shall extend the term of this lease for a five (5) year period so long as the Tenant is in full compliance with the terms of this lease, the Minimum Standards currently in effect, the Tenant remains current with financial obligations to the Airport, and the Authority has determined that the structural integrity and condition of the building(s) remains good. Thereafter, additional five (5) year renewal terms may be offered to Tenant so long as the requirements of this paragraph continue to be met. Renewal rental rates shall be adjusted according to current land lease rates. Tenant shall provide ninety (90) days prior written notice if it desires to terminate this Lease at the end of the Term or a subsequent renewal period.

4. Rent: a. The rent for said leasehold space for 1999, the first year of this lease commencing upon execution hereof, shall be Two Thousand Five Hundred and 47/100 Dollars (\$2,500.47), computed at the pro-rated, annual rate of eighteen cents (\$0.18) per square foot, multiplied by the building footprint plus fifteen (15) feet or

23,814 square feet as shown on Exhibit "A". The total Premises, for which the Tenant is responsible, is one hundred seventy-five feet (175) by three hundred fifteen feet (315), or 55,125 square feet. Such rent shall be paid to the Landlord on June 1, 1999, and shall be mailed or delivered by hand to the Front Range Airport, 5200 Front Range Parkway, Watkins, Colorado 80137.

b. Future Rental Periods. Annual rent for the years 2000 through 2005 shall be Four Thousand Two Hundred Eight-Six and 52/100 Dollars (\$4,286.52), computed at the annual rate of Eighteen Cents (\$0.18) per square foot, with the leasehold space consisting of 23,814 square feet. Commencing January 1, 2006, 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 Premises.

c. Rental Payments. The annual rent shall be due and owing as of the first day of each lease-year, commencing January 1, 2000. In the event that rent is not paid within ten (10) days of January 1st, Tenant shall pay upon any installment of rent a late charge penalty for each month or fraction thereof during which the rent or a portion thereof is not paid, equal to five percent (5%) of the amount of such rent (plus accrued late charge penalties, if any) due and payable. The amount of the late charge penalty shall be added to the amount due 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. a. Any construction of buildings and roads proposed on the Premises shall be approved by the Landlord in writing prior to commencement of construction as outlined in the Development Steps attached hereto as Exhibit "B". 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 and approved by the Landlord prior to commencing construction. Tenant, Tenant's contractor and subcontractors shall only use the "Construction Route" as depicted on Exhibit "A" to transport materials and equipment to and from the project site. All such parties shall only use the "Staging Area" as depicted on Exhibit "A" for the storage of materials and equipment necessary for this project. Tenant agrees to construct a hangar, two hundred ninety-four (294) by fifty-one (51) feet and two aprons having a single wheel aircraft weight bearing capacity of not less than twelve thousand five hundred (12,500) pounds. Each apron shall be a minimum of forty (40) feet wide by three hundred ten (315) 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. Tenant agrees to install apron/parking lot lighting at the rate of one 250W high-pressure sodium fixture every seventy-three (73) feet of building frontage. The Tenant shall remove any excess soil from this construction from the site. All buildings shall be used for the business purpose(s) set forth in paragraph 2 of this Lease. The Tenant shall warrant all work for a

period of two years. Tenant agrees to correct any work found to be 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.

b. Unless construction is commenced within ninety (90) days of the date this Lease is executed, this Lease shall become null and void unless Landlord agrees to a longer period. Landlord shall seek to mitigate damages incurred and Tenant may be entitled to return of advanced rent and other fees paid to Landlord.

c. Tenant shall complete the hangar and have a Certificate of Occupancy no later than one hundred twenty (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, 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 Premises. Tenant is responsible for installing a water meter. Tenant is responsible for installing fire hydrants as required by the local fire department. 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. After installation, pavement shall be repaired according to Airport standards or at Landlord's request. Tenant hereby covenants and agrees to pay water and sewer tap fees as stated in the Minimum Standards and 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 taxes that are assessed against the Premises during the terms of this Lease.

10. Certificate of Occupancy. The Tenant shall not occupy or use any buildings hereinafter erected on the Premises until a Certificate of Occupancy thereof has been issued by Adams County.

11. Structural Repair and Maintenance. Tenant agrees to maintain the Premises 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. Specifically:

a. Good Condition. Tenant shall keep leased Premises in good order and working condition and will do all necessary and appropriate maintenance and repair

work at its sole expense. If Tenant fails to so maintain the Premises, Landlord may perform such maintenance and bill Tenant for all costs incurred. Prior to commencing work, Landlord will provide Tenant with thirty (30) days written notice.

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 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. **Premises 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 free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. If the Tenant becomes insolvent, bankrupt, or if a receiver, assignee, or other liquidating officer is appointed for the business of the Tenant, the Landlord may terminate this Lease in accordance with the laws of Colorado.

14. **Sublease**

a. **Rentals.** Tenant may rent hangar space for the purpose described in paragraph 2 of this Lease, provided: (1) Tenant receives Landlord's written approval of the proposed rental of lease space; (2) the Tenant informs the Landlord of the name, address, telephone number and aircraft registration number of all such parties; and (3) the subtenant agrees in writing to abide by the terms of this Lease.

b. **Default.** If all or any part of the Premises is sublet, assigned or occupied by any party 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 its agents free access to the Premises at all reasonable times. Whenever practicable, Landlord will provide Tenant with a minimum of twenty-four hours' notice for the purpose of inspection of the Premises, during normal business hours. Nothing herein shall be construed in any way as

limiting the authority of the Landlord to enter the Premises. In case of any emergency, 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 "C" attached hereto and incorporated herein by this reference. Landlord shall be named in all such policies as an additional insured, and a Certificate of Insurance shall be furnished to Landlord. Each such policy shall provide that the policy may not be canceled without the insurance company giving Landlord at least thirty (30) days written notice.

17. Fire Insurance. Tenant shall at all times, including construction, carry at its sole expense fire insurance, hazard insurance, and vandalism and malicious mischief insurance on all buildings existing or hereafter constructed on the Premises, approved by Landlord. Such policies shall name the Landlord as an additional insured, and to the extent of Landlord's improvements upon the property, if any. A current Certificate of Insurance shall be issued to Landlord. Each such policy shall provide for thirty-days written notice to Landlord prior to cancellation. 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.

18. Application of Insurance Proceeds in the Event of Loss. a. If any building(s) on the Premises is partially or totally destroyed by fire, earthquake, or other casualty during the term of this Lease, the proceeds of any insurance policy 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 Landlord.

b. It is understood that if the Tenant sublets or assigns the Premises and passes on the expense of any casualty or liability insurance on to a subtenant, Tenant will require all insurance policies to name both Landlord and Tenant (but as Landlord thereunder) as additional insured parties as required above, as their interests may appear. Any sublease declaration or assignment shall reflect the provisions of this Lease as to the selection of the insurer and the amount and nature of the coverage.

19. Indemnity. Tenant shall keep, save and hold harmless Landlord of and from any and all loss, damage, expenses, costs and liability for anything and everything whatsoever arising from the condition of the Premises or out of the occupancy by the Tenant or any subtenant or assignee of Tenant, and any accident, injury or damage whatsoever caused to any party in or about the Premises or the appurtenances, thereof, or upon or under the pavement and the land adjacent to the Premises, and from any losses, damage, expenses, cost or liability arising from any fault or negligence by Tenant or any failure on Tenant's part to comply with any of the covenants, terms and conditions herein contained.

20. Recovery of Leased Premises. Landlord is authorized to recover the leased Premises from Tenant in the event that the Airport determines the Premises are required for

another airport purpose. In the event such a determination is made, condemnation will proceed in accordance with the Colorado Revised Statutes on eminent domain.

21. Tenants Right of Termination. In addition to any other remedies available to Tenant, this Lease shall be subject to termination 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 that precludes Tenant, from the use of the property for the purposes enumerated herein, or from the use of airport facilities for a period of more than six (6) 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. A breach by the Landlord of any of the terms or conditions of this Lease to be kept, performed and observed by the Landlord and the failure to remedy such breach within a period of thirty (30) days after written notice from the Tenant of the occurrence of the breach.

22. Improvements after Termination of Lease. Upon termination of this Lease, Tenant shall remove any buildings, alterations, and additions constructed by Tenant to the Premises (except concrete and asphalt roads, aprons and floors that are in good condition) at Tenant's 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, to the other party. Notices given to the Front Range Airport Authority require a separate copy be delivered to the Director of Aviation at Front Range Airport Authority, 5200 Front Range Parkway, Watkins, Colorado 80137-7131, and the Board of County Commissioners, 450 South 4th Avenue, Brighton, Colorado 80601. Notices for Tenant shall be delivered to Ronald C. Webster, at the address of 2810 Eaton, Wheatridge, CO 80214.

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

25. Signs. All signs are subject to the Airport's Minimum Standards and Landlord's written approval. If Tenant places any such sign or symbol, visible from a public area, that are not approved by Landlord, Landlord may demand the immediate removal of such signs or symbols at the cost of Tenant. The refusal of Tenant to comply with such demand within a reasonable time will entitle Landlord to remove such signs or symbols at Tenant's sole expense. At the termination of this Lease, Tenant will remove all such signs or Landlord may have signs removed at Tenant's expense. Tenant shall conform to all requirements of applicable laws and regulations and pay applicable fees pertaining to the installation and maintenance of any signage.

26. Default by Tenant. Unless otherwise stated in this Lease, if any rents reserved or any part thereof shall be and remain unpaid when due, or if Tenant shall violate or default in any of the covenants, conditions or terms contained herein, Landlord may terminate this Lease in accordance with the Colorado Revised Statutes, as amended. Tenant may be entitled to portions of rents or other fees paid in advance and Landlord shall take possession of the Premises. If Tenant refuses to vacate the Premises, Landlord will have Tenant removed pursuant to Colorado Revised Statutes, as amended.

27. Breach of Lease by Tenant. In the event of breach of any condition or term of this Lease by Tenant, the Landlord shall have the right to terminate this Lease upon three business days written notice. Landlord reserves the right to extend Tenant's time to cure.

28. 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.

29. Hold Over. Should the Tenant continue to occupy the Premises after the expiration of this Lease, and the Landlord has given notice to vacate, Tenant agrees to pay Landlord rent in an amount equal to double the current land lease rate in effect. Such holding over shall not constitute renewal of this Lease but shall be a month-to-month tenancy only, with all other terms and conditions of this Lease applicable.

30. 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.

31. Hazardous Substances. Tenant shall transport, use, store and dispose of fuel petroleum products, and all other materials, including but not limited to hazardous materials, owned or used by it on the Airport in accordance with all applicable federal, state, local and Airport statutes, regulations, laws, rules and ordinances. No waste or disposable materials shall be released on the ground or in the storm sewer. Should such materials be spilled or escape from storage or in any way contaminate the Airport or property adjacent to the Airport through activities of the Tenant, the Tenant shall be responsible for the clean up, containment and otherwise abatement of such contamination at Tenant's sole cost and expense. Further, Tenant shall notify the Landlord and appropriate governmental agency of such occurrence immediately. Should the Tenant fail to do so, the Landlord may take any reasonable and appropriate action in the Tenant's stead. The Tenant shall pay the cost of such remedial action by the Landlord.

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

33. Parking Aircraft on Premises. Tenant shall not park or leave aircraft on taxiways or on pavement adjacent to the Premises in a manner that unduly interferes with

or obstructs access to adjacent hangars. Only airworthy aircraft will be parked on Tenant's apron.

34. Jurisdiction and Venue. Each party hereto acknowledges that this Lease 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 Lease or the breach thereof.

35. 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 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.

36. Completion of Improvement. Tenant agrees to complete the improvements in compliance with all terms of this Lease. Should Tenant fail to complete construction of the building pursuant to the terms of this Lease, Tenant agrees to pay Landlord the sum of monies as shall be necessary for Landlord, or its designee, to satisfactorily complete the improvements. Such monies shall be paid to Landlord within thirty (30) days from receipt of invoice.

37. 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, save and hold 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 Premises.

38. Legal Description. At the completion of the project, 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 this Lease.

39. Notice of Proposed Construction. Tenant shall file FAA Form 7460-1 with the Federal Aviation Administration at least 30 days prior to the date of proposed construction.

40. "Assigns or successors. This Lease shall be binding on the Tenant and his assigns or successors, and the heirs, assigns, administrators, legal representatives, executors or successors as the case may be, of the Tenant."

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the 10th day of March, 1999.

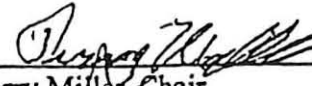
Landlord:
Front Range Airport Authority

Attest:

By

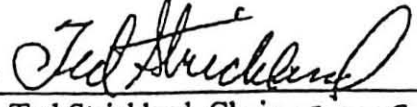

Dennis R. Heap, Secretary

By


Perry Miller, Chair

Adams County Board of Commissioners

By

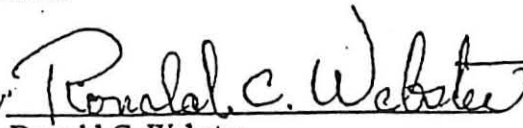

Ted Strickland, Chair 5-10-99

Approved as to form



Tenant:

By


Ronald C. Webster