

**REPORT/ RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF
ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY AND
RECORD OF ACTION**

June 18, 2026

FROM: Mike Fronapfel, Executive Director/CEO

SUBJECT: City of Centennial Financial Outlook

RECOMMENDATION: Advisory

BACKGROUND: Between now and 2035, Centennial's annual expenditures are expected to exceed revenue. And by 2028, the City may not have sufficient funding to cover the regular and ongoing expenses for roads, bridges, traffic signals, and other essential infrastructure. No decisions have been made. City Council is seeking input from City partners and the community to help determine next steps.

FINANCIAL DATA: N/A

REVIEW BY OTHERS: M. Fronapfel, S. Davenport

PRESENTERS: Mayor Sweetland

Action of the Board of Commissioners

	1 st	2 nd	YES	NO	ABSTAIN
Bagnato	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Baker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beatty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Campbell	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Summey	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**REPORT/ RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF
ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY AND
RECORD OF ACTION**

June 18, 2026

FROM: Luke Skaflen, Sr. Business Support Specialist, Administration

SUBJECT: APAH, LLC d/b/a the Heliplex and AirCam National Helicopter Services, Inc. –
Conditional Approval to Assignment and Proposed Changes

RECOMMENDATION: Motion to conditionally approve the assignment of APAH d/b/a the Heliplex HFBO Lease and Agreement, and HFBO Agreement Under Standards and AirCam National Helicopters Agreement Under Standards for Helicopter Charter to Centennial Vertiport, Inc. upon the condition the Authority receives all requested documents in good and fair order.

BACKGROUND: Jim Dirker (“Assignor”), is the principal of APAH, LLC d/b/a The Heliplex (“APAH”), and AirCam National Helicopter Services, Inc. (“AirCam”). The Assignor has requested the Authority’s approval of the assignment to Centennial Vertiport, Inc. (“Assignee”) and Assignee requests consideration of proposed future Minimum Standards changes to Section 2.5.

The Authority has been doing its due diligence of Assignee, to ensure the Assignee is fit and capable of performing the duties and functions as required in the HFBO Lease and Agreement and the associated Agreement(s) Under Standards for such activities. Staff and Assignee have been in communication, and the Assignee has provided staff with requested documents. At the time of this report staff are still reviewing some of the documentation and supports the assignment upon the condition the Authority receives all requested documents in good and fair order.

Assignee has proposed additional support for the emerging Vertical Take Off/Landing (VTOL) and Electric Vertical Take Off/Landing (EVTOL) market. Staff and the proposed Lessee have discussed that such uses would likely require changes to the Minimum Standards.

The Minimum Standards Application provided by the Assignee and all related documents will be provided prior to the Board meeting and on the dais.

The Assignee’s due diligence timeline, as spelled out in the purchase and sale agreement, will end before the August 13th Board meeting; therefore, the Assignee has requested the Board’s conditional approval.

Historical Reference:

APAH: On 8/8/2002, APAH and Authority entered into a Helicopter Fixed Base Operator Lease and Agreement, as amended the (“HFBO Lease”) which related to the ground and improvements. Upon completion of the improvements, the Authority granted APAH the right to operate as a Helicopter FBO under the 7/7/2005 Agreement Under Standards (“HFBO AUS”). The HFBO Lease and the HFBO AUS are linked per the terms of each document.



Arapahoe County Public Airport Authority Minimum Standards

APPLICATION FOR COMMERCIAL AERONAUTICAL ACTIVITIES

CHECK ONE: [X] New Application ___ Reapplication ___ Information for an Assignment

Pursuant to PART 4 of the Minimum Standards for Commercial Aeronautical Activities adopted by the Arapahoe County Public Airport Authority, all applications must demonstrate compliance with all the PART 2, General Requirements and the specific requirements under PART 3, Sections (2) through (12) and must contain the following below listed information.

Space has been provided for response to each question. In many cases, it may be necessary to attach the requested information. If so, please indicate as "See Attached - Exhibit ___". Care should be taken in preparing this application as any incomplete or incorrect information may delay consideration by the Board.

Consistent with applicable law, financial information you submit may be confidential. If you wish to request that the financial information you submit be kept confidential, you must submit such information in a separate attached exhibit. Other information submitted as a part of this Application will be made available to the public upon request.

1) BASIC BUSINESS INFORMATION

Name of Business: Centennial Vertiport, Inc.
Airport Business Location: The Heliplex, 12951 E Control Tower Rd, Englewood, CO 80112
Mailing Address: The Heliplex, 12951 E Control Tower Rd, Englewood, CO 80112
Telephone: (303) 799-8877
Type of Business Services Offered: Helicopter, VTOL/eVTOL and electric aircraft operations; electric charging; AirCam Part 145 maintenance; fueling for helicopters/VTOL (Jet A and 100LL) and maintenance defuel/refuel only. See Exhibit A.
Commencement Date: Upon closing of the Heliplex acquisition and Authority approval
Hours of Operation: Daylight hours, 7 days/week; after-dark on 1-hour notice; expanding to 24/7
Principal Owners: Scott H. Smith - President / Owner, Jim Wisler - Secretary / Treasurer / Owner
Key Personnel & Titles: Nick Barthram - Director of Maintenance (Part 145), Nick Looney - Director of Operations

For Office Use
Part 3
Section 2.5
HFBO
B



Arapahoe County Public Airport Authority Minimum Standards

2) **CERTIFICATIONS & EXPERIENCE INFORMATION:**

- Describe past experience in the specified aviation services for which application is made:
Scott H. Smith is President of Centennial Aero-Tech (maintenance, KAPA) and President of Centennial Flyers, one of the largest flying clubs in the country, with 40+ aircraft and 21 years on field. AirCam, being acquired, holds FAA Part 145 and Part 135 certificates and has operated the Heliplex for years. See resume, Exhibit B.

- Describe experience data on the key personnel or submit resumes as separate attachments:
Resume attached - Scott H. Smith (Exhibit B).

- List all applicable local, state, and /or federal certifications and licenses currently held or to be obtained. Include copies of currently held licenses and certifications.
AirCam National Helicopter Services: FAA Part 145 Repair Station and Part 135 certificates, in good standing. APAH (The Heliplex): existing Minimum Standards authorization (helicopter FBO). Personnel hold FAA A&P, IA, and ATP. Centennial Aero-Tech: Part 145 in process. To be obtained: VEFBO qualification. Certificate copies to be provided.

- If applicable, describe number of aircraft to be utilized including makes, models, passenger seating capacity, cargo capacity, aircraft registration numbers (n-numbers) and copies of any applicable operating certificates.
Based and operated aircraft will include helicopters and electric aircraft (including the Bristell B23 Energic / H55 electric aircraft), with eVTOL aircraft added as the segment matures. Misc MRO aircraft.

For Office Use





Arapahoe County Public Airport Authority Minimum Standards

3) FINANCIAL & MARKET INFORMATION:

A. Provide a written confirmation of account status and history from bank (*see sample bank letter*):

See Attached - Exhibit C (bank confirmation of account status and history).

B. Provide a full description of proposed nature of the operation. Include all services to be provided, number of persons to be employed, and any expansion plans, etc.:

Centennial Vertiport will operate under the Helicopter FBO minimum standards (Section 2.5) until the VEFBO minimum standards are adopted, supporting helicopters, VTOL/eVTOL, and electric aircraft: helicopter operations, electric charging, and Part 145 maintenance for rotorcraft, VTOL, electric, and fixed-wing aircraft (relocation of Centennial Aero-Tech's maintenance operation, AirCam 145 support as its 145 progresses). Fueling is limited to helicopters and VTOL (Jet A and 100LL) and defueling/refueling for maintenance only; no fixed-wing fleet is based. Fewer than 10 employees at launch. See Exhibit D.

C. Provide a statement of need for your proposed operation at the Airport:

No dedicated electric-aviation operator or charging exists at Centennial today. Centennial Vertiport fills that need, consistent with the Airport's 2017 Sustainability Plan and Master Plan. See Attached, Exhibit E.

D. Provide a deposit equal to 50% of the anticipated annual aircraft and/or activity fees (*does not apply to activities under Sections 2 and 2.5 or re-applications*):

Not applicable. The Helicopter FBO category (Section 2.5) is exempt from the deposit requirement; the 50% deposit applies only to activities outside Sections 2 and 2.5.

E. Provide the appropriate non-refundable application fee:

\$1,500 enclosed (non-refundable application fee for the FBO/HFBO category).

For Office Use

Bank letter
Confidential



PLEASE NOTE:

The Authority reserves the right to ask for additional financial and market information in order to determine whether the operator is reasonably fit, willing and able to discharge its economic obligations to the Airport community. Examples of additional information include but are not limited to market analysis, cash flow, profit and loss projections, financial statements prepared by a Certified Public Accountant, credit reports on the business or each party owning or having a financial interest in the business.



Arapahoe County Public Airport Authority Minimum Standards

4) INSURANCE & OTHER INFORMATION:

- List all types and amounts of insurance coverage to be maintained for the proposed operation. Include a copy of your certificate of insurance listing the Arapahoe County Public Airport Authority as additional insured and reflecting at least the required minimum liability coverages for your proposed operation.

Authority named as additional insured (per HFBO Minimum Standards): Aircraft Liability \$5,000,000 CSL; Premises Liability \$5,000,000 CSL; Products & Completed Operations \$5,000,000; Hangarkeepers' \$1,000,000; Pollution/Environmental \$1,000,000, each per occurrence. Placed through Arthur J. Gallagher; broker letter provided, certificate to be delivered upon binding.

- If the proposed operation includes rental, sales or flight training, provide a copy of your student/renter insurance disclosure notice as well as evidence that the same notice has been incorporated in any rental agreements.

Not applicable at launch (no flight training or rental initially).

For Office Use

Insurance Pending

✓

The applicants hereby respectfully request that the Arapahoe County Public Airport Authority consider the foregoing application by the following date, June 18, 2026, for permission to perform the specified aeronautical activities at Centennial Airport.

To be acknowledged and signed by each principal owner (ie President, General Partner, CEO, CFO, Chairman, Secretary, Treasurer etc.)

Completed by Scott H. Smith Title President Date June 12, 2026

Signed by *[Signature]* Title Presidnet Date June 12th 2026

Signed by _____ Title _____ Date _____

Signed by _____ Title _____ Date _____

For Office Use
DATE REVIEW
COMPLETED:

For Office Use
DATE OF PUBLIC
HEARING:
N/A - Assignment

For Office Use
WHEN PUBLISHED:
N/A

CENTENNIAL VERTIPORT

CENTENNIAL VERTIPORT, INC.

APPLICATION EXHIBITS

Arapahoe County Public Airport Authority

Application for Commercial Aeronautical Activities | Revised June 12, 2026

INDEX OF EXHIBITS

Exhibit A: Services Offered

Exhibit B: Resume of Scott H. Smith

Exhibit C: Bank Confirmation of Account Status

Exhibit D: Description of Operation

Exhibit E: Statement of Need

Exhibit A - Services Offered

Centennial Vertiport will support helicopters, VTOL and eVTOL aircraft, and electric aircraft at The Heliplex, operating under the Helicopter FBO minimum standards (Section 2.5) until the VEFBO minimum standards are adopted. Services include continued helicopter operations; electric aircraft charging infrastructure; continued AirCam Part 145 maintenance with Centennial Aero-Tech maintenance support as its Part 145 certification progresses; and fueling limited to helicopters and VTOL aircraft (Jet A and 100LL), plus defueling and refueling in support of maintenance. The operation does not include transient or retail fueling.

Exhibit B - Resume of Scott H. Smith

Resume of Scott H. Smith, President of Centennial Vertiport, Inc., attached.

Exhibit C - Bank Confirmation of Account Status

Exhibit C includes a Charles Schwab account balance letter supporting the all-cash acquisition. An updated balance letter reflecting the full purchase amount has been requested and will follow. Centennial Vertiport, Inc. is owned 50/50 by Scott H. Smith and James Wisler; there are no other owners or related funding entities. Additional financial documentation of the principals is provided confidentially under the confidential submission provision of the Minimum Standards.

Exhibit D - Description of Operation

Centennial Vertiport will operate at The Heliplex to support the next generation of vertical and electric flight at Centennial Airport while continuing the site's existing helicopter operations, under the Helicopter FBO minimum standards (Section 2.5) until the VEFBO minimum standards are adopted.

The proposed operation includes continued helicopter operations as currently conducted at The Heliplex; electric aircraft charging infrastructure; continued AirCam Part 145 maintenance, with Centennial Aero-Tech maintenance support relocating to the site as its Part 145 certification progresses; and fueling limited to helicopters and VTOL aircraft (Jet A and 100LL), plus defueling and refueling in support of maintenance. The operation does not include transient or retail fueling. Fuel volumes are modest and tenant and maintenance driven, on the order of 19,000 gallons of Jet A in 2025, roughly 0.1% of total Airport fuel.

The operation will employ fewer than 10 people at launch, including certified A&P and IA mechanics and operations personnel, growing with demand. Expansion plans include developing the adjacent Parcel 34H, approximately 6 acres, with additional hangars, shelters, and electric charging infrastructure, subject to Authority approvals and a separate ground lease.

Exhibit E - Statement of Need

Centennial Airport has committed, through its 2017 Sustainability Plan and the sustainability goals in its Master Plan, to supporting cleaner and quieter aviation, and the Master Plan specifically contemplates electric aircraft charging at the field. There is no dedicated electric-aviation infrastructure or operator at Centennial Airport today to serve the rapidly emerging eVTOL and electric aircraft segment. Centennial Vertiport meets that need by establishing electric charging, based electric and eVTOL operations, and certificated maintenance for these aircraft, positioning Centennial Vertiport to be among the first electric aircraft service and maintenance providers in the country. The operation preserves and grows existing based aeronautical activity at The Heliplex, keeps the helicopter operations in place, and adds high-value, low-impact aviation use consistent with the Authority's sustainability objectives and with a minimal fuel and noise footprint.

Development Summary | The Heliplex | 12951 E Control Tower Road | Centennial Airport (KAPA)

June 2026 | Conceptual, for discussion with ACPAA staff. Subject to Authority approvals, ground lease, and design development.

Centennial Vertiport, Inc. will operate the existing Heliplex facility as a helicopter FBO under the Helicopter FBO minimum standards (Section 2.5), transitioning to the VEFBO minimum standards when adopted, and will phase in electric aircraft charging, VTOL infrastructure, and expanded Part 145 maintenance. Development proceeds in 3 phases, sequenced to Authority approvals and design development.

1 Phase 1: Existing Facility (Parcels 50C / 50C-1, 4.304 acres)

- + Operate the existing facility as-is. No construction required to commence operations.
- + Helicopter FBO services 7 days per week per Section 2.5 required hours.
- + AirCam Part 135 helicopter charter operations continue without interruption.
- + Part 145 maintenance (MRO) in the existing 16,475 SF hangar, serving helicopters, VTOL, and electric aircraft.
- + Helicopter and VTOL fueling: Jet A from the existing 12,000 gallon fuel farm; 100LL for piston helicopters by mobile refueler; defuel and refuel in support of maintenance.
- + Initial electric aircraft charging capability at the existing apron.

2 Phase 2: Expansion (Parcel 34H, approx. 6 acres, subject to separate ACPAA ground lease)

- + Additional MRO hangar capacity for helicopter, VTOL, and electric aircraft maintenance.
- + 6 electric aircraft shelters with integrated charging stations.
- + VTOL takeoff and landing pads with on-pad charging.
- + Supporting apron, access drive, utilities, and charging infrastructure.

3 Phase 3: VEFBO Buildout

- + Completion of facilities under the adopted VEFBO minimum standards.
- + Additional shelters and charging capacity as electric and VTOL demand grows.
- + Fixed 100LL storage integrated into the fuel farm as part of the fueling infrastructure.

Formal concept drawings from the project design firm will follow as the design is finalized.

EXHIBIT II

Consent to Assignment of the Helicopter Fixed
Base Operator Lease and Agreement
and Assignment of Agreement Under Standards

**CONSENT TO ASSIGNMENT OF
HELICOPTER FIXED BASE OPERATOR LEASE AND
AGREEMENT, AND ASSIGNMENT OF AGREEMENT UNDER
STANDARDS**

WHEREAS, the Arapahoe County Public Airport Authority ("Authority") and lessee, APAH LLC, a Colorado limited liability company d/b/a The Heliplex ("Licensee") entered into a Helicopter Fixed Based Operator Lease and Agreement dated August 8, 2002, and as amended by a First Amendment to the Agreement Helicopter Fixed Based Lease and Agreement, dated June 19, 2003 (the "HFBO Ground Lease"); and

WHEREAS, the Authority and Licensee entered into an Agreement Under Standards ("AUS") dated July 7, 2005, the AUS granted the Licensee the right to operate as a Helicopter Fixed Base Operator as described under the Centennial Airport Minimum Standards for Commercial Aeronautical Activity; and

WHEREAS, 100% of the membership interests ("Membership Interests") in Licensee is owned by James B. Dirker ("Assignor"); and

WHEREAS, Assignor desires to assign 100% of the Membership Interests in Licensee to Centennial Vertiport, Inc., ("Assignee"); and

WHEREAS, on or about May 31, 2026, the Assignor requested the Authority's consent to the assignment of the Membership Interests in Licensee; and

WHEREAS, pursuant to paragraph 27 of the HFBO Ground Lease, Assignor desires the Authority's consent to an assignment of its interests in the HFBO Ground Lease to Assignee; and

WHEREAS, pursuant to paragraph 8 of the AUS, the Assignor notified the Authority of the assignment of the Membership Interest to Assignee; and

NOW, THEREFORE, pursuant to paragraph 27 of the HFBO Ground Lease and paragraph 8 of the AUS, the Authority hereby grants its consent to the assignment of the Agreement from Assignor to Assignee, subject to the following conditions:

1. Licensee shall observe and obey all laws, ordinances, rules and regulations of the United States of America, the State of Colorado, Arapahoe County and the Authority including the Centennial Airport Minimum Standards for Commercial Aeronautical Activities (the "Standards") and the Development Policy and Application Procedures

for Aeronautical and Non-Aeronautical Land Use ("Development Guidelines"), as may be amended from time to time.

2. Assignor or Assignee shall notify the Authority and provide an executed copy of the assignment of Membership Interests by August 12, 2026 or this consent is null and void.

3. Assignee shall make no unlawful or offensive uses of the leased premises.

DATED this 18th day of June 2026.

Arapahoe County Public Airport Authority

By: _____
Thad Bagnato, Chair

ATTEST:

By: _____
Jeff Baker, Clerk

Contents:

- Helicopter Fixed Base Operator Lease and Agreement, dated August 8, 2002.
- First Amendment to the Helicopter Fixed Base Lease and Agreement, dated June 19, 2003.
- Agreement Under Standards for Helicopter Fixed Based Operator, as defined under Part 3, Section 2.5 of the Centennial Airport's Minimum Standards for Commercial Aeronautical Activities, dated, September 10, 2020, effective December 6, 2020.

HELICOPTER FIXED BASE OPERATOR LEASE AND AGREEMENT

THIS HELICOPTER FIXED BASE OPERATOR LEASE AND AGREEMENT ("Lease") is made as of this 8th day of August 2002, between the Arapahoe County Public Airport Authority (the "Authority") and APAH, LLC, a Colorado limited liability company, dba The Heliplex ("Lessee"),

WITNESSETH:

WHEREAS, the Authority is a political subdivision of the State of Colorado that owns and operates Centennial Airport in Arapahoe and Douglas Counties, Colorado (the "Airport"); and

WHEREAS, the Authority has the power to appoint fixed base operators at the Airport and to lease designated areas of the Airport to such operators for the purpose of supplying services and supplies to aircraft and users of the Airport facilities;

WHEREAS, the Authority initially adopted the Centennial Airport Minimum Standards for Commercial Aeronautical Activities on February 5, 1981 (as amended, and as may be amended from time to time, the "Standards"); and

WHEREAS, Lessee desires to construct an aeronautical use facility; and

WHEREAS, Lessee desires to enter into this Lease for Parcels 50C and 50C-1 for the construction and occupancy of a portion of an aeronautical use facility for the conduct of an helicopter fixed base operation at the Airport and the Authority is willing to enter into such Lease on the terms and conditions provided herein.

WHEREAS, Lessee desires to enter into an Agreement under Standards for commercial aeronautical activities on Parcels 50C and 50C-1 and the Authority is willing to enter into such Agreement under Standards under the terms and conditions provided therein; and

NOW, THEREFORE, for and in consideration of the premises and covenants and agreements herein contained and other good and valuable consideration, the parties hereto agree as follows:

1. Leased Premises.

The parcel of land leased by Lessee from the Authority pursuant to this Lease (the "Leased Premises") is identified as Parcels 50C and 50C-1 and is situated in the County of Arapahoe, State of Colorado, and is depicted and described upon the Lease Parcel Map prepared by William E. Payne & Associates noted as File 0138.400EX-P50C and File 0138.400EX-P50C-1 and dated November 28, 2001, which Lease Parcel Map is attached to this Lease as Exhibit A and by this reference made a part hereof.

2. Demise and Term

The Authority hereby leases the Leased Premises to Lessee for Lessee's exclusive use and enjoyment, and Lessee hereby leases the Leased Premises from the Authority, for an initial term of forty (40) years commencing on the effective date of this Lease and ending on August 7, 2042.

3. Use of Parcels

A. Permitted Operations

Lessee and its designees (provided that any such designee shall be subject to the requirements and approval procedures of the Standards) shall have the exclusive right to use and occupy the Leased Premises only for those commercial aeronautical activities permitted in the Standards as either a required activity or a permitted activity for a helicopter fixed base operator.

B. Required Operations

Lessee shall be required to furnish on the Leased Premises, either directly or by designee, the facilities, accommodations, services and activities required of helicopter fixed base operators pursuant to Part 3, Section (2.5) of the Standards (collectively the "Required Operations"). Nothing in this paragraph is intended to limit or preclude Lessee from furnishing services, equipment, facilities, accommodations or personnel superior or in addition to the Required Operations.

C. Aviation Fuel

Aviation fuel shall be sold at the Airport only by Lessee and other fixed base operators (as defined in the Standards) approved by the Authority. Without limiting any other provision of this Lease, Lessee shall have the exclusive right to dispense and sell fuel to helicopters only on the Leased Premises, including the right to permit self-fueling of helicopters on the Leased Premises subject at all times to the supervision and control of Lessee. Lessee shall dispense and allow the dispensing of fuel and sale of fuel on the Leased Premises only in compliance with the Standards. Aviation fuel shall be dispensed by Lessee only on the Leased Premises except where the Authority grants permission to dispense fuel on areas of the Airport not leased to full service fixed base operators, or where by mutual consent between full service fixed base operators, a qualified helicopter or full service fixed base operator may dispense fuel on another helicopter or full service fixed base operator's leasehold. Only Lessee shall have the right to store fuel on the Leased Premises. Fuel shall be stored only in the Airport areas specifically designated for such purpose by the Authority. Fuel servicing vehicles and equipment shall be permitted on the Airport only when operated by helicopter or full service fixed base operator personnel in compliance with safety rules and regulations and insurance requirements adopted by the Authority. In addition to and without limiting the foregoing, dispensing of fuel at the Airport shall be subject to rules and regulations promulgated by the Authority establishing responsibilities, duties, obligations, investments in equipment and facilities and such other criteria determined by the Authority.

D. Bulk Fuel Storage

Lessee shall have the right to use and maintain, at Lessee's sole expense, one or more fuel storage bulk plants on the Leased Premises. If Lessee desires to expand and/or relocate any such bulk plant to another area on the Leased Premises, it may do so, at its cost and expense, to a location acceptable to the Authority. If Authority requires the relocation of any such bulk plant, Authority shall provide to Lessee other land for such bulk plant of a size equal to or greater than its then location, at a location in close proximity to the Leased Premises and acceptable to Lessee, and containing equipment and facilities of capacity and quality equal to or greater than the capacity and quality of such equipment and facilities at the time of such relocation. All costs and expenses incurred in connection with any such required relocation, including the costs of all new equipment required in connection therewith, shall be borne by Authority. If relocation of any such bulk plant is required by any other local, state or federal agency, the Authority shall not be responsible for any relocation costs.

4. Rental Rates and Other Fees

A. Land Rent

Lessee shall pay to the Authority basic Land Rent for the Leased Premises ("Land Rent") pursuant to the following annual rates per square foot of the Leased Premises:

<u>Inclusive Dates</u>	<u>Annual Rental Rate</u>
Effective Date through December 31, 2021:	\$0.05 per square foot
January 1, 2022 through December 31, 2041:	\$0.10 per square foot
January 1, 2042 through December 31, 2051: (Renewal Term, if applicable)	\$0.15 per square foot
January 1, 2052 through August 8, 2062 (Renewal Term, if applicable)	\$0.15 per square foot

Land Rent shall be paid in monthly installments in advance on or before the tenth (10th) day of each month during the term of this Lease, as it may be extended for the Renewal Term by Lessee pursuant to paragraph 5 hereof. Land Rent for any partial month at the beginning or end of the term will be adjusted on a per diem basis for the actual number of days of the term of this Lease included in such month.

B. Additional Rent

In addition to Land Rent, Lessee shall pay to the Authority additional rent and other fees according to the schedule of such rent and fees included in the Standards. Unless otherwise set forth in the Standards or elsewhere in this Lease, such additional rent and other fees shall be paid monthly by Lessee to the Authority on or before the tenth (10th) day of the month following the month in which such rent and fees accrued.

C. Place and Manner of Payments

All payments of Land Rent, additional rent and other fees required to be made hereunder by Lessee to the Authority shall be made at the office of the Authority or at such other place as the Authority may hereafter designate by written notice to Lessee. All payments shall be made in legal tender of the United States. All checks shall be received by the Authority subject to collection of any such checks. The Authority understands Lessee may sublease certain of the operations and activities which are conducted on the Leased Premises (e.g., a restaurant or car rental operation) and, in such instances, the Authority may agree to accept payments of any rents or fees required hereunder directly from such sublessees; provided, however, that the obligations of such a sublessee to make any payment required hereunder directly to the Authority shall not relieve Lessee of its liability or obligations for such payment.

D. Net Return.

It is intended that all Land Rent provided for in this Lease shall be an absolute net return to Authority, and shall be paid to Authority without notice, set off, counterclaim, abatement or reduction. Accordingly, all costs, charges, expenses, impositions, taxes and obligations relating to either the Leased Premises or any buildings, equipment or improvements hereafter situated on the Leased Premises, including, but not limited to, costs of maintenance, repairs, replacements, renovation, remodeling, razing, removal, alterations, insurance, taxes, assessments and all other costs, charges, expenses and obligations of any kind now or at any time imposed upon or related to the Leased Premises, or buildings, equipment or improvements at any time on the Leased Premises shall, during the Lease term hereof, be paid for by Lessee exclusively.

E. Delinquency.

The payments set forth in subparagraphs A and B of this paragraph must be kept current. Interest shall be charged on any payment overdue by one (1) to thirty (30) days at the rate of one percent (1%) per month prorated for the number of days late and based on the date of receipt of payments by the Authority. Interest shall be charged on any payment overdue more than thirty (30) days at the rate of one and one-half percent (1 1/2%) per month prorated for the number of days late based on the date of receipt of payment by the Authority.

F. Personal Guarantee.

As a condition to entering into this Lease, the Authority may require personal guarantees from the principals of Lessee, personally guaranteeing Lessee's obligations under this Lease according to the terms of separate guaranty agreements, which are acceptable to the Authority.

5. Renewal Option

Lessee shall have the right, at its option, to extend the initial term of this Lease for two (2) additional terms (the "Renewal Terms"), the first of which shall commence on August 8, 2042 run through August 7, 2052; and the second of which shall commence on August 8, 2052 and run through August 7, 2062. Exercise of the option to extend for each Renewal Term shall be conditioned upon prior exercise of the option to extend for the prior Renewal Term. To exercise its option to extend the term of this Lease by each Renewal Term, Lessee shall deliver written notice of such exercise to the Authority no later than one (1) year prior to the commencement of such Renewal Term. If Lessee exercises its option to renew the term of this Lease, then the Land Rent payable during each Renewal Term shall be that amount described in paragraph 4.A above. Additional rent and other fees shall be in the amounts described in the Standards or as otherwise provided in this Lease, and all of the terms and provisions of this Lease will continue to apply. Notwithstanding anything above to the contrary, Lessee

shall have no right to exercise Lessee's right to extend the term of this Lease by either Renewal Term as long as a default by Lessee exists under this Lease.

6. Access

Subject to the rules and regulations established by the Authority, Lessee has the right of free access, ingress to and egress from the Leased Premises for Lessee's employees, agents, patrons and invitees, its suppliers of materials and furnishers of services and its equipment, vehicles, machinery, and other property. The Authority may, at any time, temporarily or permanently close or consent to or request the closing of any roadway or other right-of-way for such access, ingress and egress, and any other area at the Airport or in its environs presently or hereafter used as such, as long as a means of access, ingress and egress reasonably equivalent to that formerly provided is substituted therefore and is concurrently made available therefore. Lessee hereby releases and discharges the Authority of and from any and all claims, demands, or causes of action which Lessee may now or at any time hereafter have against the Authority, arising or alleged to arise out of the closing of any right-of-way or other area used as such whether within or outside the Airport, so long as the Authority makes available a means of free access, ingress and egress reasonably equivalent to that existing prior to each such modification, if any.

7. Information Concerning Operational Problems

Lessee agrees to make available to the Authority upon reasonable request by the Authority any report or reports or information regarding Lessee's operations at the Airport for the purpose of keeping the Authority informed of any operational problems on the Leased Premises. Subject to the Authority's obligations pursuant to Colo. Rev. Stat. §24-72-201 *et seq.* concerning public records and other mandates of law, the Authority shall use its best efforts to cooperate with Lessee in maintaining the confidentiality of any reports or information (or any of the particular contents thereof designated as sensitive by Lessee) made available by Lessee to the Authority as provided above. In the event the Authority deems it is obligated to disclose any such information or reports pursuant to a legal mandate, the Authority will use its best efforts to give Lessee advance notice of the disclosure intended to be made and the party to whom it is to be made. The burden is on Lessee to obtain a Court Order preventing any such disclosure.

8. Structure Repair and Maintenance

Lessee agrees at its expense, without cost or expense to the Authority, during the term hereof, to keep the Leased Premises and improvements thereto and thereon in good and useable repair and maintenance and in a safe, sanitary, orderly and sightly condition. The Leased Premises shall at all times be maintained in accordance with any applicable Building Code of Arapahoe County, as applicable, as such Building Codes are amended or modified from time to time. Without limiting the foregoing:

A. Good Condition

Lessee shall keep the Leased Premises in good order and condition as set out above and will make all necessary and appropriate repairs and replacements thereof. If Lessee fails to commence and diligently pursue repairs to the Leased Premises, the Authority, after thirty (30) days' written notice to Lessee may, but shall not be obligated to, perform such repairs and the cost thereof shall be an additional rent due to the Authority on the next date for payment of rent installments under this Lease.

B. Removal of Waste

Lessee shall not knowingly permit rubbish, materials or anything obnoxious 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.

C. Obstruction Lights

Lessee shall provide and maintain obstruction lights on the Leased Premises and all similar equipment or devices now or at any time required by any applicable law, resolution of the Authority, Arapahoe County, state or federal regulations.

D. Restrooms

Lessee shall maintain all restrooms on the Leased Premises in sanitary and clean condition, using proper odor control devices and providing and maintaining an adequate supply of paper towels, soap, toilet

tissue and sanitary napkins.

E. Paved and Landscaped Areas; Snow Removal and Maintenance

Lessee shall be responsible for repairing, maintaining, cleaning and removing snow from all concrete and asphalt areas on the Leased Premises. Lessee shall remove snow from such areas within a reasonable time after each snowfall and shall not pile such snow on any paved taxiways or taxilanes. Lessee shall be responsible for mowing all landscaped and non-landscaped areas, watering all landscaped areas and maintaining all shrubs and trees on the Leased Premises. Also, Lessee shall maintain aircraft tie-down cables and periodically inspect and test tie-down facilities to ensure that their strength is commensurate with the stress needs of the aircraft to be attached thereto.

F. Public Taxilane Easement

Lessee understands and agrees that the Public Taxilanes on the Leased Premises may be used by all airplanes legally upon the Airport. Lessee shall take reasonable steps to assure that the Public Taxilanes are left open and unobstructed. Notwithstanding anything contained in this Lease to the contrary, it is expressly agreed and understood that Lessee has no obligation to monitor or police vehicles (except those allowed on the Airport by Lessee) on the Public Taxilanes to determine if they are legally upon the Airport or to determine if they are operating in a safe condition or in a safe manner. The Authority shall, to the extent permitted by law, indemnify, reimburse and hold Lessee, its officers, agents, and employees harmless from any and all claims, liability, and expenses, including reasonable attorneys' fees on account of injury, including death, loss or damage to persons, firms, corporations, or property growing out of or directly or indirectly resulting from or related to any use or occupancy of the Public Taxilanes located on the Leased Premises, unless death, loss or damages are caused by the sole negligence of Lessee.

G. Automobiles and Support Vehicles

Authority reserves the exclusive right to control, by security gate or otherwise, all automobile ingress and egress to the aircraft ramp on the Leased Premises. However, Lessee shall have the right to implement its own security measures at all other locations on the Leased Premises.

H. Limitation Upon Use

Lessee shall not use or permit the use of the Premises for any purpose or use other than those expressly and specifically authorized by this Lease or hereafter authorized in writing by the Authority and upon such terms as may be set out herein and, Lessee shall not commit or permit any nuisance from the Leased Premises.

9. Title to Improvements

It is hereby stipulated and agreed that all buildings and improvements erected and constructed on the Leased Premises pursuant to and within the contemplation of this Lease are and shall be hereafter understood at all times during and after the term of this Lease to be fixtures permanently and inseparably attached to the real property and title to same shall revert to Authority at the end of the term of this Lease or upon termination of the Lease, whichever occurs first.

10. Improvements.

A. Development Plan. A Development Plan for the Leased Premises will be prepared and processed in accordance with Authority's Development Policy and Application Procedures for Aeronautical and Non-Aeronautical Land Use at Centennial Airport ("Development Procedures"). Any improvements to be made to the Leased Premises are subject to Authority's prior approval.

B. Building Permit. Lessee shall apply for the necessary building permits prior to any construction of improvements.

C. Construction Time. Lessee shall fully complete the construction of all improvements on

the Leased Premises, set forth in the satisfactorily submitted Development Plan for the Leased Premises, no later than August 7, 2003. Failure to meet any of these conditions shall be a material default of the terms and conditions of this Lease.

D. Construction Standards.

(1) The improvements to be constructed on the Leased Premises shall be accomplished in a good and workmanlike manner, in accordance with the approved Development Plan and in accordance with the Arapahoe County Building Code (pursuant to a Building Permit to be obtained from the Arapahoe County Building Department) and according to the customary terms and conditions thereof; and, in a manner consistent with State and Federal requirements and subject to the reasonable requirements of Authority which are of general applicability.

(2) The Lessee shall include in all construction contracts entered into by it in connection with the construction work aforesaid, a provision requiring the contractor to indemnify, release and save harmless Authority, its Commissioners, officers, representatives, agents and employees from and against any and all loss of or damage to property, or injuries to, or death of, any person or persons, and from any and all claims, costs, damages, suits, causes of action, and judgments, including Workmen's Compensation Claims, in any way resulting from, or arising out of, directly or indirectly, such contractor's operations in connection herewith, and the contractor's use or occupancy of the Premises, and of any portion of Centennial Airport, and including acts and omissions of officers, employees, representatives, agents, servants, invitees, patrons, customers, contractors, subcontractors, successors, assigns, sublessees, and suppliers of the contractor, as well as all other persons doing business with the contractor; provided, however, that Authority shall give the contractor prompt and timely notice of any claim made against Authority which may result in a judgment against Authority because of such injuries or damages and shall deliver to the contractor all papers, notices, documents, summonses and other legal process served upon Authority or its agents provided further, that the contractor and its insurer, or either of them shall have the right to compromise and defend all claims, actions, suits and proceedings to the extent of the contractor's interest therein; and, provided further, contractor need not indemnify, release and save harmless Authority against loss of property, or injury to or death of person, caused by the negligence of Authority, its directors, agents and employees. The Lessee shall require the contractor to furnish liability insurance in such amounts as may be required by Authority. The Lessee shall also include in any construction contract such reasonable provisions as may be generally required by Authority relating to the operations of the contractor on Centennial Airport. Lessee shall provide to Authority a copy of all construction contracts let in connection with the Leased Premises.

(3) When the improvements have been completed, the Lessee shall deliver to Authority a certificate of an architect or structural engineer licensed to practice in the State of Colorado and familiar with the construction of said improvements, certifying that the improvements have been constructed in accordance with the approved Development Plan and building permit(s). Lessee shall submit As Built Drawings to the Authority pursuant to its Development Procedures.

(4) Lessee shall provide to Authority for each improvement to be constructed upon the Premises payment and performance bonds, or other acceptable surety to be approved by the Authority, for 100% of the total of the contract prices for that improvement, generally on the forms customarily required by a construction lender.

E. Mechanic's and Other Liens.

(1) Lessee covenants and agrees to keep the Leased Premises free and clear of and from any and all mechanics and other liens and to at all times promptly and fully pay and discharge any and all lawful claims upon which any such liens may or could be based, and to save and hold Authority and the

Leased Premises free and harmless of and from any and all such liens and claims. Lessee covenants and agrees to give Authority written notice not less than ten (10) days in advance of the commencement of any construction, alteration, addition, improvements or repair to the Leased Premises costing in excess of Fifty Thousand Dollars (\$50,000.00) in order that Authority may post appropriate notices of Authority's non-responsibility.

(2) If Lessee desires to contest any lien of the nature set forth herein, Lessee shall notify Authority of its intention so to do within twenty (20) days after the filing of such lien. In the event of any such contest, Lessee shall protect and indemnify Authority against all loss, cost, expense and damage resulting therefrom. Lessee shall also cause such lien to be released by obtaining and furnishing a bond in accordance with applicable provisions of the Colorado Revised Statutes, as amended, or depositing with Authority such other security as Authority may reasonably require to ensure payment of the amount of the claim, together with interest, costs (including attorneys' fees), and penalties therefrom. In the event Lessee contests any such lien and sustains an adverse determination, the Lessee shall nevertheless not be in default under the terms of the Lease if the amount it has deposited with Authority is sufficient to satisfy the indebtedness or if it has satisfied the indebtedness (together with interest, penalties and costs) within ten (10) days after actual final determination of the court involved.

F. Interior Improvements

Lessee may perform interior non-structural redecorating, refurbishing and remodeling without the approval of the Authority.

11. Signs

Lessee shall not erect, paint or maintain any signs or advertising displays, including banners, balloons and similar visual devices whatsoever, upon portions of the Leased Premises visible from outside the buildings located thereon, without first securing the prior written consent of the Authority, which consent shall be governed by the Development Procedures.

12. Right of Inspection

The Authority and its authorized representatives shall have the right to enter upon the Leased Premises for the following purposes:

A. Inspection

To inspect such premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether Lessee has complied and is complying with the terms and conditions of this Lease with respect to the Leased Premises or pursuant to the exercise of its functions as Authority.

B. Maintenance

To perform maintenance and make repairs and replacements in any case where Lessee is obligated but has failed to do so, after the Authority has given Lessee the notice to do so required hereby. If the Authority, in its sole discretion, chooses to perform such obligations of Lessee, the costs thereof shall be additional rent hereunder due on the next regular date for payment of Land Rent under paragraph 4 hereof after presentation of a statement therefore to Lessee.

C. No Termination

No entry by or on behalf of the Authority upon the Leased Premises pursuant to the terms of this paragraph 12 shall cause or constitute a termination of the letting thereof or be deemed to constitute an interference with the possession thereof by Lessee.

13. Hazardous Materials

A. Lessee Obligations

Lessee shall not cause or permit any Hazardous Material as said term is hereinafter defined,

to be brought upon, kept or used in or about the Leased Premises by Lessee, its agents, employees or contractors, without the prior written consent of the Authority, which consent the Authority shall not unreasonably withhold or delay as long as Lessee demonstrates to the Authority's reasonable satisfaction that such Hazardous Material is necessary, desirable or useful to Lessee's business or operations on the Leased Premises and will be used, kept and stored in compliance with all laws regulating such Hazardous Material ("Hazardous Material Regulations"). Notwithstanding the foregoing, aircraft fuel, lubricating oil, antifreeze and biodegradable cleaning solvents used in the course of aircraft maintenance may be brought upon and used on the Leased Premises in the ordinary course of Tenant's or its subtenants' operations as long as any such materials are used, kept, stored, transported and disposed of in compliance with all applicable Hazardous Material Regulations, including, without limitation, the Storm Water Management Plan adopted by the Authority. If (i) Lessee breaches the obligations stated in the preceding sentence, or (ii) if the presence of Hazardous Material on the Leased Premises if caused by or voluntarily permitted by Lessee results in contamination of the Leased Premises, then Lessee shall indemnify, defend and hold Authority harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise during or after the Lease term as the result of such contamination. This indemnification of Authority by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on or under the Leased Premises, which occurred during the term of this Lease as a result of Lessee's acts. Without limiting the foregoing, if the presence of any Hazardous Material on the Leased Premises caused or permitted by Lessee results in any contamination of the Leased Premises, Lessee shall promptly take all actions, at its sole expense, as are necessary to return the Leased Premises to the condition existing prior to the introduction of any such Hazardous Material to the Leased Premises; provided that Authority's approval of such action should first be obtained.

B. Definition

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

14. Taxes, Workmen's Compensation Insurance, Licenses

Lessee covenants and agrees to pay when due all valid taxes, special assessments, excises, licenses fees and permit fees of whatever nature applicable to its operation or levied or assessed against Leased Premises or the improvements or equipment thereon and to take out and keep current all licenses (county, state or federal) required for the conduct of its business at and upon the Airport, and further agrees not to permit any of said taxes, excises, or license fees to knowingly become delinquent. Lessee shall at all times maintain adequate workmen's compensation insurance in accordance with any present or future state law with an authorized insurance company, or through the Colorado State Compensation Insurance Fund, or through a self-insurance program approved by the State of Colorado, insuring the payment of workmen's compensation to all its employees at the Airport. Lessee shall furnish to the

Authority, upon request, duplicate receipt or other satisfactory evidence showing the prompt payment by it of Social Security, unemployment compensation insurance and workmen's compensation insurance, all required licenses, and all taxes. Lessee shall pay promptly when due all undisputed bills, debts and obligations included by it in connection with its operation of its business on the Leased Premises, and to protect Authority from any lien, judgment or execution filed against the Leased Premises or the improvements thereon which could in any way impair the rights of the Authority.

15. Indemnification

Lessee shall indemnify Authority, its Commissioners, representatives, agents and employees and save them harmless from and against any and all loss, claims, actions, damages, liability and expenses in connection with loss of life, personal injury or damage to property arising out of or resulting from, directly or indirectly, any occurrence in, upon or at the Leased Premises or any part thereof, which is caused in whole or in part by any act or omission of Lessee, its officers, employees, representatives, agents, servants, invitees, contractors, subcontractors, suppliers and any other persons on the Leased Premises with the permission of Lessee; provided, however, that the Authority shall give Lessee prompt and timely notice of any claim made against the Authority in connection with any occurrence on the Leased Premises and shall promptly deliver to Lessee all notices, summonses, and other legal process served upon the Authority in connection with any such occurrence; and provided that Lessee and its insurer, or either of them, shall have the right to compromise and defend all claims, actions, suits and proceedings to the extent of Lessee's interest therein. Lessee's indemnification also extends to any injuries or damages claimed by any person or entity, which injuries or damages arise out of or are related to noise generated by Lessee's operations at Centennial Airport. Lessee shall not have any obligation to Authority under this paragraph 15 with regard to loss of life, personal injury or damage to property caused by the negligence of Authority, its Commissioners, officers, agents and employees.

16. Insurance

At all times during the term of this Lease, and of any renewal or extension hereof, Lessee agrees that it will, at its own cost and expense, provide and keep in force, for the benefit of Lessee and the Authority, a policy or policies of insurance on the Leased Premises as required by the Standards for those activities permitted under paragraph 3 of this Lease which Lessee directly provides, and on the Leased Premises as follows:

A. Bodily Injury and Property Damage

Bodily injury and property damage liability insurance written on an occurrence basis, protecting Lessee, with initial limits of at least \$5,000,000 per occurrence and thereafter in such limits and in such form as Authority may from time to time reasonably require, covering the Leased Premises and operation thereon and therefrom. All such policies shall include the Authority as an additional named insured.

B. Fire and Extended Coverage

Fire and extended coverage, including loss or damage by fire, lightning, tornado, windstorm, hail, earthquake, explosion, riot, riot attending a strike, civil commotion, vandalism and malicious mischief, sprinkler leakage, aircraft, vehicles, and smoke (to the extent such coverages are reasonably available), and such other hazards as may be reasonably required by Authority covering all improvements located on the Leased Premises, in an amount equivalent to one hundred percent (100%) of their replacement value. All such policies shall name Authority as an additional insured.

C. Form

All policies of insurance required herein shall be taken out with insurance companies qualified to do insurance business in the State of Colorado and having a Bests' Insurance Guide rating of at least A-

and all such policies shall be renewed at least ten (10) days before their expiration date. Each such policy shall provide that such policy may not be materially changed, altered or cancelled by the insurer during its term without first giving thirty (30) days written notice by certified mail, return receipt requested, to Authority. All such policies of insurance, or certificates therefore, shall be delivered to and left in the possession of Authority, if so requested by the Authority.

D. Default

If at any time or times Lessee shall fail or neglect to procure and maintain bodily injury and property damage liability insurance, and insure the improvements, as aforesaid, or to deliver or lodge such policies or certificates as aforesaid, the Authority may effect such insurance by taking out policies with companies satisfactory to the Authority running for a period not exceeding one (1) year in any one policy; and the amount of the premium or premiums paid for such insurance by Authority shall be deemed additional rent and shall be payable with the installment of rent next thereafter due under the terms of this Lease, and the proof of any damage which Authority may claim against Lessee arising out of, or by reason of Lessee's failure to provide and keep in force insurance as aforesaid, shall not be limited to the amount of the insurance premium or premiums which should have been paid by Lessee, but rather, Authority shall also be entitled to recover, as damages for such breach, the amount of any loss or damage which would have, but for Lessee's breach, been covered by insurance.

E. Miscellaneous

(i) Lessee shall not violate the terms or prohibitions of any insurance policy herein required to be furnished by Lessee.

(ii) Authority shall not be under any obligation to prosecute, settle or adjust any claim which may accrue under any such policy of insurance lodged with Authority, or to give any notice to the insurer, except fire and extended coverage insurance, but Authority shall give notice in all cases to Lessee as provided in this Lease.

(iii) In the event of partial or total destruction of the improvements located upon the Leased Premises by any casualty insured against, then, unless otherwise agreed between Authority and Lessee, the proceeds of the aforementioned insurance policy or policies shall be devoted exclusively to the repair or replacement of said improvements. Neither Lessee nor Authority shall in any event be required to devote or expend in the repair or replacement of said improvements any sum or amounts except from the proceeds collected on the aforementioned insurance policy or policies.

17. Damage or Destruction

A. Notice. In case of any damage to or destruction of the Leased Premises or any improvement thereon, or any part thereof of either, resulting from any cause whatsoever, Lessee shall give immediate notice thereto to Authority if the cost of restoration on account thereof equals or exceeds Fifty Thousand Dollars (\$50,000.00), and Lessee shall, unless this Lease is terminated pursuant to paragraph 17 E below, whether or not any insurance proceeds are available or adequate for such purpose and regardless of the dollar amount of such damage or loss, with reasonable diligence and at Lessee's expense, promptly commence and complete restoration as nearly as possible to the value, and substantially to the condition and character the Leased Premises was in immediately prior to such damage or destruction, all in accordance with the original Development Plan or in accordance with a Development Plan thereafter submitted and approved by Authority in accordance with paragraph 10 above.

B. Trust. Insurance proceeds payable as a result of such damage or destruction shall be paid to a bank or trust company designated by Authority having assets of not less than Ten Million Dollars (\$10,000,000.00) and having a branch office in the State of Colorado (the "Insurance Trustee"), or if a mortgage exists, by the Lessee's mortgagee. If no such bank, trust company, or mortgagee is willing to act

as the Insurance Trustee, then Authority shall be the Insurance Trustee and shall hold all funds paid to it in trust for the purposes specified herein.

C. Proceeds. Insurance proceeds (less the costs, fees and expenses incurred by the Insurance Trustee, Authority and Lessee in the collection thereof, which shall be paid out of such proceeds) received by the Insurance Trustee on account of any damage to or destruction of the Leased Premises or any part thereof shall be paid to Lessee or as Lessee may direct, from time to time as the restoration of the Leased Premises progresses, to pay or reimburse Lessee for the cost of such restoration, upon written request of Lessee accompanied by evidence satisfactory to Authority and the Insurance Trustee that (i) an amount equal to the amount requested is then due and payable or has been paid and is properly a part of such cost, and (ii) that the net insurance proceeds not yet advanced will be sufficient for the completion of the restoration. If at any time during the period of restoration and/or reconstruction, Authority or Insurance Trustee shall reasonably determine that the insurance proceeds are insufficient to fully pay for such restoration, then upon notice to Lessee by Authority or Insurance Trustee, Lessee shall deposit in trust with the Insurance Trustee such sums as may be required, in addition to the net insurance proceeds then held by the Insurance Trustee, for the completion of the restoration of the Leased Premises. Upon receipt by Authority and the Insurance Trustee of evidence satisfactory to them that (i) the restoration of the Leased Premises has been completed, (ii) the cost thereof has been paid in full, and (iii) there are no mechanics' or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such insurance proceeds shall be paid to Lessee or as the Lessee may direct.

D. Payment to Authority. Except as otherwise provided in paragraph 17 E below, if this Lease shall be terminated by reason of Lessee's failure to promptly commence and complete the reconstruction or restoration of the improvements so damaged or destroyed with reasonable diligence then in such event any insurance proceeds held by the Insurance Trustee and not theretofore applied to the cost of the restoration of the Leased Premises pursuant to this paragraph 17 shall be paid to Authority.

E. Option. If, within five (5) years prior to the expiration of the term of this Lease the improvements shall be damaged or destroyed to any extent greater than thirty percent (30%) of the then replacement value thereof, Lessee shall have the option within sixty (60) days from the date of such damage or destruction to terminate this Lease by giving not less than thirty (30) days written notice to Authority of its election to so terminate this Lease. Upon the termination date set forth in said notice, this Lease shall expire and terminate and Lessee shall thereupon make payment of all rent and other sums and charges payable by Lessee hereunder as justly apportioned to the date of such termination; provided, however, that the total unpaid balance of any imposition assessed or imposed during the term of the Lease that Lessee has elected to pay in installments shall be paid in full to Authority or the applicable taxing authority prior to such termination. In the event of such termination Lessee shall not be required to repair the damage but shall, at the request of Authority raze the damaged or destroyed improvements and return the Leased Premises to proper grade and compaction and to a neat and clean condition and all net insurance monies payable as a result of such damage or destruction shall, after payment therefrom of the cost of such razing, grading and compacting, subject to the claims of any approved Mortgagee, belong and be paid to Authority. Notwithstanding the foregoing, Lessee shall not be entitled to exercise the aforesaid option (and any purported exercise thereof shall be void) if at the time such notice of termination is delivered to Authority (1) an event of default under this Lease shall exist as referenced in paragraph 21, or would exist with the giving of notice or the passage of time, or both such notice and passage of time, or (ii) there is or are in force any subleases under this Lease previously agreed to in writing by Authority, as hereinafter provided, which will not expire upon or prior

to the termination of this Lease pursuant to this paragraph 17, or (iii) a Mortgage approved by Authority will be in effect on the date of termination.

F. Lessee Liability. Except as otherwise expressly provided in this paragraph 17, no destruction of or damage to the Leased Premises or any improvement or any part thereof of either, whether such damage or destruction be partial or total or otherwise, or whether covered by insurance, shall entitle or permit Lessee to surrender or terminate this Lease or shall relieve Lessee from liability to pay in full the rents and other sums and charges payable by Lessee hereunder, or from any of its obligations under this Lease, and Lessee hereby waives any rights now or hereafter conferred upon it by statute or other law to surrender this Lease or to quit or surrender the Leased Premises or any part thereof, or to receive any suspension, diminution, abatement or reduction of the rent or other sums and charges payable by Lessee hereunder on account of any such destruction or damage.

18. Removal of Equipment

All trade fixtures, equipment and personal property placed by Lessee at its expense in, on or about the Leased Premises, shall remain the property of Lessee and Lessee shall have the right at any time during the term hereof, when not in default hereunder, to remove all such trade fixtures, equipment and property; provided Lessee is not in default of any of the terms, conditions or covenants of this Lease, Lessee shall have the right, at the termination or expiration of this Lease, to remove any previously installed Lessee's trade fixtures, equipment and personal property, provided further that Lessee shall immediately repair any damage to the Leased Premises caused by such removal. All property placed by Lessee at its expense, in, on or about the Leased Premises and affixed to the realty so that same may not be removed without material damage to the improvements thereto, shall not be removed by Lessee at any time, but shall become a part of such improvements and become the property of Authority upon cancellation, expiration, or termination of this Lease as herein provided. All alterations, additions and improvements made by Lessee (other than Lessee's trade fixtures, equipment and personal property) shall become the property of Authority upon the termination of this Lease.

19. Surrender of Leased Premises

Lessee covenants that at the expiration of the period set forth in paragraph 2, it will quit and surrender the Leased Premises in good state and condition, reasonable wear and tear excepted. Lessee further covenants and agrees that the Leased Premises and all improvements and fixtures, except trade fixtures, equipment and personal property placed by Lessee on the Leased Premises, which by and under the terms of this Lease are provided to then remain on the Leased Premises as the property of Authority, shall be in good condition, reasonable wear and tear excepted. Authority shall have the right on termination of this Lease to enter upon and take possession of the Leased Premises, with or without process of law, without liability for trespass.

20. Force Majeure

Neither Authority nor Lessee shall be deemed to be in breach of this Lease by reason of failure to perform any of its obligations hereunder if, while, and to the extent that such failure is due to embargoes, strikes, shortages of materials, acts of God, acts of a public enemy, acts of superior government authority, rebellion or any other condition or circumstance, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be exclusively characteristic of such conditions or circumstances) which is beyond the control of Lessee or Authority or which could not be prevented or remedied by reasonable effort and at reasonable expense.

21. Cancellation and Termination by Authority

A. General

Authority may cancel and terminate this Lease and repossess the Leased Premises under the following conditions:

H. Schedule and Key Personnel

Lessee shall provide the Authority with a schedule of hours of operation that Lessee will be open to the public and the names and telephone numbers of Lessee's officials who shall be available at all hours of Lessee's operations at the Airport to perform required management functions.

I. Safety

Lessee shall conform to all applicable safety, health and sanitary codes and agree to cooperate with the Authority in its fire prevention efforts.

J. Independent Contractor

Lessee is and shall be deemed to be an independent contractor in the conduct of its business and activities hereunder, and shall be responsible to all persons for its acts of omission or commission, and Authority shall in no way be responsible therefore. In the use of the Airport, Lessee shall indemnify Authority, Arapahoe County and the State of Colorado, their agents and employees, from any and all liability that may proximately result because of any negligence on the part of Lessee's officers, agents, or employees; however, Authority shall give Lessee prompt and timely notice of any claim made against any parties set forth herein, and shall deliver to Lessee all papers, notices, documents, summons and other legal process served upon Authority or its agent; provided, further, that Lessee and its insurer, or either of them, shall have the right to compromise and defend all claims, actions, suits and proceedings to the extent of Lessee's interests therein; and, provided further, contractor need not indemnify, release and save harmless the Authority against loss of property, or injury to or death of persons, caused by the negligence of the Authority, its directors, agents and employees. It is agreed and understood that this provision in no way modifies the Colorado Comparative Negligence Statute.

K. Compliance with Civil Rights Act

Lessee shall comply with the requirements of any Executive Order barring discrimination; further in accordance with these requirements, Lessee shall not discriminate in any manner against any employee or applicant for employment because of political or religious opinion or affiliation, sex, race, creed, color or national origin; and further, Lessee shall include a similar clause in all subcontracts, except subcontracts for standard commercial supplies or raw materials. Lessee understands and acknowledges that the Authority has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to non-discrimination which have been required by Title VI of the Civil Rights Act of 1964, and by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation, as a condition precedent to the Government making grants in aid to the Authority, for certain Airport programs and activities, and that the Authority is required under said regulations to include in every agreement or concession pursuant to which any person or persons other than the Authority operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Lessee agrees:

Lessee, in its operation at and the use of the Airport, covenants that it will not on the grounds of sex, race, color, or national origin; discriminate or permit discrimination against any person or group of persons in any manner prohibited by Title 49 Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21; and in the event of such discrimination, Lessee agrees that the Authority has the right to take such action against Lessee as the Government may direct to enforce this covenant.

L. Airport Development

The Authority reserves the right to further develop or improve the Airport as it sees fit, and without unreasonable interference or hindrance from Lessee. If the physical development of the landing

(i) If any installment of Land Rent, aviation fuel fees or tie-down fees is in arrears, and remains unpaid for a period of forty five (45) days after written notice to Lessee specifying such payment in arrears and stating Authority's intent to terminate this Lease for failure to make such payments; and, if at the end of such forty five (45) day period a second written notice is given to Lessee specifying such payment in arrears and stating Authority's intent to terminate this Lease and such payment is not made within fifteen (15) days after such second notice is given.

(ii) Upon sixty (60) days' written notice, in the event of any other default of Lessee under the terms of this Lease, unless the default, specified in such notice, is cured within such sixty (60) days, or unless Lessee takes diligent steps to cure such default during such period with a completion date reasonably acceptable to the Authority.

(iii) Immediately upon termination of the Agreement Under Standards pertaining to Parcels 50C and 50C-1 which has been executed between Authority and Lessee contemporaneous with the execution of this Lease. Such termination of this Lease shall be effective by operation of the previous sentence and shall not require any other action by Authority.

B. Bankruptcy

Except as hereafter provided, Authority may cancel and terminate this Lease and repossess the Leased Premises with or without process of law and without liability for trespass, if during the term hereof Lessee shall:

(i) Apply for or consent to, in writing on behalf of Lessee, by any of its officers or its duly authorized attorney, the appointment of a receiver, trustee or liquidator of Lessee or of all or a substantial part of its assets.

(ii) File a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they come due.

(iii) Make a general assignment for the benefit of creditors.

(iv) File a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law.

(v) File an answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization, or insolvency proceedings; or if during the term of this Lease, an order, judgment or decree shall be entered by any court of competent jurisdiction on the application of a creditor adjudicating Lessee a bankrupt or approving a petition seeking reorganization of Lessee or appointing a receiver, trustee, or liquidator to marshal all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

(vi) In any such event as described above in subparagraph (i) through (v), the Authority may give Lessee a written notice of its intention to end the term of this Lease after the expiration of thirty (30) days from the date of service of such notice, and on the date set forth in such notice the term of this Lease and all right, title and interest of Lessee hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term, and Lessee will then quit and surrender the Leased Premises to Authority; provided, however, and notwithstanding any provision of this paragraph to the contrary, Authority shall not have the right to terminate this Lease because of the commencement or maintenance by Lessee of a proceeding under the United States Bankruptcy Code (or an equivalent or comparable proceeding under Federal bankruptcy laws that may be amended from time to time) if Lessee continues to comply with all other provisions of this Lease.

C. Obligations Following Termination

Except as otherwise provided herein, in the event of cancellation and termination of this Lease by the Authority as hereunder provided, the parties shall have no further obligations hereunder, except

that Lessee shall remain liable to the Authority for all damages, rents and fees accrued to the date of termination.

D. Rights Cumulative

The rights and remedies of the Authority specified in subparagraph A above are not intended to be, and shall not be, exclusive of one another. The Authority shall have all rights and remedies provided herein (including the right to exercise any landlord's or similar lien upon property of Lessee located on or used in connection with the Leased Premises) and all such rights and remedies may be exercised by Authority or by its designee. Neither the delay nor the omission to exercise any right or power nor the exercise of any right or power accruing to either party shall impair any such right or power, or shall be construed to be a waiver thereof, or relieve the other party of any of its responsibilities or obligations under this Lease or from any liability resulting therefrom, or in any way amend, modify, alter, limit or otherwise affect the rights of the parties hereunder.

22. Notices

All notices required to be given to the Authority hereunder shall be in writing and be hand delivered, sent by certified mail with return receipt requested or sent via an overnight courier service to Arapahoe County Public Airport Authority, 7800 South Peoria Street, Englewood, Colorado 80112, Attention: Airport Director. All notices required to be given to Lessee hereunder shall be in writing and hand delivered, sent by certified mail with return receipt requested or sent via overnight courier service to APAH, LLC, 7425 South Peoria Street, Box D-3, Englewood, Colorado 80112, Attention: Mr. Jim Dirker. It is further provided that the parties, or either of them, may designate in writing from time to time supplementary persons or addresses to which such notices should be sent. Effective date of service of any such notice shall be the date such notice is received by the required recipient.

23. Acceptance of Premises

Lessee's acceptance of possession of the Leased Premises shall be deemed to be acceptance of the Leased Premises in their condition existing as of the date of such acceptance of possession thereof, subject to all applicable zoning, municipal, county, state and federal laws, ordinances and regulations that may govern and relate to the use of the Leased Premises and subject to all then matters of record. Lessee acknowledges that neither Authority nor Authority's agent has made any representation or warranty as to the suitability of the Leased Premises for the conduct of Lessee's business or the construction of any improvements. Any agreements, warranties or representations not expressly contained herein shall in no way bind either Authority or Lessee, and Authority and Lessee expressly waive all claims for damages by reason of any statement, representation, warranty, promise or agreement, if any, not contained in this Lease.

24. Airport Rules and Regulations

In addition to all other provisions of this Lease, Lessee agrees to comply with the Centennial Airport Rules and Regulations as adopted by the Authority, and all amendments thereto.

25. Agreements with United States

This Lease is subject and subordinate to the terms, reservations, restrictions, provisions and conditions of any existing or future agreement between the Authority and the United States relative to the operation or maintenance of the Airport and its appurtenant facilities, the execution of which has been or may be required as a condition precedent to the participation by any federal agency in the extension, expansion or development of said Airport and its facilities.

26. Mandatory Provisions

Notwithstanding any other provision in this Lease to the contrary, the following provisions of this Lease shall control:

A. Right to Use Airfield

In addition to the Leased Premises, which is specifically designated for Lessee's exclusive use pursuant to this Lease, Lessee has the non-exclusive right to use the airfield of the Airport and associated operational area in common with others so authorized, which right shall be exercised in accordance with the laws of the United States of America and the State of Colorado and the rules and regulations promulgated by their authority with reference to aviation and air navigation and all pertinent directives, rules and regulations of the Authority.

B. Books and Records

Lessee shall keep and maintain at the Airport, or at such other place as may be approved in writing by the Authority, true and accurate books and records of its operations under the terms of this Lease in accordance with generally accepted accounting principles. Such books and records, as well as any certified financial statements and reports of any external audits which may have been prepared for Lessee, and its income tax return shall be made available to the Airport Director or his designated representative or to independent auditors accompanied by the Airport Director or a Commissioner of the Authority, at the Airport or such other place as has been approved in writing by the Authority for the keeping of such books and records under the preceding sentence of this paragraph, for inspection and copying by prior appointment during reasonable business hours during the term of this Lease and for two (2) years thereafter (though during such two (2) year period it is acknowledged such records will be at a location other than the Leased Premises). Subject to the Authority's obligations pursuant to Colo. Rev. Stat. §24-72-201 et seq. concerning public records and other mandates of law, the Authority shall use its best efforts to cooperate with Lessee in maintaining the confidentiality of any audits, financial statements, reports or information (or any of the particular contents thereof designated as sensitive by Lessee) made available by Lessee to the Authority as provided above. In the event the Authority deems it is obligated to disclose any such information pursuant to a legal mandate, the Authority will use its best efforts to give Lessee advance notice of the disclosure intended to be made and the party to whom it is to be made. The burden shall be on Lessee to obtain a Court Order preventing any such disclosure.

C. No Discrimination

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

D. Pricing

Lessee shall furnish its accommodations and 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 of service; provided, that Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates and other similar types of price reductions to volume purchasers.

E. Permits and Licenses.

Lessee shall maintain at its own expense all necessary permits and licenses required in the conduct of its business at the Airport.

F. Personnel

Lessee shall at all times retain qualified and competent personnel to conduct its authorized activities.

G. Lawful Use

Lessee shall observe and obey all laws, ordinances and regulations of the United States of America, the State of Colorado, Arapahoe County, and the Authority, which may be applicable to its operations at the Airport, and shall make no unlawful or offensive use of the Leased Premises.

area of the Airport requires the relocation, removal or alteration of Lessee's facilities, the Authority agrees to provide a comparable location reasonably acceptable to Lessee without any unreasonable interruption to Lessee's activities, and agrees to relocate all facilities, improvements and buildings from within the Leased Premises at no cost to Lessee or provide similar facilities capable of accommodating Lessee's displaced operations for Lessee at no cost to Lessee.

M. Performance of Services

It is clearly understood by Lessee that no right or privileges have been granted which would operate to prevent any person, firm or corporation operating aircraft on the Airport from performing any services on its own aircraft at locations other than the Leased Premises with its own regular employees (including, but not limited to the maintenance and repair) that it may choose to perform, provided, however, that performance of such services shall be subject to the Rules and Regulations established by the Authority and shall be consistent with the terms of any lease or sublease of hangar space.

N. Authority's Rights

The Authority reserves the right to prevent Lessee from erecting or permitting to be erected any building or other structure on the Airport, which, in the opinion of the Authority, would limit the usefulness of the Airport or constitute a hazard to aircraft.

O. Subordination

This Lease shall be subordinate to the provisions of any existing or future agreement between the Authority and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. This subordination includes, but is not limited to, the right of the Authority, during time of war or national emergency, to lease the landing area, or any part thereof, to the United States for military or naval use, and if any such lease is made, the provisions of this Lease and all obligations of Lessee hereunder shall be suspended. The Lease term shall be extended for the same amount of time as the time of the suspension and all monetary obligation under this Lease shall abate during such suspension period. Any monetary awards received from the United States attributable to the Leased Premises shall be paid over to Lessee in accordance with the formula set forth in paragraph 33H(i).

P. Right of Entry

The Authority, or the Airport Director, may enter upon the Leased Premises at any reasonable time and for any purpose necessary, incidental to, or connected with the performance of Lessee's obligations under this Lease or in the exercise of their function as Authority and Airport Director.

Q. Termination

Upon the expiration or other termination of this Lease, Lessee's rights to the premises, facilities, other rights, licensed services and privileges granted in this Lease shall cease, and Lessee shall, upon expiration or termination, immediately and peacefully surrender these Leased Premises.

R. Assignment

All covenants, stipulations and provisions in this Lease shall extend to and bind the legal representatives, successors and assigns of the parties.

S. Exclusive Right

It is understood and agreed that nothing herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958, as amended.

T. Affirmative Action Program

Lessee assures that it will undertake an affirmative action program to the extent required by 14 C.F.R. Part 152, Subpart E. 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 will require that its covered suborganizations provide necessary assurances to the Authority that they will require assurances from the suborganizations, as required by 14 C.F.R. Part 152, Subpart E, to the same effect.

U. Part 77

Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations or any amendments thereto in the event any future structure or building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises.

V. Avigation Easement

There is hereby reserved to the Authority, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on the Airport.

W. Easements. Lessee's leasehold interest in the Leased Premises is subject to and burdened by all existing easements whether filed for public record or not. Further, Lessee covenants that it will grant all easements that may be requested by Authority, Arapahoe County, Public Service Company of Colorado, Arapahoe County Water and Wastewater Authority, Qwest, or any other party or entity. Authority agrees to join with lessee in the grant of utility easements and ingress and egress easements that are reasonably required for use of the Leased Premises for the permitted uses specified in the Lease; provided that all such easements are specifically subject to and subordinate to the Lease and may be terminated by Authority, at its option, upon termination of the Lease.

27. Assignment and Transfer

A. Transfers to Successor Fixed Base Operators

(i) No transfer of this Lease or Lessee's stock or substantially all of Lessee's assets shall be made to another helicopter fixed base operator at the Airport or to an entity which is under common ownership or control of, by or with such other helicopter fixed base operator without the prior written approval of the Authority, which approval shall not be unreasonably withheld.

(ii) Lessee shall have the right to transfer and assign this Lease or its stock or its assets, or any combination thereof to a successor helicopter fixed base operator having qualifications and financial capabilities reasonably sufficient to perform under this Lease who will agree to be bound by all the terms and conditions of this Lease and to provide at least the same range and quality of services provided by Lessee to the flying public at the Airport hereunder.

(iii) If at any time Lessee desires to make such a transfer to a successor helicopter fixed base operator, Lessee shall give sixty (60) days prior written notice to the Authority of the identity of the successor helicopter fixed base operator and the approximate price and general term of transfer. Upon satisfaction of the provisions of subparagraphs (i) and (ii) above, the Authority shall promptly approve such transfer.

(iv) Notwithstanding the provisions of subparagraphs (i) through (iii) of this paragraph, Lessee may assign this Lease to a subsidiary which is wholly owned by Lessee without Authority's prior consent and this Lease may be held by said subsidiary; provided, however, that any transfer or assignment of the stock of such subsidiary shall be subject to the provisions of said subparagraphs (i) through (iii) above, and provided further that such assignment shall not relieve Lessee of its duties, liabilities and obligations under this Lease.

(v) Notwithstanding the provision of subparagraphs (i) through (iv) of this paragraph, no

consent of Authority is required if an assignment or transfer of this Lease is made as part of a corporate reorganization or restructuring of Lessee.

(vi) Notwithstanding subparagraphs (i) through (v) above of this paragraph, this Lease may be assigned or transferred only if, and only to the same person or entity as the Agreement Under Standards pertaining to Parcels 50C and 50C-1 is contemporaneously assigned or transferred.

B. Leasehold Mortgage

(i) Mortgage Consent

Subject to approval by the Authority of the terms of a proposed mortgage of Lessee's leasehold estate or portion thereof, which approval shall not be unreasonably withheld, Lessee may, at any time, or from time to time, mortgage its interest in the leasehold estate or any portion thereof to the Leased Premises provided written notice thereof is given to the Authority within at least thirty five (35) days before the consummation of any such mortgage. No mortgage or other encumbrance of the leasehold that is granted by Lessee may encumber the fee or reversionary interest of the Authority in the Leased Premises. So long as Lessee is in compliance with all terms, conditions, and provisions of the Lease, the right of Lessee to mortgage its leasehold estate shall be a continuing right and shall not be deemed to be exhausted by its exercise on one or more occasions. However, it shall be a further condition of Lessee's right to mortgage its leasehold estate that the mortgagee agree notwithstanding the terms of any mortgage that all insurance proceeds available to Lessee will be applied to repair and restore any damaged building(s) or other improvements located on the Leased Premises. In addition, any mortgagee of the Leased Premises shall be deemed to have agreed that, in the event of any default by Lessee under this Lease which is not cured as provided herein by Lessee or such mortgagee, the mortgagee shall not thereafter have any rights whatsoever in this Lease (other than its rights under subparagraph (ii) below to enter into a new lease), or in any building(s) or improvements situated on the Leased Premises. Such termination of rights in the Lease shall be effective by operation of the previous sentence and shall not require any other action. In the event of such termination, said mortgagee, upon request of the Authority, will be obligated to execute any release of its mortgage that may be reasonably requested. In the event of any defaults under this Lease, Authority shall give to any mortgagee of the leasehold estate that Authority has approved in writing, notice of any defaults of Lessee, concurrently with giving notice thereof to Lessee, and an opportunity to cure said default, as provided in subparagraph (iii) below, including reasonable time to obtain possession of Lessee's leasehold estate in the Leased Premises by foreclosure, if foreclosure should be necessary for such purpose. Such notice shall be sent by registered or certified mail, return receipt requested, to the address last provided by such mortgagee to the Authority.

(ii) New Lease

Notwithstanding anything contained in this Lease to the contrary, if this Lease is terminated pursuant to the provisions of this Lease, the Authority agrees to enter into a new lease for the Leased Premises within sixty (60) days with any mortgagee of the leasehold estate or its designee for the remainder of this Lease, effective as of the date of such termination. The new lease will be at the same rent, and upon the same terms, covenants, and conditions contained herein. Notwithstanding the foregoing, Authority shall not be obligated to enter into a new lease unless: (i) such mortgagee shall make written request for such new lease within thirty (30) days after the date of such termination, (ii) such mortgagee has paid or caused to be paid to the Authority, no later than the commencement date of the term of the new lease, all sums then due and payable to the Authority hereunder which Lessee would have been required to pay in the event the Lease had not been terminated, together with interest thereon as herein provided for overdue payments, and shall cure or cause to be cured all defaults of Lessee under this Lease which remain uncured as of such date, and (iii) such mortgagee has paid or caused to be paid

to the Authority all expenses, including reasonable attorneys' fees, court costs and disbursements reasonably incurred by the Authority in connection with any such default and termination as well as in connection with the execution and delivery of such new lease. If more than one mortgagee (or designee) of any portion of the Leased Premises shall desire to enter into a new lease under the circumstances previously described in this subparagraph (ii), the mortgagees of the Leased Premises, in the order of the priority of their mortgages (i.e. first mortgage, second mortgage), shall have the first opportunity to do so. Irrespective of any other provisions of this Lease to the contrary, if a mortgagee does not enter into a new lease with the Authority within the time and in accordance with the provisions specified in this subparagraph, such mortgagee shall not thereafter have any rights whatsoever in this Lease or in any building(s) or improvements situated on the Leased Premises, or in any equipment, machinery or personal property necessary for the operation of said building(s) or improvements, all interest therein having reverted to the Authority as a result of the termination of this Lease. Neither a mortgagee who acquires possession of the Leased Premises nor any assignee shall remove any buildings or other improvements from the Leased Premises or change the use of the Leased Premises from the uses allowed by the Lease.

(iii) Mortgagee Notice

If at any time the Authority gives notice of default to Lessee, and Lessee's interest in the Leased Premises shall be subject to the lien of any mortgages as set out in subparagraph (i) above, and if the Authority has been furnished with the names and addresses of said mortgagees, the Authority shall, at the same time as it gives notice of default to Lessee, give like written notice to said mortgagees. The Authority will mail to the mortgagee a copy of any notice or other communication from the Authority to Lessee under this Lease at the time of giving such notice or communication to Lessee, and no termination of this Lease, Lessee's right to possession of the Leased Premises or any reletting of the Leased Premises by the Authority predicated on the giving of such notice, shall be effective unless the Authority gives to the mortgagee written notice, or a copy of its notice to Lessee of such default or termination. Upon the expiration of any applicable cure periods, the Authority will notify mortgagee of Lessee's failure to effectuate a cure within said cure period. All such mortgagees shall have sixty (60) days within which to remedy such defaults; provided, however, such mortgagees shall have such longer period to correct any such defaults as are reasonably required to complete any mortgage foreclosure proceedings or other remedial action which such mortgagee elects to pursue to obtain possession of the Leased Premises, so long as during such longer period the mortgagee causes all Land Rent and additional rent and other amounts and fees to be paid by Lessee hereunder, including past due payments to be paid to the Authority as herein provided, and otherwise performs the covenants of Lessee hereunder to the extent the same can be performed without having possession of the Leased Premises. In order to assist the mortgagee of the Leased Premises in curing any such defaults, the Authority herein confers upon the mortgagee or any agents, receiver or trustee appointed by such mortgagee, the right, in the event of a default under the terms of this Lease or any such mortgage, to forthwith enter into and upon the Leased Premises and take possession thereof if such right is granted in any such mortgage, and further provided that said mortgagee causes all Land Rent and additional rent and other amounts and fees to be paid by Lessee hereunder, including past due payments to be paid to Authority as herein provided, and otherwise performs the covenants of Lessee as aforesaid.

(iv) Partial Mortgages

In the event that any mortgage granted pursuant to subparagraph (i) above encumbers less than all of the Leased Premises, the provisions of this paragraph B will apply to the encumbered portion of the Leased Premises (the "Encumbered Premises"). In particular: (i) a mortgagee shall have the right to cure defaults under the Lease only to the extent such defaults relate to the Encumbered Premises; (ii) if a

default is a failure to make rental or other monetary payments that relate to the entire Leased Premises, the amount that the mortgagee shall be required to pay in order to cure such default shall be equal to the full amount of the monetary obligation that is in default, multiplied by a fraction, the numerator of which is the area of the Encumbered Premises and the denominator of which is the entire area of the Leased Premises; and (iii) any new lease pursuant to subparagraph (ii) above shall apply only to the Encumbered Premises, and the rent payable thereunder shall be equal to the full amount of the rent payable under the Lease for the applicable period of time, multiplied by a fraction, the numerator of which is the area of the Encumbered Premises and the denominator of which is the entire area of the Leased Premises.

C. Violation of Prohibitions Against Transfer

Any attempt to transfer any interest in violation of the provisions of subparagraphs A or B above shall be void unless otherwise provided by Colorado law. In addition, any such transfer shall constitute a default under the provisions of this Lease so as to entitle the Authority to exercise all remedies available to it upon default hereunder.

28. Subletting

Lessee shall not sublet any portion of the Leased Premises or any space within any buildings located on the Leased Premises without the prior written consent of Authority, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, without the prior written consent of the Authority, Lessee may sublease aircraft hangar and related office and building space as long as such sublease meets the following conditions:

A. The area of the hangar and office space subleased does not exceed 10,000 square feet;

B. The sublessee agrees to be bound by all of the terms of this Lease;

C. The nature of the sublessee's operations does not require the prior approval of the Authority pursuant to the Standards; and

D. Lessee discloses the identity of the sublessee and the nature of its operations to the Authority within 10 days after the execution of such sublease.

29. Covenants of the Authority

The Authority agrees that during the term of this Lease and any renewal hereof:

A. Maintenance

The Authority, to the extent of its financial capabilities, shall at all times maintain in good operating condition the Public Taxilanes and the runways, taxiways, ramps and paved areas not a part of the Leased Premises, shall timely remove snow from the Public Taxilanes and the runways, taxiways ramps and paved areas not a part of the Leased Premises and shall stripe the Public Taxilanes and the runways, taxiways, ramps and paved areas not a part of the Leased Premises.

B. Parking Areas

Lessee and Lessee's officers, agents, employees, customers and invitees may use such public parking facilities as are provided by the Authority at the Airport, subject to the Standards.

C. Quiet Possession

Authority covenants that Lessee, upon payment of the rent reserved herein and the performance of each of the covenants, agreements and conditions on the part of Lessee to be observed and performed, shall and may, peaceably and quietly, have, hold and enjoy the Leased Premises for the term hereof, free from molestation, eviction or disturbance by Authority or any person claiming by, through, or under it, subject to the terms and conditions of this Lease and to the following:

(i) Authority reserves the right to take such action as may be reasonably necessary to protect aerial approaches to the Airport against obstruction, including the right to prevent Lessee from erecting or permitting to be erected any improvement on the Airport, which would constitute a hazard to aircraft.

(ii) The Authority reserves from this Lease all water, gas, oil, hydrocarbon and mineral rights

in and under the surface of the Leased Premises; provided, however, that the Authority shall not conduct any operations on the surface of the Leased Premises for the exploration, development or recovery of the rights and substances reserved which would unreasonably interfere with Lessee's use and occupancy of the Leased Premises.

D. Continuation of Operations

Subject to applicable federal, state, county and municipal statutes, resolutions, ordinances, rules and regulations, the Authority shall not impose any rule, regulation or standard at the Airport which does not generally apply to all fixed base operators and other authorized users or which would unreasonably impede, impair or restrain general aviation usage or operations at such Airport.

E. Utilities

(i) A perpetual easement and right-of-way for the construction, maintenance, removal and replacement of any and all utility lines, manholes, and related facilities of such size and capacity as necessary or required for the development of the Airport, through, over, across and under such utility easement is hereby reserved for the benefit of Authority.

(ii) Authority may at any time and from time to time relocate, in whole or in part, any utility easement, provided that such relocation does not diminish or permanently interrupt the rights or operations of Lessee nor increase the costs to be incurred by Lessee. Authority may temporarily interrupt the rights or operations with respect to such easement during the period of relocation. Authority will indemnify Lessee, to the extent permitted by law, for any property damage resulting from any such relocation or restoration.

30. Termination of Lease under Extraordinary Circumstances.

In addition to any other provisions for termination of this Lease, this Lease may be terminated upon the following conditions and circumstances:

A. Circumstances Allowing Termination by Lessee.

Lessee, upon at least 60 days written notice to Authority, shall have the right at its option to terminate this Lease in the event of any one or more of the following circumstances:

- (1) permanent abandonment of the Airport;
- (2) issuance of a final court order that makes it unlawful for Lessee to continue all of the permitted uses of the Leased Premises described in this Lease.

B. Circumstances Allowing Termination by Authority.

Authority, upon at least 60 days written notice to Lessee, shall have the right at its option to terminate this Lease in the event of any one or more of the following circumstances:

- (1) permanent abandonment of the Airport;
- (2) issuance of a final court order that makes it unlawful to continue one or more of the permitted uses of the Leased Premises being made or proposed to be made by Lessee, unless Lessee agrees in writing to discontinue and does in fact discontinue the unlawful use not later than the end of the 60-day period;

(3) Any court order that prohibits enjoins or otherwise limits the operations or functioning of the Airport or makes it economically unfeasible for Authority to continue to operate the Airport.

C. Obligations Upon Termination.

Upon termination of this Lease for any of the reasons specified in this paragraph, and notwithstanding any other provisions of the Lease to the contrary, both Authority and Lessee shall be released from all other obligations to the other that would have arisen in the future but for such termination of the Lease. No such termination shall relieve either party from any of its obligations or liabilities to the other that have been incurred before the effective date of such termination.

Notwithstanding the provisions of paragraphs 18 and 19 to the contrary, Lessee shall be entitled to remove, as its property, all fixtures, improvements, equipment and other property brought, installed, created, attached or placed by Lessee in, on, or about the Leased Premises, including hangars and other buildings. Lessee shall not destroy asphalt paving or landscaping during the course of such removal, and, at its expense, shall restore the ground to a good, usable condition, free of trash and debris, immediately upon completion of the removal.

D. Termination of Related Agreements.

If this Lease is terminated pursuant to this paragraph 30, then the Agreement Under Standards pertaining to Parcels 50C and 50C-1 shall also be immediately terminated, without further action or notice by Authority.

31. Arbitration

The parties must submit all controversies under this Lease to arbitration in Englewood, Colorado, according to the rules and practices of the American Arbitration Association then in force. This submission and agreement to arbitrate shall be specifically enforceable. Arbitration may proceed in the absence of any party if notice of the proceedings has been given to such party. The parties agree to abide by all awards rendered in such proceedings. Such awards shall be final and binding on all parties to the extent and in the manner provided by the Colorado Rules of Civil Procedure. All awards may be filed with the clerk of one or more courts, state or federal, having jurisdiction over the party against whom such an award is rendered or his property as a basis of judgment and of the issuance of execution for its collection. No party shall be considered in default hereunder during the pendency of arbitration proceedings relating to such default.

32. Attorneys' Fees and Costs

If, notwithstanding any provision herein appearing to the contrary, suit is brought by either the Authority or Lessee to enforce any provision of this Lease, or to recover damages for the breach of any provision in this Lease, the prevailing party shall be entitled to recover from the non-prevailing party in such lawsuit all costs of preparation for and conduct of such lawsuit, including reasonable attorneys' fees.

33. Miscellaneous

A. Governing Law

This Lease shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Colorado.

B. Paragraph Headings and Table of Contents

The paragraph headings and table of contents contained herein are for convenience in reference only and are not intended to define or limit the scope of any provision of this Lease.

C. Successors and Assigns

This Lease shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

D. No Personal Liability

No Commissioner, officer, or employee of the Authority nor any officer, agent or employee of Lessee shall be held personally liable under this Lease or because of its enforcement or attempted enforcement.

E. Entire Agreement

This Lease covers and includes the entire agreement between the parties and there are no promises, representations, warranties, conditions, terms or obligations other than those contained herein.

Lessee has read and understands the whole of this Lease and now states that no representations, promises or agreements not expressed herein have been made to induce Lessee to enter into it. This Lease may not be altered, changed, amended or in any way modified except by written agreement duly

executed on behalf of both parties.

F. No Waiver

No waiver by the Authority of any default by Lessee under any term, covenant or condition hereof to be performed, kept and observed by Lessee shall be construed as, or operate as, a waiver by Authority of any subsequent default of any such term, covenant or condition herein contained to be performed, kept and observed by Lessee.

G. Severability

Any covenant, condition or provision herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Lease, but such deletion shall in no way affect any other covenant, condition or provision herein contained, so long as such deletion does not materially prejudice the Authority or Lessee in their respective rights contained in the valid covenants, conditions, or provisions of this Lease.

H. Eminent Domain

(i) In the event that all or substantially all of the Leased Premises or any material portion of the Airport premises or facilities outside the Leased Premises which Lessee is entitled to use pursuant to this Agreement shall be appropriated or taken under the power of eminent domain, or by purchase in lieu thereof, at any time during the lease term so as to substantially interfere with Lessee's operations as a fixed base operator, as determined by Lessee in its sole discretion, this Lease may be terminated by Lessee as of the date that title to the property taken vests in such condemning authority. In the event of a condemnation of, or including, the Leased Premises, Lessee shall be entitled to a portion of the monetary award attributable to the condemnation or purchase in lieu thereof in accordance with the following formula:

Lessee award =

Total payment attributable to Leased Premises X $\frac{\text{Total number of months remaining in lease term}}{\text{Total number months in lease}}$

(ii) In all instances of an appropriation or taking of a portion of the Leased Premises under the power of eminent domain, or purchase in lieu thereof, when Lessee elects to terminate this Lease, Lessee shall restore as promptly as practicable and to the extent permitted by application of the proceeds paid by the condemning authority pursuant to any exercise of such power of eminent domain, the remaining portion of the Leased Premises to a condition which will permit Lessee to substantially carry on its operations as a fixed base operator. Any condemnation proceeds not required for the purposes of restoration shall belong to Lessee. In the event Lessee elects not to terminate this Lease, effective as of the date of such taking, the rental payable hereunder shall be wholly abated during any time Lessee is substantially carry on its operations, and upon restoration and resumption of Lessee's operations as a fixed base operator, the rental payable hereunder shall be reduced in the same proportion which that portion of the Leased Premises so taken bears to the entire area of the Leased Premises prior to such taking.

(iii) In the event of any taking of the Leased Premises by a condemning authority, the Authority agrees to make available to Lessee for fixed base operations activities other property in an amount substantially similar to the amount taken (to the extent available) at the Airport. Such property, if desired by Lessee, will be leased to Lessee pursuant to terms and conditions similar to those contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the date first above written.

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY

(Seal)



By: *John Brackney*
John Brackney, Chairman

ATTEST:

Peter H. Neukirch
Peter H. Neukirch, Clerk

APAH, LLC, a Colorado limited liability company

By: *[Signature]*
Name: James S. Dietz
Title: General Partner

ATTEST:

EXHIBIT A

Legal Description and Lease Parcel Map for Parcels 50C and 50C-1
Prepared by William E. Payne and Associates dated 11/28/2001
File 0138.400EX-P50C and File 0138.400EX-P50C-1

Exhibit A
PARCEL 50C

A PORTION OF LAND LOCATED IN THE EAST ½ OF SECTION 36, TOWNSHIP 5 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF ARAPAHOE, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 26, TOWNSHIP 5 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF ARAPAHOE, STATE OF COLORADO:

THENCE S 15°35'40" W, A DISTANCE OF 3614.97 FEET TO THE EXTENDED CENTERLINE OF RUNWAY 17L/35R (CENTENNIAL AIRPORT, BEARING S 02°02'00" E, BEING THE BASIS OF BEARINGS FOR ALL BEARINGS HEREIN), STATION -5+00;

THENCE S 02°02'00" E, ALONG SAID CENTERLINE, A DISTANCE OF 500.00 FEET TO STATION 0+00;

THENCE S 02°02'00" E, ALONG SAID CENTERLINE, A DISTANCE OF 3119.59 FEET TO STATION 31+19.59;

THENCE N 87°58'00" E, A DISTANCE OF 3263.29 FEET TO THE TRUE POINT OF BEGINNING, STATION 31+19.59, 3263.29 FEET LEFT;

THENCE S 73°15'55" E, A DISTANCE OF 469.17 FEET TO STATION 32+70.54, 3707.52 FEET LEFT;

THENCE S 73°01'53" E, A DISTANCE OF 480.34 FEET TO STATION 34+26.93, 4161.68 FEET LEFT;

THENCE S 17°12'35" W, A DISTANCE OF 89.41 FEET TO STATION 35+11.35, 4132.21 FEET LEFT;

THENCE S 55°38'18" W, A DISTANCE OF 31.34 FEET TO STATION 35+28.11, 4105.73 FEET LEFT;

THENCE S 85°19'48" W, A DISTANCE OF 100.10 FEET TO STATION 35+32.71, 4005.74 FEET LEFT;

THENCE N 83°31'52" W, A DISTANCE OF 181.38 FEET TO STATION 35+05.90, 3826.35 FEET LEFT;

THENCE N 71°34'04" W, A DISTANCE OF 90.10 FEET TO STATION 34+74.39, 3741.94 FEET LEFT;

THENCE N 51°50'25" W, A DISTANCE OF 104.04 FEET TO STATION 34+07.25, 3662.47 FEET LEFT;

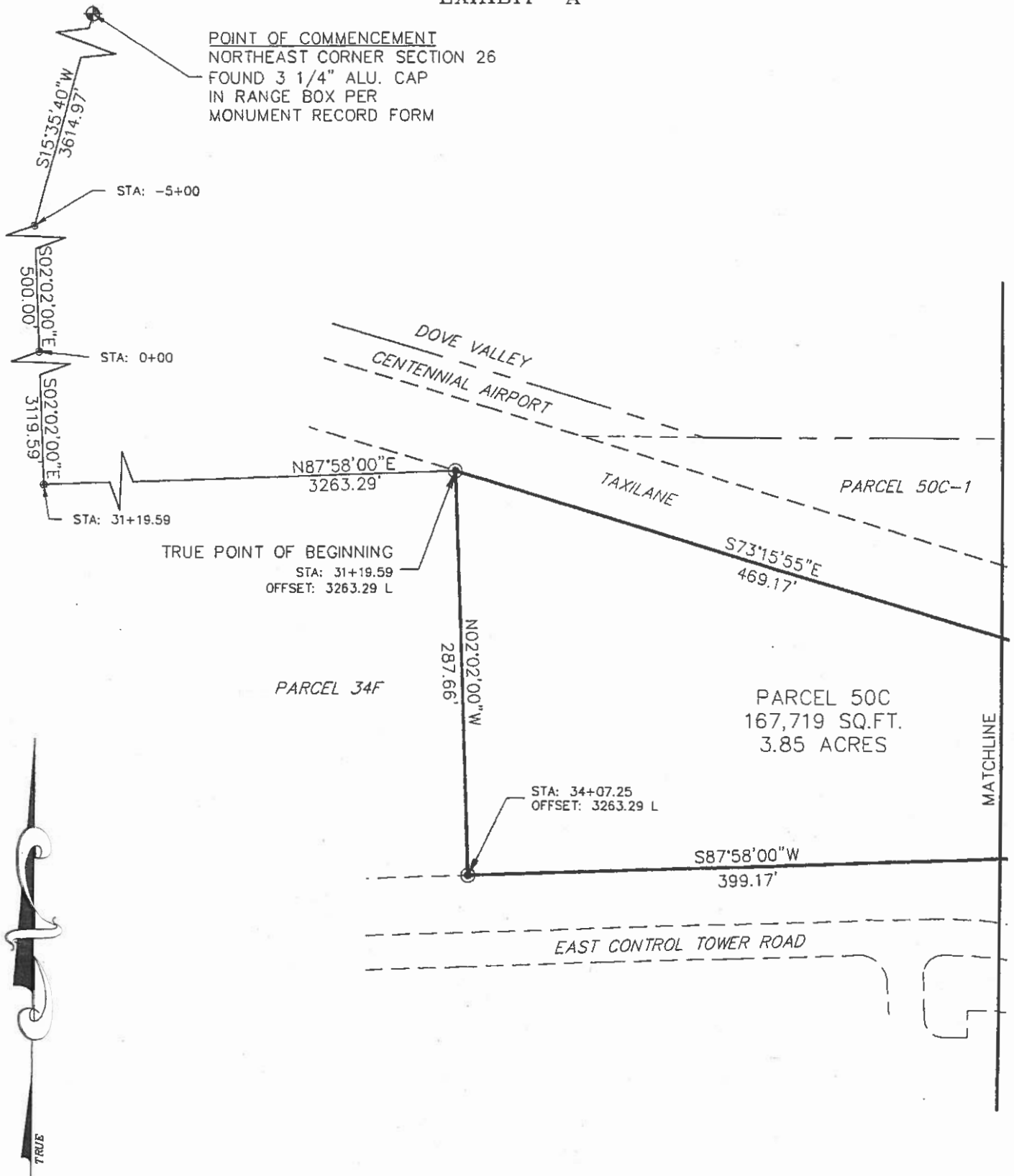
THENCE S 87°58'00" W, A DISTANCE OF 399.17 FEET TO STATION 34+07.25, 3263.29 FEET LEFT;

THENCE N 02°02'00" W, A DISTANCE OF 287.66 FEET TO THE TRUE POINT OF BEGINNING.

SAID PARCEL CONTAINS 167,719 SQ. FT., OR 3.85 ACRES OF LAND, MORE OR LESS. THIS DESCRIPTION DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS TO BE USED SOLELY TO DESCRIBE THE ATTACHED EXHIBIT.

EXHIBIT "A"

POINT OF COMMENCEMENT
 NORTHEAST CORNER SECTION 26
 FOUND 3 1/4" ALU. CAP
 IN RANGE BOX PER
 MONUMENT RECORD FORM



BASIS OF BEARING:
 CENTENNIAL AIRPORT RUNWAY 17L/35R
 (BEARING S 02°02'00" E)

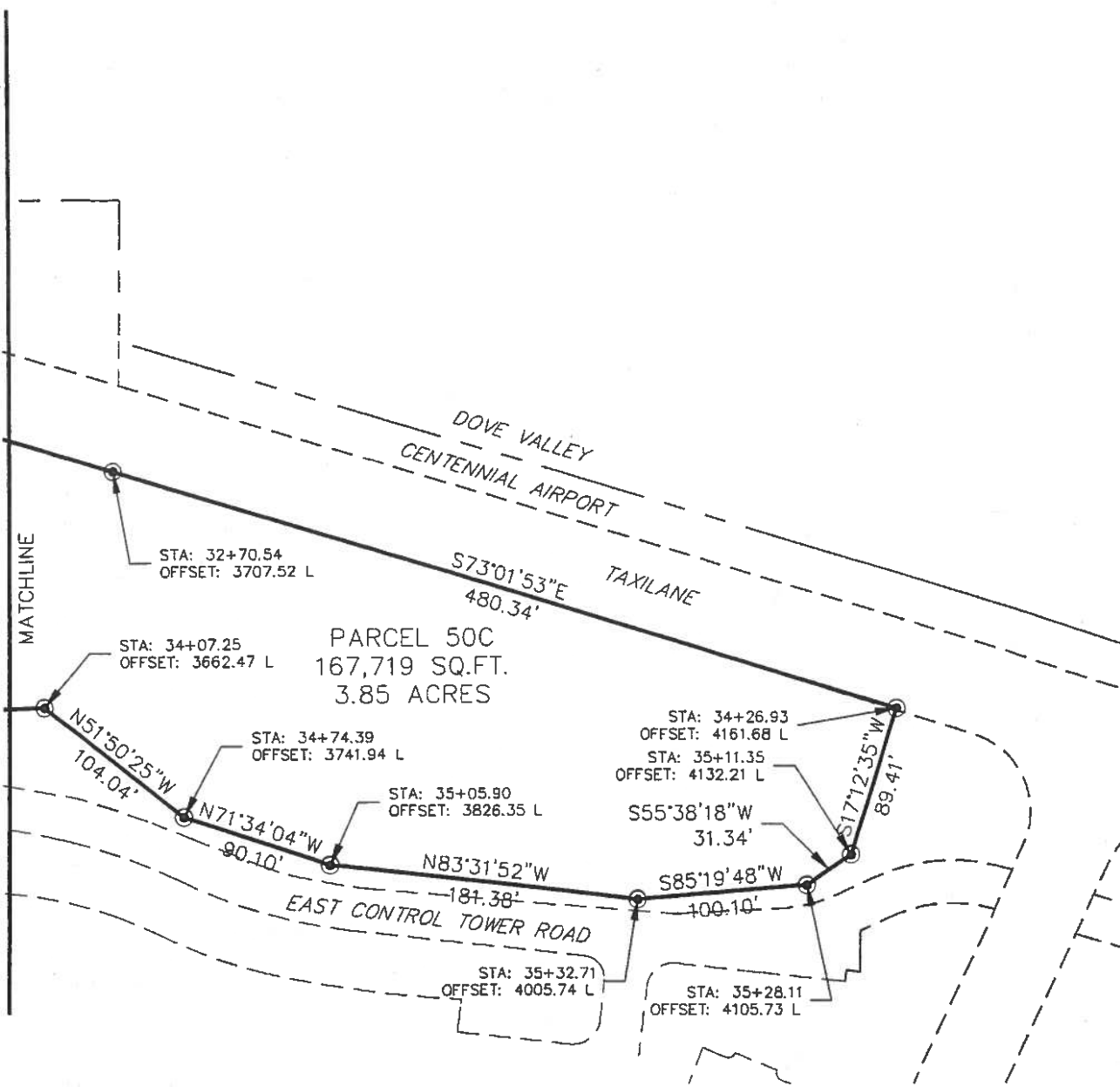
NOTE:
 THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY.
 IT IS TO BE USED SOLELY TO DEPICT THE ATTACHED DESCRIPTION.

DATE: 11/27/01
DRAWING: 00138.400-50C
SHEET 2 of 3

PARCEL 50C
 CENTENNIAL AIRPORT

WILLIAM E. PAYNE & ASSOCIATES
 Consulting Engineers
 12150 E. BRIARWOOD AVE., SUITE 120
 ENGLEWOOD, COLORADO 80112
 (303) 790-9019
© William E. Payne & Associates, Inc.

EXHIBIT "A"



BASIS OF BEARING:
 CENTENNIAL AIRPORT RUNWAY 17L/35R
 (BEARING S 02°02'00" E)

NOTE:
 THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY.
 IT IS TO BE USED SOLELY TO DEPICT THE ATTACHED DESCRIPTION.

DATE: 11/27/01
DRAWING: 00138.400-50C
SHEET 3 of 3

PARCEL 50C
CENTENNIAL AIRPORT

WILLIAM E. PAYNE & ASSOCIATES
 Consulting Engineers
 12150 E. BRIARWOOD AVE., SUITE 120
 ENGLEWOOD, COLORADO 80112
 (303) 790-9019
© 2001 WEP & A. ALL RIGHTS RESERVED.

EXHIBIT A
PARCEL 50C-1

A PORTION OF LAND LOCATED IN THE EAST ½ OF SECTION 36, TOWNSHIP 5 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF ARAPAHOE, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

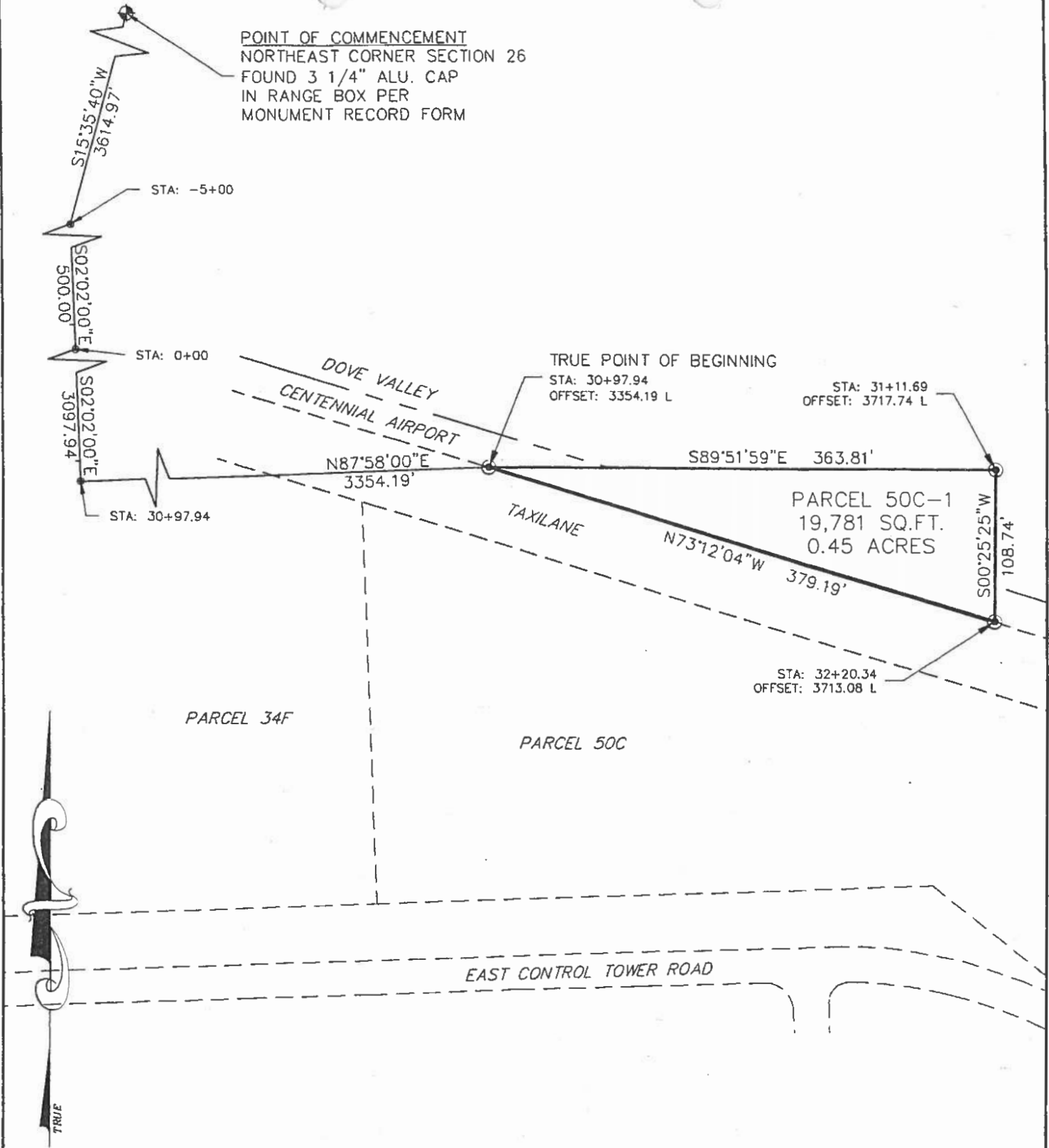
COMMENCING AT THE NORTHEAST CORNER OF SECTION 26, TOWNSHIP 5 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF ARAPAHOE, STATE OF COLORADO:

THENCE S 15°35'40" W, A DISTANCE OF 3614.97 FEET TO THE EXTENDED CENTERLINE OF RUNWAY 17L/35R (CENTENNIAL AIRPORT, BEARING S 02°02'00" E, BEING THE **BASIS OF BEARINGS** FOR ALL BEARINGS HEREIN), STATION -5+00;
THENCE S 02°02'00" E, ALONG SAID CENTERLINE, A DISTANCE OF 500.00 FEET TO STATION 0+00;
THENCE S 02°02'00" E, ALONG SAID CENTERLINE, A DISTANCE OF 3097.94 FEET TO STATION 30+97.94;
THENCE N 87°58'00" E, A DISTANCE OF 3354.19 FEET TO THE **TRUE POINT OF BEGINNING**, STATION 30+97.94, 3354.19 FEET LEFT;
THENCE S 89°51'59" E, A DISTANCE OF 363.81 FEET TO STATION 31+11.69, 3717.74 FEET LEFT;
THENCE S 00°25'25" W, A DISTANCE OF 108.74 FEET TO STATION 32+20.34, 3713.08 FEET LEFT;
THENCE N 73°12'04" W, A DISTANCE OF 379.19 FEET TO THE **TRUE POINT OF BEGINNING**.

SAID PARCEL CONTAINS 19,781 SQ. FT., OR 0.45 ACRES OF LAND, MORE OR LESS. THIS DESCRIPTION DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS TO BE USED SOLELY TO DESCRIBE THE ATTACHED EXHIBIT.

EXHIBIT "A"

POINT OF COMMENCEMENT
 NORTHEAST CORNER SECTION 26
 FOUND 3 1/4" ALU. CAP
 IN RANGE BOX PER
 MONUMENT RECORD FORM



BASIS OF BEARING:
 CENTENNIAL AIRPORT RUNWAY 17L/35R
 (BEARING S 02°02'00" E)

NOTE:
 THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY.
 IT IS TO BE USED SOLELY TO DEPICT THE ATTACHED DESCRIPTION.

DATE: 11/27/01
DRAWING: 00138.400-50C-1
SHEET 2 of 2

PARCEL 50C-1
 CENTENNIAL AIRPORT

WILLIAM E. PAYNE & ASSOCIATES
 Consulting Engineers
 12150 E. BRIARWOOD AVE., SUITE 120
 ENGLEWOOD, COLORADO 80112
 (303) 790-9019
© Survey 1999, 2001, 2002, 2003, 2004

**FIRST AMENDMENT TO HELICOPTER FIXED BASE
OPERATOR LEASE AND AGREEMENT**

THIS FIRST AMENDMENT TO HELICOPTER FIXED BASE OPERATOR LEASE AND AGREEMENT (this "Amendment") is made effective as of this 19th day of June, 2003 between the Arapahoe County Public Airport Authority (the "Authority") and APAH LLC, a Colorado limited liability company, d/b/a The Heliplex, ("Lessee") and constitutes an amendment to that certain Helicopter Fixed Base Operator Lease and Agreement entered into by the Authority and Lessee dated August 8, 2002 by which the Authority leased to Lessee parcels 50C and 50C-1 at Centennial Airport (the "Lease"). Unless otherwise defined in this Agreement, all initially capitalized terms used in this Agreement shall have the meanings ascribed to them in the Lease.

Recitals

A. The Authority is a political subdivision of the State of Colorado that owns and operates Centennial Airport (the "Airport") and has the power to appoint Fixed Base Operators at the Airport and to lease designated areas of the Airport to such operators for the purpose of supplying services and supplies to aircraft and users of the airport facilities as permitted under the *Centennial Airport's Minimum Standards for Commercial Aeronautical Activities* ("Standards") and the *Development Policy and Application Procedures for Aeronautical & Non-Aeronautical Land Use at Centennial Airport* ("Development Procedures").

B. The Authority leased the Premises to Lessee for the construction and operation of an aeronautical use facility, specifically a Helicopter Fixed Base Operation, at the Airport (the "Use").

C. Lessee has requested that the Lease be suspended in order to give Lessee additional time to contemplate development of the site.

D. Lessee and the Authority agree that the Lessee's obligations under the Lease shall be suspended on the following terms and conditions.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained and other good and valuable consideration, the parties hereto agree as follows.

Agreement

1. The Lessee's rental obligations as set forth in paragraph 4 of the Lease are hereby suspended retroactive to January 1, 2003.

2. Paragraph 30 is amended to add a subparagraph E, which states:

"E. Automatic Termination on December 31, 2003. Unless Lessee notifies the Authority in writing on or before December 31, 2003, and pursuant to paragraph 22 of the Lease, that Lessee reactivates its obligations under the Lease, then this Lease shall automatically terminate. If, however, Lessee notifies the Authority in writing pursuant to paragraph 22, on or before December 21, 2003, that it is reactivating its obligations under the Lease then concurrent with such reactivation Lessee shall tender to Authority

all amounts that would be due and owing under paragraph 4 from January 1, 2003 to the date of reactivation and Lessee shall resume, commencing with the date of reactivation, all of its existing and future obligations under the Lease.”

3. Paragraph 10C, line 3 is amended as follows: delete “2003” and insert “2004”.

4. Miscellaneous Provisions.

a. Successor and Assigns. This Amendment shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

b. Separability. Any covenant, condition or provision contained in this Amendment that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Amendment, but such deletion shall in no way affect any other covenant, condition or provision of this Amendment so long as such deletion does not materially prejudice the Authority or Lessee in either of their respective rights contained in the valid covenants, conditions or provisions of this Amendment.

c. Effect. Except as expressly provided in this Amendment, the Amended Lease is not amended hereby and remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

Arapahoe County Public Airport Authority

ATTEST:

By: Peter H. Neukirch
Peter H. Neukirch, Clerk

By: Lynn Myers
Lynn Myers, Chair

APAH, LLC,
a Colorado limited liability company

ATTEST:

By: Dennis M. Marrow
Name: DENNIS M. MARRON
Title: CFO

By: James B. Dickson 6-11-03
Name: JAMES B. DICKSON
Title: MANAGING PARTNER

Exhibit III

Consent to Assignment of the Agreement Under Standards for Helicopter Charter, as defined under Part 3, Section (5) of the Minimum Standards

AGREEMENT UNDER STANDARDS

THIS AGREEMENT, between the Arapahoe County Public Airport Authority ("Authority") and APAH, LLC, a Colorado limited liability company, d.b.a. The Heliplex. ("Licensee"), is dated as of the 7th day of July, 2005.

WHEREAS, Authority is responsible for the operation of Centennial Airport, hereinafter referred to as "Airport"; and

WHEREAS, the Authority has adopted Minimum Standards for Commercial Aeronautical Activities ("Standards") at the Airport; and

WHEREAS, the Authority and Licensee entered into a Helicopter Fixed Base Operator Lease and Agreement for Parcels 50C and 50C-1 on the 8th day of August, 2002 ("HFBO Lease"); and

WHEREAS, Licensee submitted its application under Standards to the Authority on the 10th day of August 2000; and

WHEREAS, the Authority has held public hearings upon Licensee's application on the 22nd day of June, 2000 and the 10th day of August, 2000 and has conditionally approved said application on the 10th day of August 2000 subject to the finalization of the associated ground leases, construction of the HFBO hangar, issuance of a certificate of occupancy, and receipt of evidence of insurance.

WHEREAS, Licensee proposed to commence its based commercial aeronautical activities at Centennial Airport upon the construction of its HFBO hangar facilities and issuance of the certificate of occupancy, which was issued on the 7th day of July 2005 ("Commencement Date"); and

WHEREAS, Licensee has met all the application requirements stipulated within said Standards for the conduct of the proposed activities and has satisfied the conditions;

NOW, THEREFORE, the parties hereto agree as follows:

1. Authorized Activities: As set forth in paragraph 3 of the HFBO Lease.
2. Term: As set forth in paragraph 2 of the HFBO Lease.
3. Fees: As set forth in paragraph 4 of the HFBO Lease and Part 3 Section (2.5) of the Standards.
4. Delinquency: As set forth in paragraph 4 of the HFBO Lease.
5. Place and Manner of Payments: As set forth in paragraph 4 of the HFBO Lease.

6. Books and Records: As set forth in paragraphs 7 and 26 of the HFBO Lease.

7. Inspection: As set forth in paragraph 12 of the HFBO Lease.

8. Notifications:

a. Licensee agrees to comply with the requirements stipulated for conduct of Helicopter Fixed Base Operations as set forth in said Standards and with the Airport Rules and Regulations, both of which may be amended from time to time by the Authority; and to notify the Authority with respect to any change in the elements of its operations, including but not limited to:

- 1) change in any required insurance coverage
- 2) change in hours of operation
- 3) change in qualification/certification required of its employees
- 4) change in location of required facilities
- 5) change in aircraft fleet
- 6) change in principals or key officials of Licensee
- 7) change in company name
- 8) change in the scope of business services along with amendments to FAA certifications concerning such operations

b. All notices required hereunder shall be made to the Authority as follows: Airport Director, 7800 South Peoria Street, Englewood, Colorado 80112, and to Licensee at 12951 E. Control Tower Rd., Englewood, Colorado 80112. All notices shall be hand delivered or sent certified mail, return receipt requested.

9. Insurance:

a. Licensee agrees that it will at all times during the terms of this agreement, at its cost and expense, provide and keep in force a policy or policies of insurance as described on Exhibit A attached hereto and made a part hereof; and include the Authority, its officers, and agents as additional insured. All policies of insurance required herein shall be in a form and with a company or companies approved by the Authority and qualified to do business in the state of Colorado. Licensee shall furnish proper certification and evidence of compliance to the Authority. Such certification shall provide that such policy may not be materially reduced or canceled by the insurer during its term without first giving thirty (30) days written notice by registered mail, return receipt requested, to Authority.

b. Licensee shall not violate the terms or prohibitions of any insurance policy herein required.

c. Authority shall not be under any obligation to prosecute, settle or adjust any claim which may accrue under any such policy of insurance.

10. Personnel:

a. The Licensee shall have in his employ and on duty during operating hours trained personnel in such numbers as are required to meet the Standards in an efficient manner for each aeronautical service being performed.

b. All personnel of Licensee are required to hold current Federal Aviation

Administration certificates and ratings, as they are required.

11. Standard Clauses:

a. This Agreement grants Licensee the non-exclusive right to use the airfield and associated operational areas in common with others as authorized, which right shall be exercised in accordance with the laws of the United States of America and the State of Colorado, the rules and regulations promulgated by their authority with reference to aviation and air navigation, and all pertinent directives, Rules and Regulations of the Authority.

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

c. Licensee 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 of service; provided, that Licensee may be allowed to make reasonable and nondiscriminatory prices for each unit of service; provided, that Licensee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

d. Licensee shall maintain at its own expense all necessary permits and licenses required in the conduct of its business at the Airport.

e. Licensee shall at all times retain qualified and competent personnel to conduct its authorized activities and said personnel shall be authorized to represent and act for Licensee.

f. Licensee shall observe and obey all laws, ordinances, rules and regulations of the United States of America and of the State of Colorado, Arapahoe County, and the Authority which may be applicable to its operations at the Airport.

g. Licensee shall pay, in addition to the application and annual activity fees, as required herein, all other costs connected with the operation of said business including, but not limited to, insurance and taxes.

h. Licensee shall provide the Authority a schedule of the hours of operation that Licensee will be open to the public and the names and telephone numbers of Licensee's officials who shall be available at all hours of Licensee's operations at the Airport to perform required management functions.

i. Licensee shall conform to all applicable safety, health, environmental, and sanitary codes and agrees to cooperate with the Authority in its fire prevention efforts and comply with Airport Rules and Regulations.

j. Licensee is and shall be deemed to be an independent contractor in the conduct of its business and activities hereunder and shall be responsible to all persons for its acts of omission or commission and Authority shall in no way be responsible therefore. In the use of the Airport, Licensee shall indemnify Authority, Arapahoe County and the State of Colorado, their agents and employees, from any and all liability that may proximately result because of any negligence on the part of Licensee's officers, agents, or employees.

k. Licensee shall comply with the requirements of any Executive Order barring discrimination; further, in accordance with these requirements, Licensee shall not discriminate in any manner against any employee or applicant for employment because of

political or religious opinion or affiliation, sex, race, creed, color, handicap, or national origin; and further, licensee shall include a similar clause in all subcontracts, except subcontracts for standard commercial supplies or raw materials. Licensee understands and acknowledges that the Authority has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to non-discrimination which have been required by Title VI of the Civil Rights Act of 1964, and 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, as a condition precedent to the Government making grants in aid to the Authority for certain Airport programs and activities, and that the Authority is required under said regulations to include in every agreement or concession pursuant to which any person or persons other than the Authority operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Licensee agrees:

"Licensee, in its operation at and use of the Airport, covenants that it will not, on the grounds of sex, race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Title 49, Code of Federal Regulations Department of Transportation Subtitle A, Office of the Secretary, Part 21; and in the event of such discrimination; Licensee agrees that the Authority has the right to take such action against Licensee as the Government may direct to enforce this covenant."

l. Airport Development: The Authority reserves the right to further develop or improve the landing area of the Airport as it sees fit and without unreasonable interference or hindrance.

m. Performance of Services: It is clearly understood by the Licensee that no rights or privileges have been granted which would operate to prevent any person, firm or corporation operating aircraft on the Airport from performing any services on its own aircraft with its own regular employees (including but not limited to, maintenance and repair) that it may choose to perform provided, however, that such services shall be subject to the Rules and Regulations established by the Authority and shall be consistent with terms of any lease or sublease of hangar space.

n. Authority's Rights: The Authority reserves the right (but shall not be obligated to the Licensee) to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport together with the right to direct and control all activities of the Licensee in this regard.

o. Airport Obstruction: The Authority reserves the right to take any action it considers appropriate to protect the aerial approaches of the Airport against obstruction, together with the right to prevent the Licensee from erecting or permitting to be erected, any building or other structure on the Airport which, in the opinion of the Authority, would limit the usefulness of the Airport or constitute a hazard to aircraft.

p. Subordination: This Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. This subordination includes, but is not limited to, the right of the Authority, during time of war or national emergency, to lease the landing area, or any part

thereof, to the United States for military or naval use, and if any such lease is made, the provisions of this Agreement shall be suspended.

q. Indemnity: (i) The Licensee shall hold the Authority, the Airport Manager and all other Airport personnel and their agents harmless from and against all suits, claims, demands, actions, and/or causes of action of any kind or nature in any way arising out of or resulting from Licensee's activities, and shall pay all expenses in defending any claims against the Authority by reason of Licensee's activities.

(ii) Licensee shall have no duty or obligation to hold harmless the Authority, the Airport Manager and all other Airport Personnel and their agents to extent such suits, claims, demands, actions, and/or causes of action are caused by the negligence or willful misconduct of the Authority, the Airport Manager, or other Airport Personnel and their agents.

r. No Sham Affidavit: All terms and conditions with respect to this Agreement are expressly contained herein, and the Licensee agrees that no representative or agent of the Authority has made any representation or promise with respect to this Agreement not expressly contained herein.

s. Assignment: All covenants, stipulations and provisions in this Agreement shall extend to and bind the legal representatives, successors and assigns; however, Licensee shall not assign or transfer this Agreement without the written approval of Authority which approval may be denied for any reason. Further, this Agreement may be assigned or transferred only if, and only to the same person or entity as, the Helicopter Fixed Base Operator Lease and Agreement for Parcel 34H is contemporaneously assigned or transferred.

t. Exclusive Right: It is understood and agreed that nothing herein shall grant or authorize the granting of an exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act of 1958, as amended.

u. Affirmative Action Program: The Licensee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Licensee 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. The Licensee assures that it will require that its covered suborganizations provide assurances to the Licensee that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

v. Aircraft Leaseback, Sublease, or other Aircraft Operating Agreements:

(1) All aircraft leases, leasebacks, subleases or other aircraft operating agreements involving commercial activity between an aircraft owner/operator and Licensee shall be in writing and shall conform to the Standards for the respective aeronautical activities being performed under the subject agreement.

(2) Where such agreements involve or contemplate the right or responsibility or obligation to perform maintenance on aircraft (other than Preventive Maintenance), such agreements must involve reasonable use of and payment for the aircraft commensurate with the value and usage of said aircraft.

(3) A copy of all such agreements must be submitted to the Authority along with proof of compliance with all applicable Airport insurance requirements.

12. Cancellation and Termination: As set forth in paragraph 21 of the HFBO Lease. Further, termination of the Helicopter Fixed Base Operator Lease and Agreement for Parcel 50C and 50C-1 shall result in immediate termination of this Agreement. Such termination of this Agreement shall be effective by operation of the previous sentence and shall not require any other action by Authority.

13. Obligations Following Termination: As set forth in paragraph 21 of the HFBO Lease.

14. No Personal Liability: No commissioner, officer, or employee of Authority shall be held personally liable under this Agreement or because of its enforcement or attempted enforcement.

15. Entire Agreement: This Agreement covers and includes the entire agreement between the parties and there are no promises, representations, warranties, conditions, terms or obligations other than those contained herein. Licensee has read and understands the whole of this Agreement and now states that no representations, promises or agreements not expressed herein have been made to induce the Licensee to enter into it. Licensee understands that no Commissioner, Officer, or Agent of Authority has the authority to change, rescind, alter or modify the agreement in whole or in part.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed this 7th day of July, 2005.



ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY

Lynn Myers

Lynn Myers, Chair

ATTEST:

Peter H. Neukirch

Peter H. Neukirch, Clerk

APAH, LLC,
a Colorado limited liability company

[Signature]

(Licensee)

Gwen G. Balch

Witness

EXHIBIT A

TO

AGREEMENT UNDER STANDARDS

BETWEEN

**APAH, LLC D/B/A THE HELIPLEX
("Licensee")**

AND

**ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
("Authority")**

DATED

July 7, 2005

This Exhibit A includes the following excerpts from Centennial Airport's Minimum Standards for Commercial Aeronautical Activities, which may be amended from time to time.

Part 1 – Introduction, Purpose & Definitions

Part 2 – General Requirements and Standards

Part 3 Section (2.5) – Specific Requirements for a Helicopter Fixed Base Operator (HFBO)



Centennial Airport's Minimum Standards for Commercial Aeronautical Activities

PART 1 - INTRODUCTION, PURPOSE & DEFINITIONS

Prudent and proper administration requires that standards be adopted to establish the minimum acceptable qualifications of participants, level and quality of service, and other conditions which will be required of those proposing to conduct commercial aeronautical activities at the Airport. The requirement to impose standards on those proposing to conduct commercial aeronautical activities on a public airport relates to the public interest and provides protection from irresponsible, unsafe or inadequate service.

The adoption and enforcement of such standards ensures that the Operator is reasonably fit, willing and able to discharge both its service obligations to its patrons and its economic obligations to the Airport community and thereby protects established commercial enterprises, the aviation user, and the public.

The standards established for any particular commercial aeronautical activity must be relevant to that activity, must be reasonable in scope and must be applied objectively and uniformly. Standards, thus established and applied, promote economic stability by discouraging unqualified applicants and foster the level of services desired by the public.

PURPOSE

These regulations prescribe minimum standards for the conduct of commercial aeronautical activities at Centennial Airport and specify certain clauses which will be included in lease/concession agreements permitting the conduct of such activities.

SEVERABILITY CLAUSE

If one or more clauses, sections or provisions of these Minimum Standards shall be held to be unlawful, invalid or unenforceable by final judgment of any court or competent jurisdiction, the invalidity of such clauses, sections or provisions shall not in any way affect any other clauses, sections or provisions of these Minimum Standards.

DEFINITIONS

As used in these regulations, the following terms shall have the following meanings:

Air Cargo, An Air Cargo operator is an entity that provides the carriage of property and operates under the appropriate FAR and operates aircraft in accordance with the weight limitations established for the Airport in its Rules and Regulations.

Air Charter, An Air Charter operator is an entity that provides on-demand non-scheduled passenger services and operates under the appropriate FAR with aircraft that provide no more than 30 passenger seats and are within the weight limitations established for the Airport in its Rules and Regulations.



Aircraft, means any contrivance, now known or hereafter invented, used, or designed for navigation of or flight in the air. Excluded from this definition are ultralights, gliders, and paragliders.

Aircraft Maintenance, means the repair, adjustment or inspection of aircraft. Major repairs include major alterations to the airframe, power plant, propeller and accessories as defined in Part 43 of the Federal Aviation Regulations. Minor Repairs include normal, routine annual inspection with attendant maintenance, repair, calibration or adjustment or repair of aircraft and their accessories.

Airport, means the Centennial Airport.

Airport Operating Area (AOA), means the ramp/taxilane system.

Airport Purpose, means any Authority action, undertaking or development that is consistent in maintaining the non-certificated status of the Airport and in preserving the Airport funding category as a "Reliever Airport" serving general aviation users. Under no circumstances shall the Airport Purpose include scheduled passenger services.

Authority, means the Arapahoe County Public Airport Authority formed pursuant to Article 3, Title 41, C.R.S.

Building, means the main portion of each structure, all projections or extensions therefrom and any additions or changes thereto, and shall include garages, outside platforms and docks, carports, canopies, eaves and porches. Paving, ground cover, fences, signs and landscaping shall not be included.

Commercial Aeronautical Activity, means any activity which involves, makes possible, or relates to the operation of aircraft, the purpose of such activity being to secure earnings, income, compensation or profit, whether or not such objective(s) is accomplished. Such activities as further defined under PART 3, Sections (2) through (12) include: Fixed Base Operator; Helicopter Fixed Base Operator, Airframe & Power Plant Repair; Avionics, Instrument & Propeller repair; Air Charter; Air Cargo; Aircraft Rental; Aircraft Sales; Flight Training; Commercial Flying Club; Specialized Commercial Aeronautical Activities. However, Commercial aeronautical activity shall not include any activity that is contrary to the Airport Purpose.

Development Guidelines, means any Authority approved guidelines governing development on the Airport. It includes but is not limited to such guidelines as the Development Policy & Application Procedures for Aeronautical & Non-Aeronautical Land Use at Centennial Airport.

DOT, means Department of Transportation.



DOT Part 380 Public Charter Operations ("380 Operator"), is an entity that furnishes passenger carrying on-demand air transportation to the general public by engaging the services of established Air Charter operators with aircraft that provide no more than 30 passenger seats and are within the weight limitations established for the Airport in its Rules and Regulations.

Entity, means a person, firm, corporation, partnership.

Equipment, means all machinery, together with the necessary supplies, tools and apparatus necessary to the proper conduct of the activity being performed.

Exclusive Rights, means the power, privilege or other right excluding or debarring another from enjoying or exercising a like power, privilege or right. An exclusive right may be conferred either by express agreement, by imposition or unreasonable standards or requirements, or by any other means. Such a right conferred on one or more parties by excluding others from enjoying or exercising a similar right or rights would be an exclusive right. *The granting of an exclusive right to conduct a commercial aeronautical activity on an airport developed by or improved with federal funds is expressly forbidden by law.*

FAA, means Federal Aviation Administration.

FAR, means Federal Aviation Regulations.

Fixed Based Operator (FBO), means an entity which maintains facilities at the Airport for the purpose of engaging in the retail sale of aviation fuels, aircraft sales/rental, flight instruction and training, air charter, air cargo, aircraft airframe and engine repair, avionics and aircraft line services. (Also, refer to the definition for Helicopter Fixed Based Operator.)

General Aviation, means that portion of civil aviation that encompasses all facets of aviation except scheduled air carriers.

Hazardous Material, means any hazardous or toxic substance, material or waste which is or becomes regulated by any local government authority, the State of Colorado or the United States Government. The term *Hazardous Material* includes without limitation, any substance that is (1) defined as a *hazardous substance* under appropriate state law provisions; (2) petroleum; (3) asbestos; (4) designated as *hazardous substance* pursuant to Section 311 of the Federal Water Pollution Control Act (33 USC Section 1321); (5) defined as *hazardous waste* pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 USC Section 9601); or (6) defined as a *regulated substance* pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 USC Section 6991).



Helicopter Fixed Based Operator (HFBO), means an entity which maintains facilities at the Airport for the purpose of exclusively providing helicopter fixed base services. These services include, the retail sale of aviation fuels to helicopters, helicopter sales/rental, flight instruction and training, helicopter charter, helicopter cargo, helicopter airframe and engine repair, avionics and helicopter line services.

Improvements, means all buildings, structures and facilities including pavement, fencing, signs and landscaping constructed, installed or placed on, under or above any leased area by or with the concurrence of a leased area by or with the concurrence of a lessee. Plans and specifications for all improvements must be approved by the Authority for conformity with its building and construction standards.

Landing, shall include all flights for revenue and non-revenue purposes including, but not limited to commercial, training, private, ferry and charter flights, except that there shall be excluded flights which return to the airport after take-off due to an emergency.

Landing Fee, means a fee expressed as an amount per available revenue seat (ARS).

Lease, means a contractual agreement between the Authority and an entity granting a concession or otherwise authorizing the conduct of certain activities which is in writing and enforceable by law.

Principals, means for Corporation all directors, officers, and stockholders holding more than 10% of the company stock; means for Partnerships all general and limited partners.

Ramp, means a paved area suitable for aircraft parking.

Repair Facility, means a facility utilized for the repair of aircraft to include airframe, power plant, propellers, radios, instruments and accessories. Such facility will be operated in accordance with pertinent FAA regulations.

Service Operator or Operator, means an entity which provides any one of the services listed under PART 3, Sections (2) through (12), inclusive. The following are not included within this definition:

- Employees of Aircraft Owners: The general criteria for employee status will be that the employer withholds income taxes, withholds and pays social security taxes and pays unemployment taxes on wages paid to the employee. Where this criteria is questioned, a Form SS-8 determination will be requested from the Internal Revenue Service.
- Services authorized by an FBO or HFBO within its hangar facilities for aircraft owned or leased by its sublessees. Such authorization will be provided in writing (on a form provided by the Authority) and timely filed with the Authority.



Sublease, means a lease granted by a lessee to another entity of all or part of the property.

Terminal Area, means the terminal proper, aircraft ramps, baggage-handling facilities, vehicular parking, spaces, including rental car areas, roadways, water, sanitary sewer, storm sewer, gas, electrical, cable TV and other areas and facilities the primary function of which is to serve the terminal and aircraft operations.

Tie-down, means the area, paved, or unpaved, suitable for parking and mooring of aircraft wherein suitable tied down points have been located.



Centennial Airport's Minimum Standards for Commercial Aeronautical Activities

PART 2 — GENERAL REQUIREMENTS AND STANDARDS

The general requirements set forth herein and in the specific activity requirements under PART 3, Sections (2) through (12) are the minimum which the Authority will require in agreements authorizing commercial activities and unless specifically limited, do not preclude applicants from seeking greater operating authority.

These general requirements cover the following categories for all applicants: 1) a written agreement with the Authority; 2) ground space, facilities and accommodations; 3) licenses and certifications; 4) personnel; 5) aircraft leaseback, sublease, or other operating agreements; 6) insurance; 7) motor vehicles used in operations; and 8) fees.

WRITTEN AGREEMENT WITH AUTHORITY

Prior to the commencement of an operation, the operator will be required to enter into an agreement with the Authority. Such agreements will recite the terms and conditions under which the business will be operated on the airport, including but not limited to, the term of the agreement, the rentals, fees, and charges, the rights and obligations of the respective parties understood, therefore, that neither conditions therein contained nor, those set forth in these Minimum Standards represent a complete recitation of the provisions to be included in the written agreement. Such provisions, however, will neither change nor modify the Minimum Standards nor be inconsistent therewith. Where the operator is a sublessee of a Fixed Base Operator, the term of the Agreement will be limited to the term of the Sublease not to exceed ten years.

GROUND SPACE, FACILITIES, AND ACCOMMODATIONS

The operator shall lease, sublease, and/or construct sufficient ground space, facilities and accommodations for the proposed commercial activity. Operator must provide copies of such leases or subleases to the Authority. Also, refer to the specific activity requirements sections for more specific ground space and facilities requirements than those listed below:

- a. ***A full description and drawing of the location of the ground space, facilities, and accommodations to be utilized solely for the operator's proposed commercial activity.*** Operator must identify the location of its aircraft parking and staging areas, customer lounges, baggage handling for 380 Operations, vehicle parking areas, and restrooms.



b. The **ground space** shall include a paved walkway within the leased or subleased area to accommodate pedestrian access to the operator's office, and when appropriate, a paved aircraft apron with tie-down or hangar facilities within the leased area sufficient to accommodate the activities being performed. Ground space shall also include sufficient space for automobile parking.

c. The **facilities and floor space allotments** shall include office and customer lounge facilities and, if applicable baggage handling facilities for the 380 Operations. All facilities must be properly heated, ventilated, cooled and lighted.

d. The **public accommodations** shall include telephones for customer use, restrooms, sufficient on-site customer auto parking spaces, and handicap access in accordance with any Federal, State and local regulations.

The operator shall maintain all pavement constructed by the operator. The maintenance of the interior of the building, utility costs, snow and trash removal shall be the operator's responsibility. Grass mowing and landscape maintenance within the operator's leased premises shall be the operator's responsibility.

For construction of any new facilities, the operator will be subject to the same standards of development as are contained in the Airport Master Plan and the Development Guidelines.

LICENSES AND CERTIFICATIONS

Operator shall comply with all Federal, State, County and/or municipal laws and regulations concerning its proposed operation and provide copies of all pertinent permits, licenses, and certifications.

PERSONNEL

The operator shall have in his employ and on duty during operating hours, trained personnel in such numbers as are required to meet the Minimum Standards and Specific Requirements set forth herein. The operator shall also provide a responsible person in the office to supervise the operations in the leased area and with authorization to represent and act for and on behalf of the operator during all business hours.

All personnel are required to hold the appropriate Federal Aviation Administration Certificates and ratings as applicable.



AIRCRAFT LEASEBACK, SUBLEASE, OR OTHER AIRCRAFT OPERATING AGREEMENTS

All aircraft leases, leasebacks, subleases or other aircraft operating agreements involving commercial activity between an aircraft owner/operator and other parties operating at the airport shall conform to the standards stipulated under PART 3, Sections (2) through (12) for the respective aeronautical activities being performed under the subject agreement.

Where such agreements contemplate the right or responsibility or obligation to perform maintenance on aircraft (Other than preventive maintenance), such agreements must involve reasonable use of and payment for aircraft commensurate with the value and usage of said aircraft.

A copy of all such agreements shall be provided to the Authority upon the execution of the agreements.

All aircraft leases, leasebacks, subleases or other aircraft operating agreements involving commercial aircraft activity at or from the Airport shall include the following: **"This agreement shall not violate the Minimum Standards for Commercial Activities as set by the Arapahoe County Public Airport Authority nor shall this instrument be used for the purpose of evading any of Centennial Airport's Rules and Regulations."**

INSURANCE

The operator shall procure, maintain, and pay premiums during the term of the agreement, for insurance of the types and the minimum limits set forth in the specific requirements for the respective commercial aeronautical activities under PART 3, Sections (2) through (12). The insurance company writing the required policy or policies, shall be licensed to do business in the State of Colorado.

When more than one aeronautical service is proposed, the minimum limits will vary (depending upon the nature of the individual services in such combination) but will not necessarily be cumulative in all instances. It would not be necessary for the operator to carry insurance policies providing the aggregate or combined total of the minimum requirements of each of the selected activities; however, the operator would be required to provide insurance on all applicable exposures.

All insurance which the operator is required by the Authority to carry and keep in force shall include the Arapahoe County Public Airport Authority, its officers, and agents as additional insured. The operator shall furnish evidence of compliance with this requirement to the Authority with proper certification that such insurance in force and will furnish additional certification as evidence of changes in insurance not less than 10 days prior to any such change, if the change results in a reduction. In the event of cancellation of coverages, 30 days prior notification shall be conveyed to the Authority by the Underwriter.



The applicable insurance coverages shall be in force during the period of any construction of the operator's facilities and/or prior to the operator's entry upon the Airport for the conduct of its business.

Disclosure Requirement - All operators conducting rental, sales, or flight training shall post a notice and incorporate within their rental agreements the coverages and limits provided to the student or renter by the operator, as well as a statement advising that additional coverage is available to such student/renter through the purchase of an individual non-ownership liability policy. Operator shall provide a copy of such Notice to the Authority.

MOTOR VEHICLES ON AIRPORT

The operator will control the transportation of pilots and passengers to and from the operator's office to the operator's apron tied-down areas. The operator performing this service with motor vehicles driving on the AOA shall do so only in accordance with the Centennial Airport Rules and Regulations.

Any operator using service vehicles on the AOA in the support and conduct of its business shall procure and maintain motor vehicle liability insurance of not less than \$500,000 per occurrence of Combined Single Limit coverage for Bodily Injury and Property Damage.

FEEES

The operator shall pay the standard fees as specified by the Authority. Such fees are listed on the Specific Requirements for each commercial aeronautical activity category wider PART 3, Sections (2) through (12). These fees shall be specifically included in the Agreement executed with the Authority.

Any concession activity conducted on the leased premises shall similarly be subject to the standard rates and charges set by the Authority.



Centennial Airport's Minimum Standards for Commercial Aeronautical Activities

**PART 3 Section (2.5) - SPECIFIC REQUIREMENTS
FOR
HELICOPTER FIXED BASE OPERATOR (HFBO)**

A **Helicopter Fixed Based Operator (HFBO)** is an entity which maintains facilities at the Airport for the purpose of exclusively providing helicopter fixed base services. These services include, the retail sale of aviation fuels to helicopters, helicopter sales/rental, flight instruction and training, helicopter charter, helicopter cargo, helicopter airframe and engine repair, avionics and helicopter line services.

In addition to the general requirements in PART 2, the following minimum requirements must be met:

GROUND SPACE, FACILITIES AND ACCOMMODATIONS

The minimum *ground space* to be leased shall be 187,500 square feet and improvements shall comprise at least 50% of the area leased.

The *principal buildings and facilities* used by the HFBO shall occupy at least 1.5% of the area leased in which a minimum of 1,500 square feet will be allocated and utilized for conveniently located heated and air conditioned lounge or waiting rooms and restrooms for passengers and crews, which shall be maintained in a clean and sanitary manner. Public facilities for flight planning and weather information shall be provided for pilots. At least one telephone will be provided for public use.

A *public use general aviation heliport* shall be provided by the HFBO, and follow the recommendations and standards covered in AC 150/5390-2A.

Paved helicopter parking will be provided for a minimum of 6 helicopters or 1 helicopter per leased acre, whichever is greater; plus, helicopter parking facilities needed for activities such as helicopter cargo, helicopter charter, helicopter rental, helicopter sales and helicopter flight schools.

A *minimum of one large hangar* with a minimum of 5,000 square feet of floor space shall be provided within which helicopter airframe and engine repair activities and any permitted aeronautical activity may be performed. HFBO will provide suitable inside or outside parking space for helicopters before and after repair and maintenance have been accomplished.



HFBO shall provide ground space, facilities and accommodations sufficient for each of its activities or sponsored activities such as a 380 Operations. Please reference the following sections under PART 3:

- Section 3, Airframe and Power Plant
- Section 4, Avionics and Instrument Repair
- Section 5, Air Charter
- Section 6, Air Cargo
- Section 7, Aircraft Rental
- Section 8, Aircraft Sales
- Section 9, Flight Training

SCOPE OF SERVICE

General

Aircraft - Reference the appropriate sections under PART 3 for the aircraft requirements for Flight Training, Aircraft Rental, Aircraft Sales, Air Cargo and Air Charter.

Environmental - HFBO must comply with the requirements of the Authority's Storm Water Management Plan (SWMP).

Equipment - In regards to Airframe and Power Plant Repair activities, HFBO shall provide suitable tractors, tow bars, jacks, dollies and other equipment, supplies and parts equivalent to that required for certification by the FAA as an Approved Repair Station.

In regards to Line Service activities, HFBO shall provide adequate helicopter parking facilities and equipment, including adequate loading, unloading and towing equipment to safely and efficiently move aircraft as necessary; and proper equipment for repairing and inflating aircraft tires, servicing oleo struts, changing oil, washing helicopters and helicopter windows and recharging or energizing discharged helicopter batteries and starters.

In regards to a 380 Operations sponsored activity HFBO shall provide equipment and a system for handling baggage to and from the area designated for the sponsored 380 Operations.

Licenses - HFBO or its designees shall have and provide evidence of the appropriate FAA and DOT certifications and approvals for the required or permitted aeronautical activities that they are operating.

Personnel - HFBO shall employ sufficient personnel who are appropriately rated by the FAA for the work being performed for each activity. (Reference the appropriate sections under PART 3 for the personnel requirements for Flight Training, Aircraft Rental, Aircraft Sales, Air Cargo and Air Charter.) HFBO shall have an employee in the office during normal business hours.



Rates and Charges - The rates and charges for helicopter parking, and storage shall be determined by the HFBO and subject further to the requirements that all rates and charges shall be reasonable and be equally and fairly applied to all users of its services. All rates and charges will be filed with the Airport manager.

Subleases - The HFBO is required to provide to the Authority within ten days of execution a copy of any sublease of 10,000 square feet or more of space, or a sublease for the storage of three or more helicopters, or a sublease for a term greater than one year. Any subleases of space to another entity to provide one or more commercial aeronautical activities shall require the prior written approval of the Authority. The HFBO shall be required to carry public liability insurance for all sublessees or provide a certificate of insurance naming the Authority and lessee as named insured.

Taxes and Assessments - HFBO shall, at its expense, pay all taxes and assessments against any building or other structure and personal property placed on the premises.

Required Activities

Helicopter Repair - Helicopter airframe and engine repair service shall be provided by FAA approved personnel. Refer to PART 3 Section (3) or (11).

Fueling - HFBO shall make satisfactory arrangements with a recognized aviation petroleum distributor for the delivery of fuel and oil in such quantities as are necessary to meet the requirements set forth herein. Fuel flowage fee will be paid to Authority for all fuel dispensed by the HFBO.

Fueling and into-helicopter delivery of aviation fuels shall be provided by the HFBO seven days a week, during daylight hours and after dark within 1 hour of notice. In addition, special arrangements shall be made with based tenants operating after dark.

The HFBO shall provide mobile fuel dispensing equipment capable of safe and efficient servicing of all types of general aviation helicopter. Separate dispensing pumps for each grade of fuel is required.

All fuel storage tanks will be installed according to current regulations.

HFBO shall maintain current fuel reports on file and make available for auditing at any time by the Airport Manager.

Line Service - Buying selling and furnishing aviation fuels and oils to third parties, both at wholesale and retail and storing aviation fuel and oil. Line service, including facilities to clean interior/exterior of aircraft, unicom, telephone and radio contact to and with service personnel.



Permitted Activities

Helicopter Cargo - Refer to PART 3 Section (6).

Helicopter Charter - Refer to PART 3 Section (5).

Helicopter Rental - Refer to PART 3 Section (7).

Helicopter Sales - Refer to PART 3 Section (8).

Helicopter Service and Avionics Shops - Refer to PART 3 Section (4).

Concessions - Lounge, food and beverage service, including vending machines, catering service and packaged liquor.

Helicopter Flight Training - Refer to PART 3 Section (9).

Ground Transportation - Car rental and other ground transportation services, automobile parking and automobile and other ground support, support equipment and rental automobiles.

Hangars - Facilities for the housing, maintenance and storage of helicopters.

Insurance - Aircraft insurance agency.

Specialized Commercial Aeronautical Activities - This includes: Engine parts and accessories, radios, avionics and supplies, helicopter parts and accessories, instruments, pilot supplies, miscellaneous aviation parts and supplies and similar items. Refer to PART 3 Section (11).

F E E S

Application Fee: \$1,500*

*HFBO Activities submitted with application do not require additional application fees.

Concessions:

- Restaurant 3% gross
- Vending 10% gross
- Auto Rental 10% gross
- Gift Shop 10% gross
- Other charges to be negotiated

Fuel flowage

- Avgas \$0.07 per gallon
- Jet \$0.10 per gallon

Mobile Concessions:

- Concession to be determined
- Detailing to be determined
- Other charges to be negotiated

Helicopter Parking/Shelter Fees:

- Up to \$50/mo. \$12.50*
- * Plus 33-¹/₃% of any amount over the Base Rate of \$50.

Transient Fees: 25% of the Rate

(Parked overnight on the ramp or in a hangar)

Lease/Ground Rates: Per lease or Market Rate (FMV)



INSURANCE

Operator shall provide certificates of insurance evidencing the following coverage and minimum amounts:

Aircraft Liability - \$5,000,000 per occurrence of Combined Single Limit for Bodily Injury and Property Damage Including Passengers

Comprehensive Public Liability and Property Damage (Premises) - \$5,000,000 per occurrence of Combined Single Limit Bodily Injury and Property Damage

Hangarkeeper's Liability - \$1,000,000 per occurrence

Products and Completed Operations Liability (Including sale of new aircraft; sale of used aircraft; repairs/services; parts not installed; and restaurant liability.) - \$5,000,000 per occurrence

Pollution/Environmental Coverage - \$1,000,000 per occurrence of Combined Single Limit for Bodily Injury and Property Damage

Please note that the limits of liability listed above are the minimum required to operate at Centennial Airport. The Authority strongly recommends that all Operators secure higher limits of liability coverage.

CONSENT TO ASSIGNMENT OF AGREEMENT UNDER STANDARDS

WHEREAS, the Arapahoe County Public Airport Authority (“Authority”) and AirCam National Helicopter Services, Inc. (“Licensee”) entered into an Agreement Under Standards (“Agreement”) dated September 10, 2020, effective as of December 6, 2020; and

WHEREAS, 100% of the shares in Licensee is owned by James B. Dirker (“Assignor”); and

WHEREAS, Assignor desires to assign 100% of the shares in Licensee (“Membership Interest”) to Centennial Vertiport, Inc., (“Assignee”); and

WHEREAS, pursuant to paragraph 11.s of the Agreement, Assignor desires that the Authority consent to an assignment of its interests in the Agreement to Assignee, as specified in the Assignment section of the Agreement (the “Assignment”); and

WHEREAS, pursuant to Paragraph 8 of the Agreement, Assignor has notified the Authority in writing of company changes related to the new ownership as specified in the Agreement.

NOW, THEREFORE, pursuant to paragraph 8 of the Agreement, the Authority hereby grants its consent to the assignment of the Agreement from Assignor to Assignee, subject to the following conditions:

1. Licensee is limited to the activities authorized in the Agreement Under Standards dated September 10, 2020, effective as of December 6, 2020; and
2. Licensee shall observe and obey all laws, ordinances, rules and regulations of the United States of America, the State of Colorado, Arapahoe County and the Authority including the Centennial Airport Minimum Standards for Commercial Aeronautical Activities (the “Standards”) and the Development Policy and Application Procedures for Aeronautical and Non-Aeronautical Land Use (“Development Guidelines”), as may be amended from time to time.

[SIGNATURE PAGE FOLLOWS]

DATED this 18th day of June 2026.

Arapahoe County Public Airport Authority

By _____
Thad Bagnato, Chair

ATTEST:

By _____
Jeff Baker, Clerk

EXHIBIT 1

Agreement Under Standards

AirCam National Helicopter Services, Inc

Dated: September 10, 2020

Effective: December 6, 2020

AGREEMENT UNDER STANDARDS

THIS AGREEMENT, between the Arapahoe County Public Airport Authority ("Authority") and AirCan National Helicopter Services, Inc. ("Licensee"), is dated as of the 10th day of September 2020 and effective as of the 6th day of December 2020.

WHEREAS, Authority is responsible for the operation and maintenance of the Centennial Airport hereinafter referred to as "Airport"; and

WHEREAS, the Authority has adopted Minimum Standards for Commercial Aeronautical Activities as may be amended from time to time ("Standards") at the Airport, and

WHEREAS, Licensee's current operating authorization under Standards expires on the 3rd day of December 2020; and

WHEREAS, Licensee has met all the reapplication requirements stipulated within said Standards for the conduct of the activities proposed and has made application for the licensing of its operation; and

WHEREAS, Licensee submitted its reapplication under Standards to the Authority on the 31st day of August 2020; and

WHEREAS, Licensee proposes to continue its based commercial aeronautical activities at Centennial Airport; and

WHEREAS, Licensee is subleasing its premises at 12951 E. Control Tower Rd. (the "Premises") from APAT, LLC dba the Heliplex ("Sublease Agreement"); and

WHEREAS, Licensee has continually operated its activities at Centennial Airport since December of 1990.

NOW, THEREFORE, the parties hereto agree as follows:

1. Authorized Activities: Authority grants Licensee the right to conduct the following named commercial aeronautical activities under the Standards at the Premises:

Helicopter Air Charter as defined under Part 3 Section (5)

2. Term: The authorization granted Licensee to conduct the above-named commercial aeronautical activities shall terminate ten (10) years from the effective date of this Agreement or upon the expiration of the term of the Sublease Agreement as may be amended by the parties thereto whichever occurs first. Licensee may renew the agreement by submitting an application and demonstrating compliance with all requirements of the Standards in place at the time of renewal.

3. Fees:

a. Licensee shall pay to Authority the fees prescribed in Exhibit A attached hereto and made a part hereof adopted by the Authority September 8, 1994. It is understood that the fees may be increased or decreased from time to time by the Authority and Licensee agrees to be bound by any changes to the fees in Exhibit A hereafter made by the Authority and to make payment to the Authority in accordance therewith.

b. The Fees specified in the in Exhibit A shall be paid annually; the initial payment of \$0.00 to be made by Licensee upon execution of this Agreement and subsequent payments made prior to February 1 of each succeeding year.

c. In the event of termination of service by Licensee subsequent to the date of this Agreement, the Annual Fees for this activity shall be adjusted in accordance with the following formula:

Prior to 1 April	Full Fee
Between 1 April and 30 June	3/4 Fee
Between 1 July and 30 September	1/2 Fee
Between 1 Oct. and 31 Dec.	1/4 Fee

4. Delinquency: The payments set forth in paragraph 3b above must be kept current. Interest from the due date shall be charged on any payment overdue at the rate of one and one-half percent (1 1/2%) per month prorated for the number of days late and based on the date of receipt of payment by Authority.

5. Place and Manner of Payments: All payments required to be made hereunder by Licensee to Authority shall be made at the Airport Manager's Office at the Airport. All payments shall be made in legal tender of the United States. All checks shall be received by Authority subject to collection of any such checks.

6. Books and Records: Licensee shall keep and maintain at Airport or at such other place as may be approved in writing by Authority, true and accurate books and records regarding Licensee's operations under the terms of this Agreement in a form satisfactory to Authority.

7. Inspection: Authorized representatives of the Authority shall have the right to inspect the premises of Licensee at reasonable intervals during regular business hours to determine whether Licensee has complied and is complying with the terms and conditions of this Agreement.

8. Notifications:

a. Licensee agrees to comply with the requirements stipulated for conduct of Helicopter Air Charter as set forth in said Standards and with the Airport Rules and Regulations, both of which may be amended from time to time by the Authority; and to notify the Authority with respect to any change in the elements of its operations, including but not limited to:

- 1) change in any required insurance coverage
- 2) change in hours of operation
- 3) change in qualification/certification required of its employees
- 4) change in location of required facilities

- 5) change in aircraft fleet
 - 6) change in principals or key officials of Licensee
 - 7) change in company name
 - 8) change in the scope of business services along with amendments to FAA certifications concerning such operations
- b. All notices required hereunder shall be made to the Authority as follows: Executive Director, 7800 South Peoria Street, Englewood, Colorado 80112, and to Licensee at 12951 E. Control Tower Road, Englewood, CO 80112. All notices shall be hand delivered or sent certified mail, return receipt requested.

9. Insurance:

- a. Licensee agrees that it will at all times during the terms of this agreement, at its cost and expense, provide and keep in force a policy or policies of insurance as described on Exhibit A attached hereto and made a part hereof, and include the Authority, its officers, and agents as additional insured. All policies of insurance required herein shall be in a form and in a company or companies approved by the Authority and qualified to do business in the state of Colorado. Licensee shall furnish proper certification and evidence of compliance to the Authority. Such certification shall provide that such policy may not be materially reduced or canceled by the insurer during its term without first giving thirty (30) days written notice by registered mail, return receipt requested, to Authority.
- b. Licensee shall not violate the terms or prohibitions of any insurance policy herein required.
- c. Authority shall not be under any obligation to prosecute, settle or adjust any claim which may accrue under any such policy of insurance.

10. Personnel:

- a. The Licensee shall have in his employ and on duty during operating hours trained personnel in such numbers as are required to meet the Standards in an efficient manner for each aeronautical service being performed.
- b. All personnel of Licensee are required to hold current Federal Aviation Administration certificates and ratings, as they are required.

11. Standard Clauses:

- a. This Agreement grants Licensee the non-exclusive right to use the airfield and associated operational areas in common with others as authorized, which right shall be exercised in accordance with the laws of the United States of America and the State of Colorado, the rules and regulations promulgated by their authority with reference to aviation and air navigation, and all pertinent directives, Rules and Regulations of the Authority.
- b. Licensee shall make its accommodations and/or services available to the public on fair and reasonable terms without unjust discrimination on the basis of race, color, religion, sex, age, handicap, or national origin.
- c. Licensee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall change fair, reasonable and not unjustly discriminatory prices for each unit of service; provided, that Licensee may be allowed to make reasonable and nondiscriminatory prices for each unit of service; provided, that Licensee may be

- allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
- d. Licensee shall maintain at its own expense all necessary permits and licenses required in the conduct of its business at the Airport.
- e. Licensee shall at all times retain qualified and competent personnel to conduct its authorized activities and said personnel shall be authorized to represent and act for Licensee.
- f. Licensee shall observe and obey all laws, ordinances, rules and regulations of the United States of America and of the State of Colorado, Arapahoe County, and the Authority which may be applicable to its operations at the Airport.
- g. Licensee shall pay, in addition to the application and annual activity fees, as required herein, all other costs connected with the operation of said business including, but not limited to, insurance and taxes.
- h. Licensee shall provide the Authority a schedule of the hours of operation that Licensee will be open to the public and the names and telephone numbers of Licensee's officials who shall be available at all hours of Licensee's operations at the Airport to perform required management functions.
- i. Licensee shall conform to all applicable safety, health, environmental, and sanitary codes and agree to cooperate with the Authority in its fire prevention efforts and comply with Airport Rules and Regulations.
- j. Licensee is and shall be deemed to be an independent contractor in the conduct of its business and activities hereunder and shall be responsible to all persons for its acts of omission or commission and Authority shall in no way be responsible therefore. In the use of the Airport, Licensee shall indemnify Authority, Arapahoe County and the State of Colorado, their agents and employees, from any and all liability that may proximately result because of any negligence on the part of Licensee's officers, agents, or employees.
- k. Licensee shall comply with the requirements of any Executive Order barring discrimination; further, in accordance with these requirements, Licensee shall not discriminate in any manner against any employee or applicant for employment because of political or religious opinion or affiliation, sex, race, creed, color, handicap, or national origin, and further, licensees shall include a similar clause in all subcontracts, except subcontracts for standard commercial supplies or raw materials. Licensee understands and acknowledges that the Authority has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to non-discrimination which have been required by Title VI of the Civil Rights Act of 1964, and 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, as a condition precedent to the Government making grants in aid to the Authority for certain Airport programs and activities, and that the Authority is required under said regulations to include in every agreement or concession pursuant to which any person or persons other than the Authority operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Licensee agrees:

"Licensee, in its operation at and use of the Airport, covenants that it will not, on the grounds of sex, race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Title 49, Code of Federal Regulations Department of Transportation Subtitle A, Office of the Secretary, Part 21; and in the event of such discrimination, Licensee agrees that the Authority has the right to take such action against Licensee as the Government may direct to enforce this covenant."

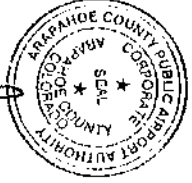
- l. Airport Development: The Authority reserves the right to further develop or improve the landing area of the Airport as it does sees fit and without unreasonable interference or hindrance.
- m. Performance of Services: It is clearly understood by the Licensee that no rights or privileges have been granted which would operate to prevent any person, firm or corporation operating aircraft on the Airport from performing any services on its own aircraft with its own regular employees (including but not limited to, maintenance and repair) that it may choose to perform provided, however, that such services shall be subject to the Rules and Regulations established by the Authority and shall be consistent with terms of any lease or sublease of hangar space.
- n. Authority's Rights: The Authority reserves the right (but shall not be obligated to the Licensee) to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport together with the right to direct and control all activities of the Licensee in this regard.
- o. Airport Obstruction: The Authority reserves the right to take any action it considers appropriate to protect the aerial approaches of the Airport against obstruction, together with the right to prevent the Licensee from erecting or permitting to be erected, any building or other structure on the Airport which, in the opinion of the Authority, would limit the usefulness of the Airport or constitute a hazard to aircraft.
- p. Subordination: This Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. This subordination includes, but is not limited to, the right of the Authority, during time of war or national emergency, to lease the landing area, or any part thereof, to the United States for military or naval use, and if any such lease is made, the provisions of this Agreement shall be suspended.
- q. Indemnity: (1) The Licensee shall hold the Authority, the Airport Manager and all other Airport personnel and their agents harmless from and against all suits, claims, demands, actions, and/or causes of action of any kind or nature in any way arising out of or resulting from Licensee's activities, and shall pay all expenses in defending any claims against the Authority by reason of Licensee's activities.
- (ii) Licensee shall have no duty or obligation to hold harmless the Authority, the Airport Manager and all other Airport Personnel and their agents to extent such suits, claims, demands, actions, and/or causes of action are caused by the negligence or willful misconduct of the Authority, the Airport Manager, or other Airport Personnel and their agents.
- r. No Sham Affidavit: All terms and conditions with respect to this Agreement are expressly contained herein, and the Licensee agrees that no representative or agent of the Authority has made any representation or promise with respect to this Agreement not expressly contained herein.
- s. Assignment: All covenants, stipulations and provisions in this Agreement shall extend to and bind the legal representatives, successors and assigns; however, Licensee shall not assign or transfer this Agreement without the written approval of Authority which approval may be denied for any reason.
- t. Exclusive Right: It is understood and agreed that nothing herein shall be to grant or authorize the granting of an exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act of 1958, as amended.
- u. Affirmative Action Program: The Licensee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall

- on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Licensee 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. The Licensee assures that it will require that its covered organizations provide assurances to the Licensee that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
- v. Aircraft Leaseback, Sublease, or other Aircraft Operating Agreements:
 - (1) All aircraft leases, leasebacks, subleases or other aircraft operating agreements involving commercial activity between an aircraft owner/operator and Licensee shall be in writing and shall conform to the Standards for the respective aeronautical activities being performed under the subject agreement.
 - (2) Where such agreements involve or contemplate the right or responsibility or obligation to perform maintenance on aircraft (other than Preventive Maintenance), such agreements must involve reasonable use of and payment for the aircraft commensurate with the value and usage of said aircraft.
 - (3) A copy of all such agreements must be submitted to the Authority along with proof of compliance with all applicable Airport insurance requirements.
- 12. Cancellation and Termination: Authority may cancel and terminate this Agreement, with or without process of law, without liability, in the event any payment required hereunder is in arrears and remains unpaid for a period of thirty (30) days after the same is due, upon giving ten (10) days written notice to Licensee of the Authority's intention to terminate, at the end of which time all the rights Licensee hereunder shall terminate unless such payment, which shall have been stated in such notice, shall have been paid within such ten (10) days; provided, however, Licensee will be allowed only two (2) such notice within any twenty-four (24) month period to cure within the time specified in this paragraph. The third such notice in any twenty-four (24) month period shall be final and shall cancel and terminate all of the rights hereunder of Licensee without any right on the part of Licensee to cure such default after receiving such notice. In like manner, upon thirty (30) days written notice, Authority may cancel and terminate this Agreement in the event of any other non-monetary default of Licensee not cured within said thirty (30) day period.
- 13. Obligations Following Termination: Except as otherwise provided herein, in the event of cancellation and termination of this agreement by Authority as herein provided, parties shall have no further obligations hereunder, except that Licensee shall remain liable to the Authority for all damages, charges and fees accrued to the date of termination.
- 14. No Personal Liability: No commissioner, officer, or employee of Authority shall be held personally liable under this Agreement or because of its enforcement or attempted enforcement.
- 15. Entire Agreement: This Agreement covers and includes the entire agreement between the parties and there are no promises, representations, warranties, conditions, terms or obligations other than those contained herein. Licensee has read and understands the whole of this Agreement and now states that no representations, promises or agreements not expressed herein have been made to induce the Licensee to enter into it. Licensee understands that no Commissioners, Officer, or Agent of Authority has the authority to change, rescind, alter or modify the agreement in whole or in part.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed this 10th day of September 2020.

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY

(Seal)



ATTEST
C. B. Baggett
Airport Clerk

Thad Baggett
Thad Baggett, Chairman Pro-Tem

AIRCAM NATIONAL HELICOPTER SERVICES, INC.

James Dinker
James Dinker, President

Witness _____

EXHIBIT A

TO

AGREEMENT UNDER STANDARDS

BETWEEN

AirCam National Helicopter Services, Inc.
("Licensee")

AND

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
("Authority")

DATED

Effective as of December 6, 2020

This Exhibit A includes the following excerpts from Centennial Airport's Minimum Standards for Commercial Aeronautical Activities, which may be amended from time to time:

- Part 1 - Introduction, Purpose & Definitions*
- Part 2 - General Requirements and Standards*
- Part 3 Section (5) - Requirements for Air Charter*
- Part 4 - The Application Contents and Hearing Process*



Centennial Airport's Minimum Standards for Commercial Aeronautical Activities

PART 1 - INTRODUCTION, PURPOSE & DEFINITIONS

Prudent and proper administration requires that standards be adopted to establish the minimum acceptable qualifications of participants, level and quality of service, and other conditions which will be required of those proposing to conduct commercial aeronautical activities at the Airport. The requirement to impose standards on those proposing to conduct commercial aeronautical activities on a public airport relates to the public interest and provides protection from irresponsible, unsafe or inadequate service.

The adoption and enforcement of such standards ensures that the Operator is reasonably fit, willing, and able to discharge both its service obligations to its patrons and its economic obligations to the Airport community and thereby protects established commercial enterprises, the aviation user, and the public.

The standards established for any particular commercial aeronautical activity must be relevant to that activity, must be reasonable in scope and must be applied objectively and uniformly. Standards, thus established and applied, promote economic stability by discouraging unqualified applicants and foster the level of services desired by the public.

PURPOSE

These regulations prescribe minimum standards for the conduct of commercial aeronautical activities at Centennial Airport and specify certain clauses which will be included in lease/concession agreements permitting the conduct of such activities.

SEVERABILITY CLAUSE

If one or more clauses, sections or provisions of these Minimum Standards shall be held to be unlawful, invalid or unenforceable by final judgment of any court or competent jurisdiction, the invalidity of such clauses, sections or provisions shall not in any way affect any other clauses, sections or provisions of these Minimum Standards.

DEFINITIONS

As used in these regulations, the following terms shall have the following meanings:

Air Cargo, An Air Cargo operator is an entity that provides the carriage of property and operates under the appropriate FAR and operates aircraft in accordance with the weight limitations established for the Airport in its Rules and Regulations.

Air Charter, An Air Charter operator is an entity that provides on-demand non-scheduled passenger services and operates under the appropriate FAR with aircraft that provide no more than 30 passenger seats and are within the weight limitations established for the Airport in its Rules and Regulations.

PART 1 - Introduction, Purpose, & Definitions
Effective: January 1, 2016
Approved and reformed: October 12, 2017
Page 1 of 3

EXHIBIT A

TO

AGREEMENT UNDER STANDARDS

BETWEEN

AirCam National Helicopter Services, Inc.
("Licensee")

AND

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
("Authority")

DATED

Effective as of December 6, 2020

This Exhibit A includes the following excerpts from Centennial Airport's Minimum Standards for Commercial Aeronautical Activities, which may be amended from time to time:

- Part 1 – Introduction, Purpose & Definitions*
- Part 2 – General Requirements and Standards*
- Part 3 Section (5) – Requirements for Air Charter*
- Part 4 – The Application Contents and Hearing Process*



Aircraft, means any contrivance, now known or hereafter invented, used, or designed for navigation of or flight in the air. Excluded from this definition are ultralights, gliders, and paragliders.

Aircraft Maintenance, means the repair, adjustment or inspection of aircraft. **Major Repairs** include major alterations to the airframe, power plant, propeller and accessories as defined in Part 43 of the Federal Aviation Regulations. **Minor Repairs** include normal, routine annual inspection with attendant maintenance, repair, calibration or adjustment or repair of aircraft and their accessories.

Airport, means the Centennial Airport.

Airport Operating Area (AOA), means the ramp/taxiway system.

Airport Purpose, means any Authority action, undertaking or development that is consistent in maintaining the non-certificated status of the Airport and in preserving the Airport funding category as a "Releaser Airport" serving general aviation users. Under no circumstances shall the Airport Purpose include scheduled passenger services.

Authority, means the Arapahoe County Public Airport Authority formed pursuant to Article 3, Title 41, C.R.S.

Building, means the main portion of each structure, all projections or extensions therefrom and any additions or changes thereto, and shall include garages, outside platforms and docks, canopies, awnings, eaves and porches, paving, ground cover, fences, signs and landscaping shall not be included.

Commercial Aeronautical Activity, means any activity which involves, makes possible, or relates to the operation of aircraft, the purpose of such activity being to secure earnings, income, compensation or profit, whether or not such objective(s) is accomplished. Such activities as further defined under PART 3, Sections (2) through (12) include: Fixed Base Operator; Helicopter Fixed Base Operator; Airframe & Power Plant Repair; Avionics, Instrument & Propeller repair; Air Charter; Air Cargo; Aircraft Rental; Aircraft Sales; Flight Training; Commercial Flying Club; Specialized Commercial Aeronautical Activities. However, Commercial aeronautical activity shall not include any activity that is contrary to the Airport Purpose.

Development Guidelines, means any Authority approved guidelines governing development on the Airport. It includes but is not limited to such guidelines as the Development Policy & Application Procedures for Aeronautical & Non-Aeronautical Land Use at Centennial Airport.

DOT, means Department of Transportation.



DOT Part 380 Public Charter Operations ("380 Operator"), is an entity that furnishes passenger carrying on-demand air transportation to the general public by engaging the services of established Air Charter operators with aircraft that provide no more than 50 passenger seats and are within the weight limitations established for the Airport in its Rules and Regulations.

Entity, means a person, firm, corporation, partnership.

Equipment, means all machinery, together with the necessary supplies, tools and apparatus necessary to the proper conduct of the activity being performed.

Exclusive Rights, means the power, privilege or other right excluding or debarring another from enjoying or exercising a like power, privilege or right. An exclusive right may be conferred either by express agreement, by imposition or unreasonable standards or requirements, or by any other means. Such a right conferred on one or more parties by excluding others from enjoying or exercising a similar right or rights would be an exclusive right. *The granting of an exclusive right to conduct a commercial aeronautical activity on an airport developed by or improved with federal funds is expressly forbidden by law.*

FAA, means Federal Aviation Administration.

FAR, means Federal Aviation Regulations.

Fixed Based Operator (FBO), means an entity which maintains facilities at the Airport for the purpose of engaging in the retail sale of aviation fuels, aircraft sales/rental, flight instruction and training, air charter, air cargo, aircraft airframe and engine repair, avionics and aircraft line services. (Also, refer to the definition for Helicopter Fixed Based Operator.)

General Aviation, means that portion of civil aviation that encompasses all facets of aviation except scheduled air carriers.

Hazardous Material, means any hazardous or toxic substance, material or waste which is or becomes regulated by any local government authority, the State of Colorado or the United States Government. The term **Hazardous Material** includes without limitation, any substance that is (1) defined as a **hazardous substance** under appropriate state law provisions; (2) petroleum; (3) asbestos; (4) designated as **hazardous substance** pursuant to Section 311 of the Federal Water Pollution Control Act (33 USC Section 1321); (5) defined as **hazardous waste** pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 USC Section 9601); or (6) defined as a **regulated substance** pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 USC Section 6991).



Helicopter Fixed Based Operator (HFBO), means an entity which maintains facilities at the Airport for the purpose of exclusively providing helicopter fixed base services. These services include, the retail sale of aviation fuels to helicopters, helicopter sales/rental, flight instruction and training, helicopter charter, helicopter cargo, helicopter airframe and engine repair, avionics and helicopter line services.

Improvements, means all buildings, structures and facilities including pavement, fencing, signs and landscaping, constructed, installed or placed on, under or above any leased area by or with the concurrence of a leased area by or with the concurrence of a lessee. Plans and specifications for all improvements must be approved by the Authority for conformity with its building and construction standards.

Landing, shall include all flights for revenue and non-revenue purposes including, but not limited to commercial, training, private, ferry and charter flights, except that there shall be excluded flights which return to the airport after take-off due to an emergency.

Landing Fee, means a fee expressed as an amount per available revenue seat (ARS).

Lease, means a contractual agreement between the Authority and an entity granting a concession or otherwise authorizing the conduct of certain activities which is in writing and enforceable by law.

Principals, means for Corporation all directors, officers, and stockholders holding more than 10% of the company stock; means for Partnerships all general and limited partners.

Ramp, means a paved area suitable for aircraft parking.

Repair Facility, means a facility utilized for the repair of aircraft to include airframe, power plant, propellers, radios, instruments and accessories. Such facility will be operated in accordance with pertinent FAA regulations.

Service Operator or Operator, means an entity which provides any one of the services listed under PART 3, Sections (2) through (12), inclusive. The following are not included within this definition:

- **Employers of Aircraft Owners**: The general criteria for employee status will be that the employer withholds income taxes, withholds and pays social security taxes and pays unemployment taxes on wages paid to the employee. Where this criteria is questioned, a Form SS-8 determination will be requested from the Internal Revenue Service.
- **Services authorized by an FBO or HFBO** within its hangar facilities for aircraft owned or leased by its sublessee. Such authorization will be provided to writing (on a form provided by the Authority) and timely filed with the Authority.



Sublease, means a lease granted by a lessee to another entity of all or part of the property.

Terminal Area, means the terminal proper, aircraft ramps, baggage-handling facilities, vehicular parking, spaces, including rental car areas, roadways, water, sanitary sewer, storm sewer, gas, electrical, cable TV and other areas and facilities the primary function of which is to serve the terminal and aircraft operations.

Tie-down, means the area, paved, or unpaved, suitable for parking and mooring of aircraft wherein suitable tie-down points have been located.



Centennial Airport's Minimum Standards for Commercial Aeronautical Activities

PART 2 — GENERAL REQUIREMENTS AND STANDARDS

The general requirements set forth herein and in the specific activity requirements under PART 3, Sections (2) through (12) are the minimum which the Authority will require in agreements authorizing commercial activities and unless specifically limited, do not preclude applicants from seeking greater operating authority.

These general requirements cover the following categories for all applicants: 1) a written agreement with the Authority; 2) ground space, facilities and accommodations; 3) licenses and certifications; 4) personnel; 5) aircraft leaseback, sublease, or other operating agreements; 6) insurance; 7) motor vehicles used in operations; and 8) fees.

WRITTEN AGREEMENT WITH AUTHORITY

Prior to the commencement of an operation, the operator will be required to enter into an agreement with the Authority. Such agreements will recite the terms and conditions under which the business will be operated on the airport, including but not limited to, the term of the agreement, the rentals, fees, and charges, the rights and obligations of the respective parties understood, therefore, that neither conditions therein contained nor, those set forth in those Minimum Standards represent a complete recitation of the provisions to be included in the written agreement. Such provisions, however, will neither change nor modify the Minimum Standards nor be inconsistent therewith. Where the operator is a sublessee of a Fixed Base Operator, the term of the Agreement will be limited to the term of the Sublease not to exceed ten years.

GROUND SPACE, FACILITIES, AND ACCOMMODATIONS

The operator shall lease, sublease, and/or construct sufficient ground space, facilities and accommodations for the proposed commercial activity. Operator must provide copies of such leases or subleases to the Authority. Also, refer to the specific activity requirements sections for more specific ground space and facilities requirements than those listed below:

- a. *A full description and drawing of the location of the ground space, facilities, and accommodations to be utilized solely for the operator's proposed commercial activity.* Operator must identify the location of its aircraft parking and staging areas, customer lounges, baggage handling for 380 Operations, vehicle parking areas, and restrooms.



- b. *The ground space shall include a paved walkway within the leased or subleased area to accommodate pedestrian access to the operator's office, and when appropriate, a paved aircraft apron with tie-down or hangar facilities within the leased area sufficient to accommodate the activities being performed.* Ground space shall also include sufficient space for automobile parking.

- c. *The facilities and floor space allotments shall include office and customer lounge facilities and, if applicable baggage handling facilities for the 380 Operations.* All facilities must be properly heated, ventilated, cooled and lighted.

- d. *The public accommodations shall include telephones for customer use, restrooms, sufficient on-site customer auto parking spaces, and handicap access in accordance with any Federal, State and local regulations.*

The operator shall maintain all pavement constructed by the operator. The maintenance of the interior of the building, utility costs, snow and trash removal shall be the operator's responsibility. Grass mowing and landscape maintenance within the operator's leased premises shall be the operator's responsibility.

For construction of any new facilities, the operator will be subject to the same standards of development as are contained in the Airport Master Plan and the Development Guidelines.

LICENSES AND CERTIFICATIONS

Operator shall comply with all Federal, State, County and/or municipal laws and regulations concerning its proposed operation and provide copies of all pertinent permits, licenses, and certifications.

PERSONNEL

The operator shall have in his employ and on duty during operating hours, trained personnel in such numbers as are required to meet the Minimum Standards and Specific Requirements set forth herein. The operator shall also provide a responsible person in the office to supervise the operations in the leased area and with authorization to represent and act for and on behalf of the operator during all business hours.

All personnel are required to hold the appropriate Federal Aviation Administration Certificates and ratings as applicable.



AIRCRAFT LEASEBACK, SUBLEASE, OR OTHER AIRCRAFT OPERATING AGREEMENTS

All aircraft leases, leasebacks, subleases or other aircraft operating agreements involving commercial activity between an aircraft owner/operator and other parties operating at the airport shall conform to the standards stipulated under PART 3, Sections (2) through (12) for the respective aeronautical activities being performed under the subject agreement.

Where such agreements contemplate the right or responsibility or obligation to perform maintenance on aircraft (Other than preventive maintenance), such agreements must involve reasonable use of and payment for aircraft commensurate with the value and usage of said aircraft.

A copy of all such agreements shall be provided to the Authority upon the execution of the agreements.

All aircraft leases, leasebacks, subleases or other aircraft operating agreements involving commercial aircraft activity at or from the Airport shall include the following: "This agreement shall not violate the Minimum Standards for Commercial Activities as set by the Arapahoe County Public Airport Authority nor shall this instrument be used for the purpose of evading any of Centennial Airport's Rules and Regulations."

INSURANCE

The operator shall procure, maintain, and pay premiums during the term of the agreement, for insurance of the types and the minimum limits set forth in the specific requirements for the respective commercial aeronautical activities under PART 3, Sections (2) through (12). The insurance company writing the required policy or policies, shall be licensed to do business in the State of Colorado.

When more than one aeronautical service is proposed, the minimum limits will vary (depending upon the nature of the individual services in such combination) but will not necessarily be cumulative in all instances. It would not be necessary for the operator to carry insurance policies providing the aggregate or combined total of the minimum requirements of each of the selected activities; however, the operator would be required to provide insurance on all applicable exposures.

All insurance which the operator is required by the Authority to carry and keep in force shall include the Arapahoe County Public Airport Authority, its officers, and agents as additional insured. The operator shall furnish evidence of compliance with this requirement to the Authority with proper certification that such insurance is force and will furnish additional certification as evidence of changes in insurance not less than 10 days prior to any such change, if the change results in a reduction. In the event of cancellation of coverages, 30 days prior notification shall be conveyed to the Authority by the Underwriter.

*PART 3 - General Requirements and Standards
Effective: January 1, 2018
Approved and reformed: October 12, 2017
Page: 3 of 7*



The applicable insurance coverages shall be in force during the period of any construction of the operator's facilities and/or prior to the operator's entry upon the Airport for the conduct of its business.

Disclosure Requirement - All operators conducting rental, sales, or flight training shall post a notice and incorporate within their rental agreements the coverages and limits provided to the student or renter by the operator, as well as a statement advising that additional coverage is available to such student/renter through the purchase of an individual non-ownership liability policy. Operator shall provide a copy of such Notice to the Authority.

MOTOR VEHICLES ON AIRPORT

The operator will control the transportation of pilots and passengers to and from the operator's office to the operator's apron tied-down areas. The operator performing this service with motor vehicles driving on the AOA shall do so only in accordance with the Centennial Airport Rules and Regulations.

Any operator using service vehicles on the AOA in the support and conduct of its business shall procure and maintain motor vehicle liability insurance of not less than \$500,000 per occurrence of Combined Single Limit coverage for Bodily Injury and Property Damage.

FEES

The operator shall pay the standard fees as specified by the Authority. Such fees are listed on the Specific Requirements for each commercial aeronautical activity category under PART 3, Sections (2) through (12). These fees shall be specifically included in the Agreement executed with the Authority.

Any concession activity conducted on the leased premises shall similarly be subject to the standard rates and charges set by the Authority.

*PART 3 - General Requirements and Standards
Effective: January 1, 2018
Approved and reformed: October 12, 2017
Page: 4 of 7*



Continental Airports Minimum Standards for Commercial Aeronautical Activities

**PART 3 Section (5) - SPECIFIC REQUIREMENTS
FOR
AIR CHARTER**

An Air Charter Operator is an entity that provides on-demand non-scheduled passenger services and operates under the appropriate FAR with aircraft that provide no more than 30 passenger seats and are within the weight limitations established for the Airport in its Rules and Regulations.

In addition to the general requirements in PART 2, the following requirements must be met:

GROUND SPACE, FACILITIES, AND ACCOMMODATIONS

The operator shall provide hangar space or lease a paved tie down area with adequate facilities to park all its available for charter aircraft with paved access to taxiways.

If the Operator contracts with any 380 Operators then the Operator must ensure it has leased adequate ground space, facilities, and accommodations to accommodate such 380 Operators; or operator must make arrangements with an FBO to provide said accommodations.

SCOPE OF SERVICE

Aircraft - Operator shall have available for charter, either owned or under written lease to operator at least one aircraft or helicopter, which must meet the requirements of the appropriate FAR Certificate held by the operator, including instrument operations.

Licenses & Certifications - Operator shall have and provide evidence of the appropriate FAA and DOT certifications and approvals, including the Prescription Statement of Intent (FAA Form 8400-6), the Registrations & Amendments Under Part 299 (OSI Form 4507), the FAA issued operating certificate, or any other forms the FAA or DOT may require or adopt that are pertinent to this category.

Operating Hours - Operator shall have its services available to meet public demand for this category of service at least eight hours/day, five days each week.

Personnel - Operator shall have in its employ a sufficient number of qualified Commercial or Airline Transport Rated pilots. Operator shall provide at least one employee in the office at all times during the required operating hours.



FEES (as applicable)	
Application Fee:	\$200.00
Annual Activity Fee:	Not Applicable
Annual Aircraft Fee:	
- Minimum of	\$500.00
OR	
- Per Available Passenger Seat	\$50.00
<i>(Whichever is greater)</i>	

INSURANCE COVERAGE

Operator shall provide certificates of insurance evidencing the following coverages and minimum amounts:

Aircraft Liability per occurrence - Combined Single Limit for Bodily Injury and Property Damage with respect only to Passenger Bodily Injury: a minimum of \$100,000 each person, based on passenger seating capacity as follows:

Seating Capacity	Amount
1 to 4 Passengers	\$2,000,000
5 to 9 Passengers	\$5,000,000
10 & Over Passengers	\$15,000,000

Premises Liability - \$1,000,000 per occurrence of Combined Single Limit for Bodily Injury and Property Damage.

Motor Vehicle Liability - If using service vehicles on the Air Operations Area in support of operations - \$500,000 per occurrence of Combined Single Limit for Bodily Injury and Property Damage

Please note that the limits of liability listed above are the minimum required to operate at Continental Airport. The Authority strongly recommends that all Operators secure higher limits of liability coverage.



Centennial Airport's Minimum Standards for Commercial Aeronautical Activities

PART 4 - APPLICATION CONTENTS AND HEARING PROCESS

Applications to perform any commercial aeronautical activities shall be in writing (either on applicant's own form or one provided by the Authority) and filed with the Authority. The application must demonstrate compliance with all the PART 2, General Requirements and the specific requirements under PART 3, Sections (2) through (12), and must contain the following as defined below: 1) Basic Business Information; 2) Certifications and Experience Information; 3) Financial & Market Information; 4) Insurance and Other Information.

PLEASE NOTE: Consistent with applicable law, financial information you submit may be confidential. If you wish to request that the financial information you submit be kept confidential, you must submit such information in a separate attached exhibit so indicated. Other information submitted as a part of the Application will be made available to the public upon request.

BASIC BUSINESS INFORMATION

- A. Company name, mailing address and telephone number.
- B. Proposed date for commencement of operations and proposed hours of operation.
- C. Type of Business Services to be offered along with copies of any federal or state operating certificates.
- D. Business Location including copies of existing or proposed leases or subleases as well as the following information:
 - 1) For currently or proposed leases or subleases of existing structures or improvements - describe the amount, parcel, size, location of office, hangar (or tie-downs), and automobile parking areas to be utilized solely for applicant's proposed operation;
 - 2) For proposed leases or subleases of unimproved airport areas - describe land to be leased and buildings and improvements to be constructed, together with automobile parking available and required for the proposed operations.
- E. List of the principal owners and key personnel and their signatures.



CERTIFICATIONS & EXPERIENCE INFORMATION

- A. Statement of past experience in the specified aviation business service or commercial aeronautical activity for which the application is made.
- B. Describe personnel to be used, provide experience data and include copies of any applicable federal or state operating licenses or certifications.
- C. List all applicable Federal, State, or local certifications and licenses currently held or to be obtained. Include copies of currently held licenses and certifications.
- D. Describe number of aircraft to be utilized including makes, models, passenger seating capacity, cargo capacity, aircraft registration numbers (N-numbers) and copies of any applicable operating certificates.

FINANCIAL & BUSINESS INFORMATION

- A. Provide a written confirmation of account status and history from bank.
- B. Provide a full description of the proposed nature of the operation. Include all services to be provided, number of persons to be employed, and any expansion plans, etc.
- C. Provide a statement of need for your proposed operation at the airport.
- D. Provide a deposit equal to 50% of the anticipated annual aircraft and/or activity fees. (Does not apply to activities under Sections 2 and 2.5)
- E. Provide the appropriate non-refundable application fee.

PLEASE NOTE: The Authority reserves the right to ask for additional financial and market information in order to determine whether the operator is reasonably fit, willing and able to discharge its economic obligations to the Airport community. Examples of additional information include but are not limited to market analysis, cash flow, profit and loss projections, financial statements prepared by a Certified Public Accountant, credit reports on the business or each party owning or having a financial interest in the business.

INSURANCE & OTHER INFORMATION

- A. List types and amounts of insurance coverages to be maintained for the proposed operation and provide a Certificate of Insurance evidencing such coverage.
- B. If proposed operation includes rental, sales or flight training, provide a copy of the student/renter insurance disclosure notice as well as evidence that the same notice has been incorporated in any rental agreements.

HEARING ON APPLICATION

- A. Upon receipt of an application and submittal of a nonrefundable application fee, the Executive Director reviews the application for compliance. A public hearing will be scheduled for the Atsaphoe County Public Airport Authority Board of Commissioner's consideration.



PLEASE NOTE: Any application which proposes an activity that may affect or change the Airport Purpose will not be allowed to operate at the Airport.

- B. The "Public Hearing" will be scheduled during a regular or special meeting of the Authority Board and notification of the time and place of the hearing will be published at least one time in at least one of the Authority designated publications not less than 10 days before such hearing date.
- C. No public hearing shall be conducted unless the applicant or a duly appointed representative is present.
- D. At the time of the public hearing, the Authority Board shall hear all evidence for and against the application. After due deliberation the Authority Board shall either take the application under advisement until a future public hearing date or render a decision upon the application which shall become a matter of public record.
- E. A public hearing on an application does not imply or express approval by the Airport Authority to operate on the airport. The Authority Board reserves the right to deny any application found to be invalid, incomplete, or contrary to the Airport Purpose.
- F. Petitions in the nature of Certiorari from a decision of the Airport Authority Board of Commissioners may be made to the District Court of the Eighteenth Judicial District, State of Colorado.

REAPPLICATION

- A. **No Change in Scope of Business** - Upon expiration of the term of an Operator's written agreement with the Authority, Operator may reapply to extend such term and such application will be considered by the Board at a Public Meeting (with no public hearing) provided that the Operator has no changes in the scope of the previously approved commercial aeronautical activity; submits an application demonstrating compliance with the Minimum Standards in place at the time of the reapplication; and submits a reapplication fee equal to 50% of the current application fee specified for the activity for which the Operator is reapplying.
- B. **Changes in Scope of Business** - Upon expiration of the term of an Operator's written agreement with the Authority, Operator may reapply to extend such term. However, if the Operator intends to change or expand the scope of its commercial aeronautical activities on the Airport, such reapplication will be treated as if a new applicant and will be considered at a Public Hearing. Operator must submit an application demonstrating compliance with the Minimum Standards in place at the time of the reapplication and submit the full application fee specified for the activity for which the Operator is applying.

AirCam: Authority granted AirCam the right to operate as a Helicopter Air Charter under the 12/6/2010 Agreement Under Standards (the "Charter AUS") for 10-years. AirCam had submitted its reapplication for another 10 years.

The assignments of interest in APAH and AirCam are expected to take place in the coming months.

Staff recommends approval.

FINANCIAL DATA: Not applicable because the land rentals and fees continue per the terms of the HFBO Lease, HFBO AUS, and Charter AUS.

REVIEW BY OTHERS: Stacey Davenport, Andrew Gillespie

PRESENTERS: Scott Smith, Centennial Vertiport, and Mike Fronapfel

Action of the Board of Commissioners

	1 st	2 nd	YES	NO	ABSTAIN
Bagnato	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Baker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beatty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Campbell	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Summey	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**REPORT/ RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF
ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY AND
RECORD OF ACTION**

June 18, 2026

FROM: Mike Fronapfel, Executive Director/CEO

SUBJECT: Legislative Report and Airport Update

RECOMMENDATION: Advisory

BACKGROUND: To be provided on dais at the Board meeting.

FINANCIAL DATA: N/A

REVIEW BY OTHERS: L. Hinton, S. Davenport

PRESENTERS: Mike Fronapfel

Action of the Board of Commissioners

	1 st	2 nd	YES	NO	ABSTAIN
Bagnato	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Baker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beatty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Campbell	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Summey	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>