

FIRST AMENDMENT TO THE AIRPORT USE AND LEASE AGREEMENT

THIS FIRST AMENDMENT TO THE AIRPORT USE AND LEASE AGREEMENT (the “First Amendment”) is made and entered into as of the date stated on the City’s signature page below, by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado, on behalf of its Department of Aviation (the “City”) and **FRONTIER AIRLINES, INC.**, a corporation authorized to do business in the State of Colorado (the “Airline”).

WITNESSETH

WHEREAS, the City owns and operates Denver International Airport (“DEN” or the “Airport”), including the land within DEN; and

WHEREAS, the Airline is engaged in the business of transporting persons, property, cargo, and mail, or one or more thereof, by aircraft at DEN; and

WHEREAS, the City and the Airline entered into a certain Use and Lease Agreement, which was effective May 3, 2022, known by contract number 202055453, under which the Airline and the City agree to the terms of the Airline’s use and lease of certain premises and facilities at the Airport (the “Existing Agreement”); and

WHEREAS, the Parties now wish to amend the Existing Agreement, as set forth in this First Amendment; and

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

1. Section 3.03 of the Existing Agreement is amended by adding new Section 3.03.A.7 as follows:

“Section 3.03.A.

7. The City will underground all utilities within the New GLF with no associated costs charged directly to Airline; the cost of all such underground utilities will be included within the Concourse Ramp Area cost center.”

2. The following sentence is added to the end of Section 3.03.C of the Existing Agreement:

“Following the date of the First Amendment, Airline will not pay for any additional cost overruns unless any such cost overruns result from a change order initiated solely by Airline.”

3. Section 3.03.F of the Existing Agreement is deleted in its entirety and replaced with the following:

“F. The ground boarding switchback ramps will be considered to be part of the New GLF for the Term of this Agreement. The City will be responsible for routine and

preventative maintenance and upkeep of the ground boarding switchback ramps and the air stairs and will maintain both in good repair, normal wear and tear excepted, for the duration of Airline's use of the air stairs. Notwithstanding the foregoing, Airline has agreed to perform routine and preventative maintenance and upkeep of switchback ramps and the air stairs services on behalf of the City. For the City's reimbursement of the maintenance work set forth herein, Airline shall provide the City with (i) an annual budget for such work, and (ii) a monthly invoice for the actual work for which Airline is seeking reimbursement from the City. City shall have 10 days to review each monthly invoice, and will pay the reasonable costs within 30-days of the City's receipt of each monthly invoice. Airline shall remain responsible for the replacing damaged PC Air hoses, nozzles and hose handling systems; e.g. reels, baskets, trolleys, as set forth in **Exhibit E**."

4. Exhibit L to the Existing Agreement is deleted and replaced with a new Exhibit L as attached to this First Amendment.

5. Airline has requested to preferentially lease two additional Alpha-Echo RON positions that are adjacent to the New GLF. The City agrees to amend the Existing Agreement, as amended by this First Amendment, by no later than completion of five new RON positions on the eastern airfield, to allow Airline to preferentially lease two additional RON positions, which is contingent upon City's construction and completion of five new positions. The City will use best efforts to push this construction project through the airport's CIP planning and approval process as soon as possible. Upon CIP approval of the construction of five new RON positions on the eastern airfield, the City will also use best efforts to complete construction of the such RON positions as soon as possible.

6. Except as otherwise provided herein, all of the terms, provisions, and conditions of the Existing Agreement shall remain in full force and effect as though set out in full here and are hereby ratified and reaffirmed.

7. This First Amendment to the Existing Agreement shall not become effective or binding on the City until it is approved by the City Council and is fully executed by all signatories of the City and County of Denver.

[SIGNATURE PAGES AND EXHIBIT FOLLOW]

Contract Control Number: PLANE-202473380-01 / LEGACY-202055453-01
Contractor Name: FRONTIER AIRLINES INC

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of:

SEAL

CITY AND COUNTY OF DENVER:

ATTEST:

By:

APPROVED AS TO FORM:

Attorney for the City and County of Denver

By:

REGISTERED AND COUNTERSIGNED:

By:

By:

Contract Control Number: PLANE-202473380-01 / LEGACY-202055453-01
Contractor Name: FRONTIER AIRLINES INC

By: 

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Name: Howard Diamond
(please print)

Title: (please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

Ground Loading Facility - Assumptions and Estimates

Financing Assumptions

Funded through Airport Equity	
Useful life in years:	30
Interest rate (a):	0.00%
Total Project costs:	\$246,523,812
Annual amortization costs to be allocated	\$8,217,460

Project Costs Amortization	Costs	% of Project Costs	Annual Amortization Costs	Note(s)
GLF	\$ 144,552,785	58.6%	\$ 4,818,426	
TF&E	7,817,020	3.2%	260,567	
Ramp	17,329,685	7.0%	577,656	Different Cost Center/Calculation
Fuel	40,953,179	16.6%	1,365,106	Different Cost Center/Calculation
Terminal Complex	27,712,645	11.2%	923,755	Different Cost Center/Calculation
Airfield	8,158,497	3.3%	271,950	Different Cost Center/Calculation
Total Cost Estimate	\$ 246,523,812	100.0%	\$ 7,021,756	

Frontier is not directly responsible for Ramp, Fuel, Terminal Complex, and Airfield capital costs. The portion of the amortization amounts attributable to Frontier are rolled into O&M rates.

Project Costs

Project Costs	Costs
Phase 1	
GLF	\$ 28,207,954
TF&E	2,044,013
Fuel	10,793,166
Phase 1 Total	\$ 41,045,133
Phase 2	
GLF	\$ 116,344,831
TF&E	5,773,007
Ramp	17,329,685
Fuel	30,160,014
Terminal Complex	27,712,645
Airfield	8,158,497
Phase 2 Total	\$ 205,478,679
Total Cost Estimate	\$ 246,523,812

Total excludes Terminal Complex & Airfield cost estimates

New GLF - Space Assumption

Space Category	Amount
Hold-Rooms	43,847
Operations - Airline	10,078
Concessions	6,479
Operations (HVAC, Mechanical, Electric)	4,264
Circulation (Facility/Walkway)	21,917
Restrooms	4,533
Total Square Footage	91,118

Cost Application

Direct GLF Costs	4,818,426
Less: Concession Space Costs	\$ (334,336)
Net GLF Costs	\$ 4,484,091

Direct TF&E	\$ 260,567

O&M Assumption

O&M Per Sq. Ft. Estimate	\$ 29.48
Airline Space	53,925
O&M Estimate	\$ 1,589,634

Total Estimated Costs	\$ 6,334,291
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Total GLF and TF&E Costs Directly expensed to Frontier
\$ 4,744,658 (A) + (B)

The direct O&M assumptions, excluding Indirect and Airport Administrative expenses, are as of 2021 and are subject to change