

**AIRLINE SUPPORT FACILITIES**

**LEASE AGREEMENT**

**Between**

**CITY AND COUNTY OF DENVER**

**And**

**FRONTIER AIRLINES, INC.**

**At**

**(for Line Maintenance) DENVER**

**INTERNATIONAL AIRPORT**

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LEASED FACILITIES  
LEASED GROUND  
HANGAR DEFICIENCY REPORT  
DESIGN STANDARDS, CONSTRUCTION PROCEDURES AND  
ENVIRONMENTAL REQUIREMENTS

**AIRLINE SUPPORT FACILITIES  
LEASE AGREEMENT**

**THIS AIRLINE SUPPORT FACILITIES LEASE AGREEMENT** (the "Lease"), made and entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado, acting for and on behalf of its Department of Aviation hereinafter referred to as the "CITY", Party of the First Part, and **FRONTIER AIRLINES, INC.**, a corporation organized and existing under and by virtue of the laws of the State of Colorado, and authorized to do business in the State of Colorado, hereinafter referred to as the "AIRLINE", Party of the Second Part;

**WITNESSETH**

**WHEREAS**, the City owns and operates Denver International Airport (the "Airport") and has the power to grant rights and privileges with respect thereto, as hereinafter provided; and

**WHEREAS**, the Airline is a certificated air carrier in the business of providing scheduled air passenger service and transporting property, cargo and mail, or one or more thereof, to and from the Airport by aircraft; and

**WHEREAS**, the Airline and the City have entered into an Airport Use and Facilities Lease Agreement dated January 1, 2012 (the "Airport Use Agreement") pursuant to which the Airline has certain rights to use the facilities designated therein at the Airport subject to certain obligations; and

**WHEREAS**, the City proposes to lease to the Airline and the Airline proposes to lease from the City the Ground and the Facilities (the "Lease Property") in accordance with this Lease which, among other matters, provides for the payment of Fixed Monthly Rental; .

**NOW THEREFORE**, for and in consideration of the mutual covenants and agreements herein contained, the City and the Airline do hereby mutually undertake, promise and agree, each for itself and its successors, as follows:

**PART I - LEASE AND USE OF THE PROPERTY**

**1.01 LEASE OF FACILITIES.**

The City hereby leases to the Airline, and the Airline hereby leases from the City, the Facilities, as described in Exhibit A hereto (the "Facilities"), on the terms and conditions set forth in this Lease. The Facilities (i) include all of the buildings, improvements, fixtures, and the equipment now located on the Ground, all of which are owned by the City, (ii) include any buildings, improvements, fixtures or equipment which the City may erect or install on the Ground pursuant to this Lease, and (iii) exclude any Airline Fixed Property acquired and installed by the Airline pursuant to Section 3.02. The Facilities include an aircraft hangar consisting of approximately 154,900.2 square feet with aircraft bays plus associated shop, office, and other support space. During the term of this Lease, the City shall not grant any other party any rights to use the

Facilities.

## **1.02 LEASE OF GROUND.**

The City hereby leases to the Airline, and the Airline hereby leases from the City, the Ground, as described in Exhibit B hereto (the "Ground"), on the terms and conditions set forth in this Lease. The Ground includes apron space on the airside of the hangar and a parking lot on the landside of the hangar. The City expressly reserves from the lease of the Ground (i) all water, gas, oil and mineral rights in and under the soil and (ii) a public right of flight through the air space above the Facilities and Improvements. During the term of this Lease, the City shall not grant any other party any right to use the Ground.

## **1.03 ACCESS.**

Subject to any rules and regulations adopted and promulgated by the City regarding the Airport, including without limitation any nondiscriminatory rules and regulations governing entrance to and use of the Airport, the Airline has the right of access, ingress to and egress from the Lease Property for the Airline's employees, agents, guests, patrons, and invitees, its or their suppliers of materials and furnishers of services, and its or their equipment, vehicles, machinery and other property; and no fee, charge or toll shall be charged directly or indirectly for access rights. The foregoing shall not preclude the City or its concessionaires or licensees from making and collecting a charge for the use of public motor vehicle parking areas located off the Ground, sightseeing facilities or ground transportation to or from the Airport furnished by the City or its concessionaires or licensees, or preclude the City from imposing any excise taxes, including without limitations, sales, use and occupation taxes, any permit or license fees, and any property taxes not inconsistent with the rights and privileges granted to the Airline hereunder.

## **1.04 MODIFICATION OF ACCESS ROUTE.**

The City 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 to and from the Lease Property, and any other area at the Airport, so long as a means of access, ingress and egress reasonably equivalent to that formerly provided is substituted therefor and is concurrently made available therefor. The Airline hereby releases and discharges the City of and from any and all claims, demands or causes of action which the Airline may have against the City from time to time, arising or alleged to arise out of the closing of any roadway, taxiway/apron or other right-of-way for such access, ingress and egress to or from the Lease Property, or other area at the Airport, so long as the City makes concurrently available a means of access, ingress and egress reasonably equivalent to that existing prior to each such modification.

## **1.05 USE OF LEASE PROPERTY.**

The Airline shall have the right to use the Lease Property for a line maintenance facility and for purposes reasonably incidental thereto, including, without limitation, use of and access to the apron space within the Ground on the airside of the Facilities and the parking lot within the Ground on the landside of the Facilities. The Airline, with the approval of the Manager, which approval shall not be unreasonably withheld or delayed, shall be permitted to use the Lease Property for any additional use which constitutes a proper airport purpose and which is related to

the operation of a scheduled air transportation business. The Airline shall not commit waste of the Lease Property and shall not commit or permit any nuisance from or upon the Lease Property.

The Airline may store and use hazardous materials, chemicals, or fuel on the Lease Property for lawful purposes in accordance with applicable laws in the ordinary course of the Airline's present and future maintenance, repair, overhaul and other permitted activities.

## **PART II - PAYMENTS UNDER THIS LEASE**

### **2.01 PAYMENT OF FIXED MONTHLY RENTAL.**

Rentals for the Lease Property shall commence to accrue on the Rent Start Date (as defined below). The rental fee for the Lease Property shall be \$206,533.60 per month (the "Fixed Monthly Rental"), pro-rated for any partial month. The pro-rated Fixed Monthly Rental for the month in which the Rent Start Date occurs shall be due and payable, without notice, on the Rent Start Date, and the Fixed Monthly Rental for ensuing months shall be due and payable, without notice, on or before the first day of each month during the Lease term thereafter.

Airline shall pay for other equipment, services and maintenance utilized by Airline. Said common use rates, fees and charges shall be paid monthly, in advance, and adjusted, if necessary, every six (6) months, based upon the latest documented actual costs. Such services may include, but are not limited to, insurance, snow removal, law enforcement and/or security officers (as the case may be), industrial waste, sewer, and trash/refuse removal from the Lease Property.

The City further reserves the right during the term and any extensions hereof for its Manager, subject to the requirements of any outstanding bond ordinances pertaining to the Airport, to alter, modify and change the rental rates, fees and charges in accordance with a schedule of rental rates, fees and charges adopted or modified from time to time by the Manager; provided, however, that such adopted or modified schedules of rentals, rates, fees and charges must be reasonable in relation to the cost of providing, operating and maintaining the particular air cargo facilities and services furnished to the Airline.

### **2.02 PROJECTION OF RENTALS, RATES, FEES AND CHARGES.**

Not later than forty-five (45) days prior to the end of each fiscal year during the term of this Agreement, City shall furnish Airline with a projection of the rentals, rates, fees and charges for the next ensuing fiscal year for each cost center of Airport. Such projection will include the Airport proposed expense budget and projection of aircraft operations, passenger enplanements, and debt service payments for the ensuing year. The City shall convene a meeting with the airlines operating at the Airport not later than thirty (30) days prior to the end of each fiscal year to consult and review with the airlines the projection of rentals, rates, fees and charges for the next ensuing fiscal year.

### **2.03 FINAL AUDIT AND RECONCILIATION.**

Upon release by the City's independent auditors of the audited financial statements of the Airport, the City shall furnish Airline with a copy of the annual audit report, prepared in accordance with Generally Accepted Accounting Principles and certified by an independent accountant, covering the operation of the Airport for such preceding fiscal year, (meaning, January 1 through December 31 of any year or such other fiscal year as City may adopt for the Airport).

As soon as practical following the release of the annual audit report, the City will prepare an analysis of additional charges or credit due (Year-End Settlement) along with the Airline Revenue Credit calculation to Airline for the preceding audited fiscal year. If the rentals, rates, fees and charges paid by Airline were greater than the respective amounts chargeable to Airline, Airline shall receive credits promptly in the amount of such overpayment against future rentals, rates, fees and charges. If the rentals, rates, fees and charges paid by Airline were less than the respective amounts chargeable to Airline, Airline shall pay promptly the amount of any such deficiency.

#### **2.04 RIGHT OF FIRST OFFER.**

For the purposes of calculating the new Monthly Rental fee at the conclusion of this Lease, the Parties agree that a 3% annual escalator shall be applied to the current Monthly Rental fee on December 31<sup>st</sup> of each year from the commencement to termination of the agreement. The 3% annual escalator shall be compounded each year. The escalated amount shall be used as the starting negotiated amount for the new Monthly Rental fee after the conclusion of this Lease agreement. At the conclusion of the Lease, the Airline shall have the first right to submit an offer for the continued use of the Lease Property as set forth in this Lease. The offer could be less than the escalated amount, but in no case will either party be obligated to lease the Lease Property at the escalated amount. The City reserves the right to reject any offer it deems to be unreasonable. Nothing in this provision is meant to require the City to lease the Lease Property to the Airline at the conclusion or termination of this agreement.

#### **2.05 RIEMBURSEMENT OF INITIAL COSTS.**

Subject to receipt and approval by the City of acceptable invoices and supporting documentation from the Airline, each hangar repair expense outlined on Exhibit C shall be reimbursed. The total Maximum Reimbursement Amount for all repairs listed in Exhibit C shall not exceed One Million Six Hundred Thousand Dollars (\$1,600,000.00). All repairs listed in Exhibit C shall be completed on or before October 31, 2014.

#### **2.06 AIRLINE HANGAR CREDIT.**

On December 31, 2014, Five Hundred Thousand Dollars (\$500,000.00) (the "Rent Credit") shall be applied as a rent credit to the Airline against Fixed Monthly Rental amount. The Rent Credit shall be applied in six (6) equal monthly installments beginning on June 1, 2014. .



## **PART III - PROVISIONS RELATING TO LEASE PROPERTY**

### **3.01 MAINTENANCE OF LEASE PROPERTY.**

The cost of maintenance, care and necessary replacement of the Facilities shall be borne by the Airline during the term of this Lease following the Rent Start Date. The Airline covenants and agrees at its expense and without cost or expense to the City, during the term of this Lease, after the occupancy of the Facilities, that:

(A) The Airline shall keep the Facilities in good order and condition and will make all necessary and appropriate repairs, replacements and renewals to the Facilities, including, but not limited to, with respect to HVAC, roof, doors, glass, fire protection system, fiber and telecom cables, electrical system, plumbing system, detention ponds, oil/water separators and all other systems serving the Facilities, in all cases subject to casualty and ordinary wear and tear;

(B) The Airline shall not permit rubbish, debris, waste materials or anything unsightly or detrimental to health or likely to create a fire hazard or conducive to deterioration, to remain on any part of the Facilities or to be disposed of improperly;

(C) The Airline shall provide and maintain obstruction lights and all similar equipment or devices now or at any time required by any applicable law, ordinance or municipal, State or Federal regulation; and

(D) The Airline shall at all times maintain the Facilities in accordance with all applicable codes of the City, as they may be amended or otherwise modified from time to time.

### **3.02 ALTERATIONS TO LEASE PROPERTY; AIRLINE FIXED PROPERTY.**

The Airline may, with the prior written approval of the City's Manager, which shall not be unreasonably withheld, at its own cost and expense, install in the Lease Property any fixture or improvement or do or make alterations or do remodeling, germane to the use herein or hereafter granted. Any fixtures or improvements installed, erected or placed by the Airline in, on or about such Lease Property shall be deemed to be personal and shall be and remain the property of the Airline (the "Airline Fixed Property"), except as otherwise stated in this Section 3.02, and the Airline shall have the right at any time during the term of this Lease to remove any or all of the Airline Fixed Property, subject to the Airline's obligation to repair damage, if any, resulting from such removal. All of the Airline Fixed Property shall be removed from said Lease Property by the expiration or earlier termination of the Lease and the Lease Property restored to the condition existing at the time of the occupancy under the Lease, casualty, reasonable wear and tear excepted, unless the City, acting by and through its Manager, shall have advised the Airline in writing at the time of such installation or not less than sixty (60) days in advance of such expiration or not less than thirty (30) days in advance of such earlier termination, of its willingness to accept title to the Airline Fixed Property in lieu of restoration of the Lease Property and the Airline elects to transfer title to the Airline Property in lieu of restoration of the Lease Property.

Any improvements to the Lease Property, and all alterations thereof and additions thereto,

shall in all respects be constructed in accordance with the ordinances and any applicable code or rule and regulation of the City and County of Denver, including the Airport Rules and Regulations governing tenant construction specifications and other non-technical requirements in accordance with the attached Exhibit G. "Design Standards, Construction Procedures and Environmental Requirements," as attached to the Airport Use Agreement and hereto as Exhibit G is incorporated herein by reference, in accordance with the requirements of 42 U.S.C. § 12101 et seq., 49 U.S.C. § 41705, and 14 C.F.R. Part 382, and pursuant to any required building permit to be obtained from the City and according to the customary terms and conditions thereof. If there should be any conflict, inconsistency, or deviation between or among the main body of this Appendices, Lease, Exhibit A, Exhibit B, and Exhibit G, then the Appendices shall take precedence over all terms in the Lease, Exhibits, and the Exhibits shall have priority amongst themselves in the following order: Exhibit A, Exhibit B, Exhibit C and Exhibit G. The City represents that the Lease Property is currently in compliance with Exhibit G.

The Airline agrees that it shall include in its contracts with its general contractors pertaining to the Lease Property covenants that require the construction contractor and its subcontractors of any tier to pay all workers, mechanics and laborers according to rates and classifications established under the federal Davis-Bacon Act and Section 20-76 of the Denver Revised Municipal Code, whichever is greater. The Airline further agrees, if requested by the City, to fully comply with the procedural requirements of Section 20-76 of the Denver Revised Municipal Code by requiring its general contractors and their subcontractors of any and all tiers pertaining to the Lease Property to submit to the City true and correct copies of the payroll records of all workers, laborers and mechanics employed in connection with the Lease Property. Copies of all contractor application for payment requests shall be provided to the City Auditor's Office.

### **3.03 AIRLINE PERSONAL PROPERTY.**

The Airline may from time to time, in its sole discretion and at its own expense, install machinery, equipment and other personal property on or upon the Lease Property (the "Airline Personal Property"). All of the Airline Personal Property shall remain the sole property of the Airline in which the City shall have no interest except as otherwise stated in Section 3.04. The Airline Personal Property shall not be purchased with proceeds of the Bonds but may be purchased by the Airline on conditional sale, installment purchase or lease sale contract, or subject to vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof.

The Airline shall keep on file with the Manager a current list of all of the Airline Personal Property located, used or installed on the Lease Property pursuant to this Section 3.03. The Airline shall have the right at any time during the term of this Lease, when not in default hereunder to remove any or all of the Airline Personal Property, at its own expense, subject to the Airline's obligation to repair, at its own expense all damage if any resulting from such removal.

### **3.04 DISPOSITION OF AIRLINE PERSONAL PROPERTY AT END OF LEASE TERM.**

All of the Airline Personal Property shall be removed by the Airline at its own expense by the expiration or earlier termination of the term of the Lease; and the Lease Property shall be surrendered as required by Section 5.05 unless the Airline shall have notified the City at least 120 days prior to the date of the expiration or earlier termination of the term of the Lease of the

Airline's desire not to remove any of the Airline Personal Property or any portion thereof and of its request therefor which request shall describe such property with reasonable particularity and unless the City, acting by and through its Manager, shall have notified the Airline not less than 60 days in advance of such expiration or earlier termination of its willingness to accept title to such of the Airline Personal Property in lieu of restoration of the Facilities.

### **3.05 SUBLETTING, ASSIGNMENT AND GROUND HANDLING ARRANGEMENTS.**

No interests or rights under this Lease may be transferred except as provided in this Lease. The Airline may sublet, assign or otherwise transfer the Lease Property, in whole or in part, to another company, or use the Lease Property, subject, however, to each of the following conditions:

- (A) No sublease, assignment, ground handling agreement or other transfer shall relieve Airline from primary liability for any of its obligations hereunder, and Airline shall continue to remain primarily liable for the payment of rentals, fees and charges applicable to such premises and facilities until such time as the lease terminates in accordance with §5.01(A) or if the City re-lets the hangar at or above the amount listed in §2.01. If the City re-lets the hanger for less than the amount listed in §2.01, the Airline shall only be responsible for the difference between the new rent and the amount listed in §2.01;
- (B) Airline shall provide written notice to the City and a copy of the proposed sublease, assignment, or other transfer not less than thirty (30) days prior to the effective date of such arrangement;
- (C) Any sublease, assignment, or other transfer shall be subject to the prior written approval of the Manager, which approval shall not be unreasonably withheld; and
- (D) No sublease, assignment or other transfer hereunder to any affiliate or subsidiary corporation of Airline shall be permitted without compliance with all of the conditions set forth in subparagraphs (A), (B) and (C) above.

### **3.06 RIGHT TO ENTER AND MAKE REPAIRS.**

The City and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right (at such times as may be reasonable under the circumstances and with as little interruption to the Airline's operations as is reasonably practicable) to enter upon the Lease Property for the following purposes, it being understood and agreed that no such entry by or on behalf of the City upon the Lease Property shall cause or constitute a termination of the letting thereof or deemed to constitute an interference with the possession thereof by the Airline:

(A) To inspect the Lease Property at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether the Airline has complied and is complying with the terms and conditions of this Lease with respect to the Lease Property.

(B) To perform maintenance and make repairs and replacements in any case where the Airline is obligated to do so and has failed after reasonable notice to do so, in which event

the Airline shall reimburse the City for the reasonable cost thereof promptly upon demand.

(C) To perform maintenance and make repairs and replacements in any case where the City is obligated to do so, and in any other case where the City, in its reasonable judgment, determines that it is necessary or desirable to do so in order to preserve the structural safety of the Lease Property or any building included within the Lease Property or to correct any condition likely to cause injuries or damages to persons or property.

(D) In the lawful exercise of the City's lawful police power.

### **3.07 ABANDONMENT OF LEASE PROPERTY.**

If the Airline ceases to occupy and use the Lease Property for a continuous period of six (6) consecutive months or longer, the City, acting by and through its Manager, may consider the Lease Property abandoned, and upon not less than thirty (30) days prior written notice to the Airline, may terminate this Lease.

### **3.08 DESTRUCTION OF PROPERTY.**

If by reason of any cause, Airline's Lease Property, or any portion thereof, are damaged or destroyed by fire or other casualty, then:

- (A) The City, after consultation and agreement with Airline, shall forthwith repair, reconstruct and restore the damaged or destroyed portions of the Lease Property to substantially the same condition, character, utility and value as existed prior to such damage or destruction, unless the City and Airline agree that no such reconstruction is necessary or that reconstruction to some other condition, character, utility and value is appropriate or desired; and
- (B) If such Lease Property are damaged to such an extent that the Lease Property are untenable, the City, acting by and through the Manager, will make all reasonable efforts to provide substantially equivalent substitute premises, and such substitute premises will be made available to Airline, subject to Airline's approval, consistent with those rentals, rates, fees and charges for the use of the substitute premises at the Airport as established and modified from time to time by the City in accordance with this Lease.
- (C) For the portions of the Lease Property that are untenable, Airline shall receive a pro rata abatement of rentals, fees and charges applicable thereof from the date of such occurrence to the date upon which such portions of the Lease Property are repaired and restored.

## **PART IV - GENERAL PROVISIONS**

### **4.01 "MANAGER" DEFINED.**

As used in this Lease, the term "Manager" or "Manager of Aviation" shall mean the

Manager of the City's Department of Aviation or Manager's successor in function having jurisdiction over the management, operation and control of the Airport.

**4.02 MANAGER'S AUTHORIZED REPRESENTATIVE.**

Wherever reference is made herein to the "Manager's authorized representative", or words of similar import are used, such officer or employee of the City as shall be hereafter designated in writing by the Manager shall be such authorized representative of said Manager until notice otherwise is hereafter given to the Airline.

**4.03 AGREEMENTS WITH THE UNITED STATES.**

This Lease is subject and subordinate to the provisions of any agreements between the City 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 transfer of federal rights or property to the City for airport purposes, or to the expenditure of federal funds for the extension, expansion or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Airport and Airway Improvement Act of 1982, as amended. Appendices 1 and 2 as attached to the Airport Use Agreement and the provisions thereof are incorporated herein by this reference.

**4.04 BOND ORDINANCE.**

This Lease is in all respects subject and subordinate to any and all City bond ordinances applicable to the Airport and airport system and to any other bond ordinances which should amend, supplement or replace such bond ordinances.

The parties to this Lease acknowledge and agree that all property subject to this Lease which was financed by the net proceeds of tax-exempt bonds is owned by the City, and Airline agrees not to take any action that would impair, or omit to take any action required to confirm, the treatment of such property as owned by the City for purposes of Section 142(b) of the Internal Revenue Code of 1986, as amended. In particular, the Airline agrees to make, and hereby makes, an irrevocable election (binding on itself and all successors in interest under this Lease) not to claim depreciation or an investment credit with respect to any property subject to this Lease which was financed by the net proceeds of tax-exempt bonds and shall execute such forms and take such other action as the City may request in order to implement such election.

**4.05 LAWS, REGULATIONS AND AGREEMENTS TO BE OBSERVED.**

- (A) The Airline shall not use or permit the use by parties authorized by the Airline of the Lease Property, or any other portion thereof, or any part of the Airport to which it is granted a right of use or occupancy by this Lease, for any purpose or use other than those authorized by this Lease, or hereafter authorized in writing by the Manager. No use shall be considered authorized by this Lease if such use would adversely affect the tax exempt status of Airport Revenue Bonds.
  
- (B) The Airline shall comply with and shall cause its officers and employees and any other persons over whom it has control to comply with such reasonable rules and

regulations governing the use of the Lease Property and any other portion of the Airport as may from time to time be adopted and promulgated by the City for the management, operation and control of the Airport, including those pertaining to the operation of automobile and vehicular traffic and parking facilities thereon, and with such reasonable amendments, revisions, additions and extensions thereof as may from time to time be adopted and promulgated; provided, however, such rules and regulations shall not be inconsistent with the rights herein granted to the Airline; provided, further, that nothing herein shall be considered to restrict the lawful police power of the City.

- (C) The Airline shall, at all times, faithfully obey and comply with all existing and future laws, rules and regulations adopted by federal, state, local or other governmental bodies and applicable to or affecting the Airline and its operations and activities in and at the Airport, including using the Airfield Area in accordance with the Federal Aviation Administration's (FAA) flight tracks and other restrictions and limitations regarding noise emanating from departing aircraft from the Airport, as set forth in the Final Environmental Impact Statement for the New Denver Airport.
- (D) It is agreed and understood by the parties hereto that disputes arising under or related to this Lease shall be resolved by administrative hearing which shall be conducted in accordance with the procedures set forth in Section 5-17, Revised Municipal Code of the City and County of Denver. The parties hereto agree that the Manager's determination resulting from said administrative hearing shall be final, subject only to Airline's right to appeal the determination under Colorado Rule of Civil Procedure 106.
- (E) The City represents that, to the best of its knowledge, the Premises are in full compliance with all applicable environmental laws, rules, requirements, orders, directives, ordinances and regulations of the United States of America or the State of Colorado and the City and County of Denver or any other lawful authority having jurisdiction over or affecting the Premises.
- (F) The City represents and the Airline acknowledges that the Premises and any common use areas comply with all applicable laws, regulations and building codes governing non-discrimination in public accommodations and commercial facilities, and that the Premises shall remain in compliance with such laws, regulations and building codes throughout the term of this Lease and any extensions thereto.

## **PART V - TERM OF LEASE**

### **5.01 TERM OF LEASE.**

The term of this Lease shall commence on June 1, 2014 and shall terminate on the earlier to occur of:

- (A) May 31, 2019;
- (B) Any early termination in accordance with Sections 2.02, 3.08(B), 5.02, 5.03, or 5.04; or
- (C) At the City's or the Airline's option, upon the date on which the Airport Use Agreement expires or is terminated in accordance with its terms.

### **5.02 TERMINATION OF LEASE BY CITY.**

Subject to Section 5.04, the City, acting by and through its Manager, may declare this Lease terminated upon the happening of one or more of the following events, and following such termination, may exercise all rights of entry and reentry with or without process of law, without liability for trespass upon the Lease Property:

- (A) If the Fixed Monthly Rental shall be unpaid after the date the same shall become due; or
- (B) If the Airline shall use or permit the use of the Lease Property at any time for any purpose for which the use thereof at that time is not authorized by this Lease or by the subsequent written consent of the Manager, or shall use or permit the use thereof in violation of any law, rule or regulation to which the Airline has agreed in this Lease to conform; or
- (C) If the Airline shall be in violation of any provision of Section 3.05 with respect to the subletting of the Lease Property;
- (D) If, during the term of this Lease, the Airline shall (i) apply for or consent to, in a writing signed on behalf of the Airline by any of its officers or its duly authorized attorney, the appointment of a receiver, trustee or liquidator of the Airline 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 transfer for the benefit of creditors, (iv) file a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of an insolvency law, or (v) file an answer admitting the material allegations of a petition filed against the Airline in any bankruptcy, reorganization or insolvency proceeding, 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 the Airline as bankrupt or insolvent, or approving a petition seeking a reorganization of the Airline or of 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, then, and in any of such events, the City may give to the Airline a notice of 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 said notice the term of this Lease and all right, title and interest of the Airline hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term, and the Airline will then voluntarily and peaceably quit and surrender the Lease Property covered hereby to the City, but the Airline shall remain liable as herein provided.

### **5.03 TERMINATION OF LEASE BY AIRLINE.**

The Airline may declare this Lease terminated pursuant to Sections 3.8(B) or 5.01(c). The Airline, at its option, may also declare this Lease terminated upon the happening of any one or more of the following events:

(A) If by reason of any action or non-action of any federal or other governmental agency having jurisdiction to grant a certificate of convenience and necessity, or similar document, authorizing the Airline to operate aircraft in or out of the Airport (including action in the nature of alteration, amendment, modification, suspension, cancellation or revocation of any such certificate, permit or document), the Airline shall cease to have authority to operate aircraft in or out of the Airport pursuant to such a certificate or document, provided that (i) such governmental action or non-action was not requested by the Airline, and the Airline made all reasonable efforts to prevent such governmental action or non-action, or in the alternate, (ii) the City had a reasonable opportunity to appear before such federal or other governmental agency and be heard in opposition to such governmental action or non-action prior to the occurrence, if it desired to do so or, in the alternate, (iii) the Airline gave the City reasonable advance notice that such governmental action or non-action was being requested or might occur, and the Airline made a reasonable effort to the end that the City might have an opportunity to appear and be heard as aforesaid; or

(B) If by legislative action of the United States the Airline is deprived of such certificate or similar document; or

(C) If a court of competent jurisdiction issues an injunction or restraining order against the City or any successor body to the City preventing or restraining the Airport for airport purposes in its entirety, or the use of any part thereof which may be used by the Airline and which is substantially necessary to the Airline for its operations, and if such injunction remains in force for a period of ninety (90) days or more and is not stayed by appeal or a writ of error; or

(D) If the City's operation of the Airport is substantially restricted by action of any federal or other governmental agency having jurisdiction with respect thereto, or the occurrence of any fire or other casualty, substantially and adversely affects, for a period of at least ninety (90) days, the Airline's use of the Airport in the conduct of its air transportation business; provided, however, that none of the foregoing is due primarily to any fault of the Airline; or

(E) If the Lease Property are damaged or destroyed by fire or other casualty as set forth in paragraph 3.08 herein, and the City and Airline mutually agree that such destruction of the premises is beyond repair and that substantially equivalent substitute premises and facilities are not available.

(F) If the City material changes the tax exemption set forth in DRMC § 53-26.2, the



Airline shall have the right to terminate this Lease, without penalty, after providing the City with one hundred eighty (180) days' prior written notice of such termination under this Section 5.03(F).

#### **5.04 EFFECTIVE DATE OF TERMINATION.**

Notwithstanding anything to the contrary in this Lease, no termination declared by either party shall be effective until not less than thirty (30) days have elapsed after written notice to the other specifying the date upon which such termination shall take effect and the cause for which it is being terminated (and if such termination is by reason of a default under this Lease for which termination is authorized, specifying such default with reasonable certainty). No such termination shall be effective if such cause shall have been cured or obviated during such thirty (30) day period, or in the event such cause is a default under this Lease (for which termination is authorized) and if by its nature such default cannot be cured within such thirty (30) day period, such termination shall not be effective if the party in default commences to correct such default within said thirty (30) days and corrects the same as promptly as reasonably practicable; provided that the thirty (30) day period shall not apply to termination declared for failure of the Airline to pay Fixed Monthly Rental, for which termination may be declared by the City upon fifteen (15) days' written notice, unless the Airline remedies such default within such fifteen (15) day period; and provided further that the Airline will be allowed only two (2) notices of default with respect to payments of Fixed Monthly Rental in any one year which it may cure. Upon termination of this Lease, the parties hereto shall be relieved from all obligations hereunder except as set forth in Sections 3.02, 3.04, 5.05, 5.06, 6.01, 6.02, 9.07, and 9.13. The right of any party hereto to terminate this Lease shall not in any manner affect or limit such party's right to exercise any other right or remedy it may then have under applicable law.

#### **5.05 SURRENDER AND HOLDING OVER.**

The Airline covenants that at the expiration of the period for which the Lease Property is leased to it, or at the earlier termination of the Lease, it will quit and surrender such Lease Property in good state and condition, reasonable wear and tear, acts of God or other casualty and damage due to the negligent or willful act or omission of the City excepted, and except as otherwise provided in Section 2.02, the Airline shall forthwith remove therefrom all of the Airline Fixed Property and the Airline Personal Property. The City shall have the right on such termination to enter upon and take possession of such Lease Property with or without process of law, without liability for trespass.

Should the Airline hold over the use of or continue to occupy any portion of such Lease Property after the expiration of the term of this Lease, such holding over shall be deemed merely a tenancy from month to month. The Fixed Monthly Rental for each month of such holding over shall be paid as required by Section 2.01. All conditions as herein or hereafter provided shall remain the same, except for term.

#### **5.06 TERMINATION OF HOLDOVER.**

If the Airline holds over pursuant to Section 5.05, either party may, with or without cause, cancel or terminate said tenancy by giving not less than thirty (30) days prior written notice to the other party. Said notice shall set out the date of such cancellation and termination.

## **PART VI - PERFORMANCE BOND, INDEMNIFICATION AND INSURANCE**

### **6.01 PERFORMANCE BOND.**

(A) Except as otherwise provided by Airport Rules and Regulations, as they may be adopted or amended from time to time, upon execution of this Lease, the Airline shall deliver to the Manager for the City and County of Denver, and shall maintain in effect at all times during the term of this Lease, including a period of six (6) months after expiration (or earlier termination of the letting of the Lease Property hereunder) of said Lease, a valid corporate Performance Bond, or an irrevocable Letter of Credit, in an amount equal to three (3) months of rent, payable without condition to the City and County of Denver, with surety acceptable to and approved by the City's Manager, which bond or irrevocable letter of credit shall guarantee to the City full and faithful performance of all of the terms and provisions of this Lease to be performed by the Airline, and as said Lease may be amended, supplemented or extended.

(B) Alternatively, the Airline may modify the Airport Use Agreement letter of credit or performance bond to include this Lease, deliver the same to the Manager upon the commencement of the term of this Lease and maintain modified Airport Use Agreement letter of credit or performance bond in effect at all times during the term of this Lease, including a period of six (6) months after expiration (or earlier termination of the letting of the Lease Property hereunder) of said Lease.

(C) Notwithstanding the foregoing, if at any time during the term hereof, the Manager reasonably deems the amount of the surety insufficient to properly protect the City from loss hereunder because the Airline is or has been in arrears with respect to such obligations or because the Airline has, in the reasonable opinion of the Manager, violated other terms of this Lease, the Airline agrees that it will, after receipt of notice, increase the surety to an amount required by the Manager; provided however, the percentage increase in the amount of surety shall not exceed the annual percentage increase that has occurred with respect to the Airline's rental and fee rates in effect under this Lease.

### **6.02 INDEMNIFICATION.**

The Airline agrees to indemnify and save harmless the City, its officers, agents and employees, from and against (A) any and all loss of or damage to property, or injuries to, or death of, any person or persons, including property and officers, employees and agents of the City; and (B) all claims, damages, suits, costs, expense, penalties, liability, actions or proceedings of any kind or nature whatsoever, of or by anyone whomsoever, which, with respect to clauses (A) and (B) hereof, in any way result from, or arise out of, Airline's operations in connection herewith, or its use or occupancy of any portion of the Airport and the acts, omissions, or wrongful conduct of officers, employees, agents, contractors or subcontractors of the Airline, including without limitation, the provision or failure to provide security as herein required and the use, disposal, generation, transportation or release of pollutants, including but not limited to oil, glycol, toxic or hazardous materials at the Airport by the Airline, its contractors, employees, agents, customers, or anyone claiming or acting by or through the Airline. Airline further agrees that if a prohibited incursion into the Air Operations Area occurs, or the safety or security of the Air Operations Area, the Airfield, or other sterile area safety or

security is breached by or due to the negligence or willful act or omission of any of Airline's employees, agents, or contractors and such incursion or breach results in a civil penalty action being brought against the City by the U.S. Government, Airline agrees to reimburse the City for all expenses, including attorney fees, incurred by the City in defending against the civil penalty action and for any civil penalty or settlement amount paid by the City as a result of such incursion or breach of airfield or sterile area security. The City shall notify Airline of any allegation, investigation, or proposed or actual civil penalty sought by the U.S. Government for such incursion or breach. Civil penalties and settlement and associated expenses reimbursable under this Paragraph include but are not limited to those paid or incurred as a result of violation of Transportation Security Administration (TSA) regulations, including 49 CFR, Subtitle B, Chapter XII, as it may be amended, or any similar law or regulations intended to replace or compliment such regulations.

Without limitation, the terms of this indemnity include an agreement by Airline to indemnify, defend and hold harmless the City from and against any and all expense, loss, claim, damage, or liability suffered by City by reason of Airline's breach of any environmental requirement existing under federal, state or local law, regulation, order or other legal requirement in connection with any of Airline's acts, omissions, operations or uses of property relating to this Agreement, or such a breach by the act or omission of any of Airline's officers, employees, agents, or invitees, whether direct or indirect, or foreseen or unforeseen, including (but not limited to) all cleanup and remedial costs actually and reasonably incurred to satisfy any applicable remediation obligation required by federal, state or local law; and reasonable legal fees and costs incurred by City in connection with enforcement of this provision, but excluding damages solely relating to diminution in value of City real property.

Provided however, the City agrees that (I) the Airline need not save harmless or indemnify the City against damage to or loss of property, or injury to or death of persons, caused by the negligence or willful acts of the City, its officers, employees, contractors and agents, and (II) the City will give prompt written notice to the Airline of any claim or suit and the Airline shall have the right to assume the defense and compromise or settle the same to the extent of its own interest. Provided, however, the indemnity provided for herein shall apply only to the extent the City is not reimbursed out of insurance proceeds.

### **6.03 INSURANCE.**

At all times during the term of this Lease, unless otherwise required by federal or state governmental law or regulation, the Airline is required and agrees, at its own cost and expense, to provide and keep in force for the benefit of the Airline and the City, a policy, or policies, of insurance coverage not less than the types and amount specified in this section. In the event that additional insurance, not specified herein, is required during the term of this Lease and available, the Airline shall supply such insurance at the City's cost. The Manager may increase the limit of insurance required when, in the Manager's reasonable discretion, she deems the amount stated herein is insufficient.

Premises (\$1,000,000 limit per occurrence).

Products/Completed Operations (\$5,000,000 limit per occurrence).

Hangarkeepers Liability (in an amount sufficient to cover maximum value of aircraft in their care, custody and control).

Automobile Liability coverage for vehicles operating within the airport operating area, (\$10,000,000 limit per occurrence).

Liability covering aircraft refueling, if that kind of work is going on (\$50,000,000 limit per occurrence).

All risk property coverage, including terrorism, Earthquake and Flood in an amount equal to 100% of the replacement cost of the hangar building and any other property that they are leasing.

Such insurance policy, or policies, and certificates of insurance evidencing the existence thereof shall cover all operations of the Airline at the Airport (except the coverage required and provided pursuant to federal or state law or regulation), and shall be with a company acceptable to and approved by the Manager and City Attorney, acting reasonably, and shall insure the Airline's agreement to indemnify the City as set forth in the indemnification provisions set forth in Section 6.02. The amount of insurance required hereunder shall in no way limit the liability of the Airline as provided in Section 6.02 of this Lease. The City shall not be named insured of said insurance. Each such policy and certificate shall contain a special endorsement stating "This policy will not be materially changed or altered or canceled without first giving thirty (30) days written notice by certified mail, return receipt requested, to the Manager of Aviation, Denver International Airport, AOB - 9th Floor, 8500 Peña Boulevard, Denver, Colorado 80249-6340." All such policies of insurance, or copies thereof, shall be made available for review by the City at such times and places as reasonably required by the Manager. Certificates of insurance evidencing the existence of said policies shall be delivered to and left in the possession of said Manager.

The Airline further covenants and agrees at all times to maintain adequate Worker's Compensation Insurance in accordance with any present or future Colorado law with an authorized insurance company, or through the Colorado State Compensation Insurance Fund, or through an authorized self-insurance plan approved by the State of Colorado insuring the payment of compensation to all its employees.

#### **6.04 LIENS.**

Except to the extent inconsistent with other provisions of this Lease, the Airline covenants and agrees to pay promptly all lawful taxes, excises, license fees and permit fees applicable to its operations at the Airport and to take out and keep current all licenses, municipal, state or federal, required for the conduct of its business at and upon said Airport, and further agrees not to permit any of said taxes, excises or license fees to become delinquent. The Airline also covenants and agrees not to permit any mechanic's or materialman's or any other lien to be foreclosed upon the Airport and improvements thereto or thereon, or any part or parcel thereof, by reason of any work or labor performed or materials furnished at the request of the Airline by any mechanic or materialman. The Airline further covenants and agrees, except for amounts contested by the Airline, to pay promptly when due all bills, debts and obligations incurred by it in connection with its operation of said business on the Airport, and not to permit the same to become delinquent and to suffer no lien, mortgage, judgment or execution to be filed

against said premises or improvements thereon which will in any way impair the rights of the City under this Lease. The Airline shall have the right on giving the City prior written notice to contest any such mechanic's, materialman's or any other lien, and the Airline shall not, pending the termination of such contest, be obligated to pay, remove or otherwise discharge such lien or claim. The Airline agrees to indemnify and save harmless the City from any loss as a result of the Airline's action as aforesaid.

If the Airline shall in good faith proceed to contest any such tax, assessment or other public charge, or the validity thereof, by proper legal proceedings which shall operate to prevent the collection thereof or to prevent the appointment of a receiver because of nonpayment of any such taxes, assessments or other public charges, the Airline shall not be required to pay, discharge or remove any such tax, assessment or other public charge so long as such proceeding is pending and not disposed of; provided, however, that the Airline, not less than five (5) days before any such tax, assessment or charge shall become delinquent, shall give notice to the City of the Airline's intention to contest its validity. If such notice is so given by the Airline to the City and such contest is conducted in good faith by the Airline, the City shall not, pending the termination of such legal proceedings, pay, remove or discharge such tax, assessment or other charge.

#### **6.05 LOSS OR DAMAGE TO PROPERTY.**

The City shall not be liable for any loss of property by theft or burglary from the Airport or for any damage to person or property on said Airport resulting from airport operations during the term of this Lease including but not limited to operating the elevators or electric lighting, or wind, water, rain or snow, which may come into or issue or flow from any part of said Airport, or from the pipes, plumbing, wiring, gas or sprinklers thereof or any other cause whatsoever, and the Airline hereby covenants and agrees to make no claim for any such loss or damage at any time. The Airline shall not be responsible for loss or damage to property caused by latent defects in the Lease Property. However, this Section 6.05 shall not apply to the release of hazardous materials that occurred prior to the commencement of the term of this Lease or to such releases that result from occurrences on a portion of the Airport other than the Lease Property.

#### **6.06 FORCE MAJEURE.**

Neither the City nor the Airline shall be deemed to be in breach of this Lease by reason of failure to perform any of its obligations under this Lease if, while and to the extent that such failure is due to embargoes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, sabotage, strikes, boycotts, labor disputes, weather conditions, riots, rebellion and any circumstances for which it is not responsible and which are not within its reasonable control. This provision shall not apply to failures by the Airline to pay Fixed Monthly Rental or other charges, or to make any other money payment whatsoever required by this Lease, except in those cases where provision is made in this Lease for the abatement of such rents, fees, charges or payments under such circumstances.

### **PART VII - QUIET ENJOYMENT; INCONVENIENCES DURING CONSTRUCTION**

#### **7.01 COVENANT OF QUIET ENJOYMENT.**

Upon the payment by the Airline of all the Fixed Monthly Rentals properly assessed to the Airline and all amounts payable under Section 6.04, and without prejudice to the City's rights available for uncured defaults by the Airline, the City covenants that the Airline shall peacefully have and quietly enjoy the premises, appurtenances, facilities, licenses and privileges granted herein; provided, however, it is recognized that certain temporary inconveniences may occur during construction.

**7.02 INCONVENIENCES DURING CONSTRUCTION.**

The Airline recognizes that from time to time during the term of this Lease it will be necessary for the City to initiate and carry forward extensive programs of construction, reconstruction, expansion, relocation, maintenance and repair in order that the Airport and its facilities may be suitable for the volume and character of air traffic and flight activity which will require accommodation, and that such construction, reconstruction, expansion, relocation, maintenance and repair may inconvenience the Airline in its operations at the Airport. The Airline agrees that no liability shall attach to the City, its officers, agents, employees, contractors, subcontractors and representatives by reason of minor inconvenience or minor discomfort as a result of such action and, for and in further consideration of the lease of the Lease Property, the Airline waives any right to claim damages or other consideration for such minor inconvenience or minor discomfort.

**ARTICLE VIII - EVENTS OF DEFAULT AND REMEDIES**

**8.01 EVENTS OF DEFAULT DEFINED.**

The occurrence of any one or more of the events described in the following subsections (A) through (D) of this Section 8.01 shall constitute a "default" for all purposes of this Lease; and each such default shall, after the giving of notice, if any, passage of time, if any, or occurrence of an event, if any, specified in the subsection describing such default, constitute an "event of default" for all purposes of this Lease:

(A) Failure by the Airline to pay when due any Fixed Monthly Rental required to be paid under Article III.

(B) Any material breach by the Airline of any of its representations or warranties made in this Lease, any failure by the Airline to make any payment required to be made by it hereunder or any failure by the Airline to observe and perform any of its covenants, conditions or agreements made on its part to be observed or performed hereunder, other than a breach, failure to pay or failure to observe and perform referred to in subsection (a) of this Section 8.01, for a period of 30 days after written notice specifying such breach, failure to pay or failure to observe and perform and requesting that it be remedied, given to the Airline by the City, unless (i) the City shall agree in writing to an extension of such time prior to its expiration or (ii) if the breach, failure to pay or failure to observe and perform be such that it can be corrected but cannot be corrected within the applicable period, corrective action is instituted by the Airline within the applicable period and is being diligently pursued.

(C) The dissolution or liquidation of the Airline; or the filing by the Airline of a voluntary petition in bankruptcy; or the entry of an order for relief under Title 11 of the United States Code, as the same may from time to time be hereafter amended, against the Airline; or the filing of a petition or answer proposing the entry of an order for relief against the Airline under Title 11 of the United States Code, as the same may from time to time be hereafter amended, or proposing the reorganization, arrangement or debt readjustment of the Airline under any present or future federal bankruptcy act or any similar federal or state law in any court and the failure of said petition or answer to be discharged or denied within 90 days after the filing thereof; or the appointment of a custodian (including without limitation a receiver, trustee or liquidator of the Airline) of all or a substantial part of the property of the Airline, and the failure of such a custodian to be discharged within 90 days after such appointment; or the taking by such a custodian of possession of the Airline or a substantial part of its property, and the failure of such taking to be discharged within 90 days after such taking; or the Airline's consent to or acquiescence in such appointment or taking; or assignment by the Airline for the benefit of its creditors; or the entry by the Airline into an agreement of composition with its creditors.

(D) Any breach by the Airline of any provision of the Airport Use Agreement for a period of 30 days after written notice from the City specifying such breach and requesting that it be remedied, (i) unless the City shall agree in writing to an extension of time or (ii) unless such breach is such that it can be corrected but cannot be corrected within the applicable time period and corrective action is instituted by the Airline within the applicable time period and is being diligently pursued; provided, however, that if any breach has resulted in a termination of the Airport Use Agreement in accordance with its terms, this Lease shall, at the City's option, terminate in accordance with Section 2.01 hereof upon the termination of the Airport Use Agreement.

## **8.02 REMEDIES ON DEFAULT.**

Whenever any default referred to in Section 8.01 shall have happened and be continuing, the City shall have the right, at the City's election, then or at any time thereafter until such event of default has been cured or obviated and subject to Section 5.04, to exercise any one or more of the following remedies:

(A) The City may terminate this Lease, effective at such time as may be specified by written notice to the Airline, and demand (and, if such demand is refused, recover) possession of the Lease Property from the Airline. The City shall, by notice in writing to the Airline upon the occurrence and continuation of an event of default described in subsection (A), (B) or (C) of Section 8.01 hereof, declare all Facilities Rentals payable under this Lease to be due and payable immediately, if concurrently with or prior to such notice the unpaid principal amount of the Bonds shall have become due and payable, and upon any such declaration the Facilities Rentals shall become and be immediately due and payable; provided, however, that the City shall not be required to take any action under this Section 8.02(a) with respect to an event of default under subsections (A), (B) or (C) of Section 8.01 hereof;

(B) The Airline shall remain liable to the City for damages in an amount equal to the Facilities Rentals, Ground Rentals and other payments required to be paid under Article III hereof and any other sums which would have been owing by the Airline hereunder for the balance of the term;

(C) The City may reenter and take possession of the Lease Property or any part thereof, without demand or notice, and repossess the same and expel the Airline and any party claiming by, under or through the Airline, and remove the effects of both using such force for such purposes as may be necessary, without being liable for prosecution on account thereof or being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of rent or right to bring any proceeding for breach of covenants or conditions. No such reentry or taking possession of the Lease Property by the City shall be construed as an election by the City to terminate this Lease unless a written notice of such intention is given to the Airline. No notice from the City hereunder or under a forcible entry and detainer statute or similar law shall constitute an election by the City to terminate this Lease unless such notice specifically so states. The City reserves the right, following any reentry or reletting, to exercise its right to terminate this Lease by giving the Airline such written notice, in which event the Lease will terminate as specified in said notice. After recovering possession of the Lease Property, the City may, from time to time, but shall not be obligated to, relet the Lease Property, or any part thereof, for such term or terms and on such conditions and upon such other terms as the City, in its sole discretion, may determine. The City may make such repairs, alterations or improvements as the City may consider appropriate to accomplish such reletting, and the Airline shall reimburse the City upon demand for all costs and expenses, including attorneys' fees, which the City may incur in connection with such reletting. The City may collect and receive the rents for such reletting, but the City shall in no way be responsible or liable for any failure to relet the Lease Property, or any part thereof, or for any failure to collect any rent due upon such reletting. Notwithstanding the City's recovery of possession of the Lease Property, the Airline shall continue to pay on the dates herein specified, the rental payments payable under Article VI hereof and other amounts which would be payable hereunder if such repossession had not occurred and

(D) The City may take whatever action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due hereunder or to enforce performance and observance of any obligation, agreement or covenant of the Airline under this Lease.

### **8.03 NO REMEDY EXCLUSIVE.**

No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

### **8.04 AGREEMENT TO PAY FEES AND EXPENSES OF COUNSEL.**

In the event the Airline should default under any of the provisions of this Lease and the



City should employ Counsel or incur other expenses for the collection of the amounts due hereunder or the enforcement or performance or observance of any obligation or agreement on the part of the Airline herein contained, the Airline agrees that it will on demand therefor pay to the City or, if so directed by the City, to the Counsel for the City, the reasonable fees of such Counsel and such other reasonable expenses so incurred by or on behalf of the City.

**PART IX - MISCELLANEOUS PROVISIONS**

**9.01 LEASE BINDING.**

This Lease shall be binding on and extend to any successors of the respective parties hereto.

**9.02 PARAGRAPH HEADINGS AND INDEX.**

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

**9.03 SIGNS**

The Airline agrees that no signs or advertising displays shall be painted on or erected in any manner upon its Lease Property without the prior written approval of the City's Manager or the Manager's authorized representative; and that signs identifying the Airline will conform to reasonable standards established by the Manager, or the Manager's authorized representative, with respect to type, size, design, location and content. Notwithstanding the foregoing, the Airline shall have the right to, at its own expense, install a sign, approximately equal in size to the existing "Continental" sign, subject to the approval of the City, such approval not to be unreasonably withheld, and limitations in place from federal regulatory entities. The City will deliver the building without the existing Continental signage, or cover the cost for the Airline to remove such signage.

**9.04 VENDING MACHINES.**

No telecommunication devices, personal computers, amusement or vending machines or other machines, in each case operated by coins or tokens, cards, paper currency, or any imaging or voice process, and no cash machines or pay telephones shall be installed or maintained in or upon the Lease Property except with the permission of the Airline and the Manager and the number, type, kind and locations thereof shall be in the discretion of the Manager and the Airline. This prohibition includes, but not by way of limitation, sales from vending machines of such items as cigarettes, candy, maps, coffee, soft drinks, newspapers, stamps and insurance policies; telephones; dispensation of cash, money orders and checks; and operation of mechanical or electronic game devices, electronic video games, entertainment devices, phone cards and internet access. The Airline shall not permit the installation of any such machines, except by a concessionaire authorized by the Manager and subject to and in accordance with the concessionaire's agreement with the City. If and when the Airline permits the installation of vending machines in its Lease Property, the Airline shall make no charge to the concessionaire

for the privilege of installing or maintaining such machines, except that if the Airline provides the electric current or water to the concessionaire a reasonable charge may be made to cover the cost of the electricity and water consumed, and all fees paid by the concessionaire for the privilege shall be the property of the City. The foregoing notwithstanding, nothing in this Section 9.04 shall prevent the Airline, or its officers, employees, agents, contractors and invitees, from operating cell phones, computers and similar business or personal equipment on and within the Lease Property.

#### **9.05 PURCHASES BY AIRLINE.**

Property, services and materials (except as otherwise provided in this Lease) may be purchased or otherwise obtained by the Airline from any person or corporation of its choice and no unjust, or unreasonable discriminatory limitations, restrictions, charges or conditions shall be imposed by the City, directly or indirectly, against the Airline or its suppliers for the privilege of purchasing, selling, using, storing, withdrawing, handling, consuming, loading, unloading or delivering any personal property of the Airline, by the Airline or its suppliers, or for the privilege of transporting such personal property to, from or on the Airport.

#### **9.06 NON-DISCRIMINATION.**

The Airline, for itself, its successors and assigns, as a part of the consideration of this Lease does hereby agree as follows:

(A) As more fully set forth in Appendices No. 1, and 2 attached hereto and incorporated herein by reference, if facilities are constructed, maintained or otherwise operated on the Lease Property for purposes in which federal financial assistance is extended under a Department of Transportation program or activity, or for another purpose involving the provision of a similar service or benefit, the Airline shall maintain and operate the Lease Property and services in compliance with all requirements of 49 C.F.R. Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

(B) The Airline will in all of its operations and activities in and at the Airport comply with all requirements of the Air Carrier Access Act, 49 U.S.C. § 41705, and regulations implementing such Act at 14 C.F.R. Part 382, and the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. and all regulations implementing such Act.

#### **9.07 NO PERSONAL LIABILITY.**

No director, officer or employee of either party shall be held personally liable under this Lease or because of its execution or attempted execution.

#### **9.08 NOTICES.**

All notices required to be given to the City hereunder shall be in writing and shall be sent by certified mail, return receipt requested, addressed to:

Manager of Aviation

Denver International Airport  
AOB - 9th Floor  
8500 Peña Boulevard  
Denver, Colorado 80249-6340

and

Property Management Section  
Manager, Airlines  
Denver International Airport  
8500 Pena Blvd., AOB, 9<sup>th</sup> Floor  
Denver, CO 80249-6340

all notices required to be given to the Airline hereunder shall be in writing and shall be sent by certified mail, return receipt requested, addressed to:

Frontier Airlines, Inc.  
Attn: Director-Airport  
Planning  
7001 Tower Road  
Denver, CO 80249

provided that the parties or either of them, may designate in writing from time to time the addresses of substitute or supplementary persons in connection with said notices. The effective date of service of any such notice shall be the date such notice is mailed to the Airline or said Manager.

#### **9.09 PLACE AND MANNER OF PAYMENTS.**

In all cases where the Airline is required by this Lease to pay Fixed Monthly Rental to the City, such payments shall be due and payable without notice and shall be made at the office of the Airport Revenue Fund, Denver International Airport, P. O. Box 492065, Denver, Colorado 80249-2065 or at such other place in the City and County of Denver as the City may hereafter designate by notice in writing to the Airline, and shall be made in legal tender of the United States. Any check shall be received by the City subject to collection, and the Airline agrees to pay any bank charges for the collection of any such check.

Any payment not made to the City or the Airline when due shall accrue interest at the rate of 18% per annum commencing five (5) business days after such due date.

#### **9.10 SEVERABILITY.**

In the event any covenant, condition or provision contained in this Lease is held by any court of competent jurisdiction to be invalid, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained if the invalidity of any such covenant, condition or provision does not materially prejudice either party hereto in its respective rights and obligations contained in the valid covenants, conditions or provisions in this Lease.

### **9.11 SECURITY.**

It is understood and agreed by the Airline that in addition to the Airline's responsibilities to maintain the Lease Property as stated in Section 3.01, it shall take reasonable security precautions to maintain the Lease Property in a manner as to keep it secure from unauthorized intrusion and shall with respect to any area of the Leased Property opening to an Air Operations Area of the Airport provide for an adequate security system designed to prevent unauthorized persons or vehicles from entering such Air Operations Area. An "Air Operations Area" is defined to mean any area of the Airport used or intended to be used for landing, takeoff or surface maneuvering of aircraft. An "adequate security system" is further defined as providing for security at a standard no less than required and set out in Transportation Security Administration (TSA) regulations, including 49 C.F.R., Subtitle B, Chapter XII, as it may be amended, or any similar law or regulations intended to replace or compliment such regulations.

It is further understood and agreed by the Airline that at any time during the term of this Lease when requested in writing by the Manager, or her authorized representative, the Airline shall submit to the Manager the security plans that are to be used and are being used by the Airline on any or all of the Lease Property.

### **9.12 WAIVERS.**

No waiver of default by either party of any of the terms, covenants or conditions of this Lease to be performed, kept and observed by the Airline or the City shall be construed, or operate, as a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained to be performed, kept and observed by the Airline or the City.

The subsequent acceptance of rent hereunder by the City shall not be deemed to be a waiver of any preceding breach by the Airline of any term, covenant or condition of this Lease other than the failure of the Airline to pay the particular rental so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent.

### **9.13 AIRLINE BOOKS AND RECORDS.**

The Airline agrees that the Manager and the Auditor of the City or any of their duly authorized representatives, until the expiration of three (3) years after the termination of this Lease, shall have the right, at any reasonable time and at their own expense, to have access to and the right to examine any books, documents, papers and records of the Airline pertinent to this Lease. The Airline, upon request by either, shall make all such books and records available for examination and copying in Denver.

### **9.14 CITY SMOKING POLICY.**

The Airline and its officers, agents and employees shall cooperate and comply with the provisions of Denver Executive Order No. 99, or any successor executive order prohibiting smoking in all indoor buildings and facilities. The Airline agrees that it will take reasonable actions to prohibit smoking by its employees and the public in the Lease Property except in specially designated areas.

**9.15 USE, POSSESSION OR SALE OF ALCOHOL OR DRUGS.**

The Airline and its officers, agents and employees shall cooperate and comply with the provisions of Denver Executive Order No. 94 and Attachment A thereto, or any successor executive order concerning the use, possession or sale of alcohol or drugs.

**9.16 THIRD PARTIES.**

This Lease does not, and shall not be deemed or construed to, confer upon or grant to any third party or parties (excepting parties to whom the Airline may assign this Lease or may sub-lease any part or all of the Lease Property in accordance with Section 2.03, and excepting any successor to the City) any right to claim damages or to bring any suit, action or other proceeding against either the City or the Airline because of any breach of this Lease or because of any of the terms, covenants, agreements and conditions herein contained.

**9.17 SUPPLEMENTAL INFORMATION TO BE SUPPLIED BY AIRLINE.**

Not later than fifteen (15) calendar days after the end of each month, the Airline shall complete and file with the City written activity reports for the preceding month, if pertinent to the Lease, on forms agreed to by the City and the Airline.

**9.18 MASTER PLAN.**

Airline agrees that no liability shall attach to the City, its officers, agents and employees by reason of any efforts or action toward implementation of any present or future master layout plan for the Airport and waives any right to claim damages or other consideration arising therefrom.

**9.19 UNITED STATES DEPARTMENT OF TRANSPORTATION PROVISIONS.**

This Lease is subject and subordinate to the terms, reservations, restrictions and conditions of any existing or future agreements between the City and the United States, the execution of which has been or may be required as a condition precedent to the transfer of federal rights or property to the City for airport purposes, and the expenditure of federal funds for the extension, expansion or development of the Denver Airport System including the provisions of Appendices 1 and 2 which are incorporated herein by reference.

**9.20 CITY NON-DISCRIMINATION.**

In connection with the performance of work under this Lease, the Airline agrees not to fail or refuse to hire, nor to discharge, promote or demote, nor to otherwise discriminate in matters of compensation, terms, conditions or privileges of employment against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and the Airline further agrees to insert the foregoing provision in all subcontracts hereunder.

**9.21 ENTIRE LEASE.**

The provisions contained in this Lease constitute the entire agreement and understanding between the parties with respect to the subject matter thereof. The parties agree that all representations made by any officer, agent or employee of the respective parties, unless included herein, are null and void and of no effect. This Lease cannot be changed or terminated orally. No alterations, amendments, changes or modification, unless expressly reserved to the Manager herein, shall be valid unless executed by an instrument in writing by both parties hereto with the same formality as this Lease.

#### **9.22 SALE OF FOOD AND BEVERAGES.**

Upon written approval by the Manager's Authorized Representative, the Airline may sell, or permit the sale of food, food products or beverages upon the Lease Property on its own behalf or by a concessionaire selected by the Airline. Airline agrees to pay the same rates, fees and charges that would be applicable to an Airport concessionaire with respect to the sale of such products.

#### **9.23 CONDITION; FINAL APPROVAL.**

This Lease is expressly subject to, and shall not be or become effective or binding on the City until approved by Denver City Council and fully executed by all signatories of the City and a fully executed copy has been delivered to the Airline. This Lease shall not be binding on the Airline until it is binding on the City.

**[SIGNATURE PAGE FOLLOWS]**

## APPENDIX NO. 1

### STANDARD FEDERAL ASSURANCES AND NONDISCRIMINATION

NOTE: As used below the term "contractor" shall mean and include the Airline, and the term "sponsor" shall mean the "City".

During the term of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. Compliance with Regulations. The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination. The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, creed, color, sex, national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

3. Solicitations for Subcontractors, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. Information and Reports. The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the sponsor of the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
- b. Cancellation, termination, or suspension of the contract, in whole or in part.

6. Incorporation of Provisions. The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

7. The Airline for itself, representatives, successors in interest, and assigns, as a part of the consideration of the Lease, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the Airline shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

8. The Airline for itself, representatives, successors in interest, and assigns, as a part of the consideration of the Lease, does hereby covenant and agree as a covenant running with the land: (1) that no person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Airline shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

#### **9. NONDISCRIMINATION IN AIRPORT EMPLOYMENT OPPORTUNITIES**

The Airline assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance.

It is unlawful for airport operators and their lessees, tenants, concessionaires and contractors to discriminate against any person because of race, color, national origin, sex, creed, or handicap in public services and employment opportunities.



**APPENDIX NO.**

**2**

**DISADVANTAGED BUSINESS ENTERPRISES - REQUIRED  
STATEMENTS**

Policy. It is the policy of the Department of Transportation that disadvantaged business enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds under this agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this agreement.

DBE Obligation. The City and its contractors agree to ensure that disadvantaged business enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds provided under this agreement. In this regard, all recipients or contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. The City and its contractors shall not discriminate on the basis of race, color, sex, creed or national origin in the award and performance of DOT-assisted contracts.

49 CFR 26.5 defines a DOT-assisted contract as “any contract between a recipient and a contractor (at any tier) funded in whole or in part with DOT financial assistance, including letters of credit or loan guarantees.” “Contractor” means one who participates through a contract or subcontract (at any tier) in a DOT-assisted highway, transit, or airport program.

**Contract Control Number:** PLANE-201311728-00

**Contractor Name:** Frontier Airlines, Inc.

By: DN Siegel

Name: David N. Siegel  
(please print)

Title: President and CEO  
(please print)

**ATTEST: [if required]**

By: Cade Miller

Name: Cade Miller  
(please print)

Title: Contracts Administrator  
(please print)



**Contract Control Number:**

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:

REGISTERED AND COUNTERSIGNED:

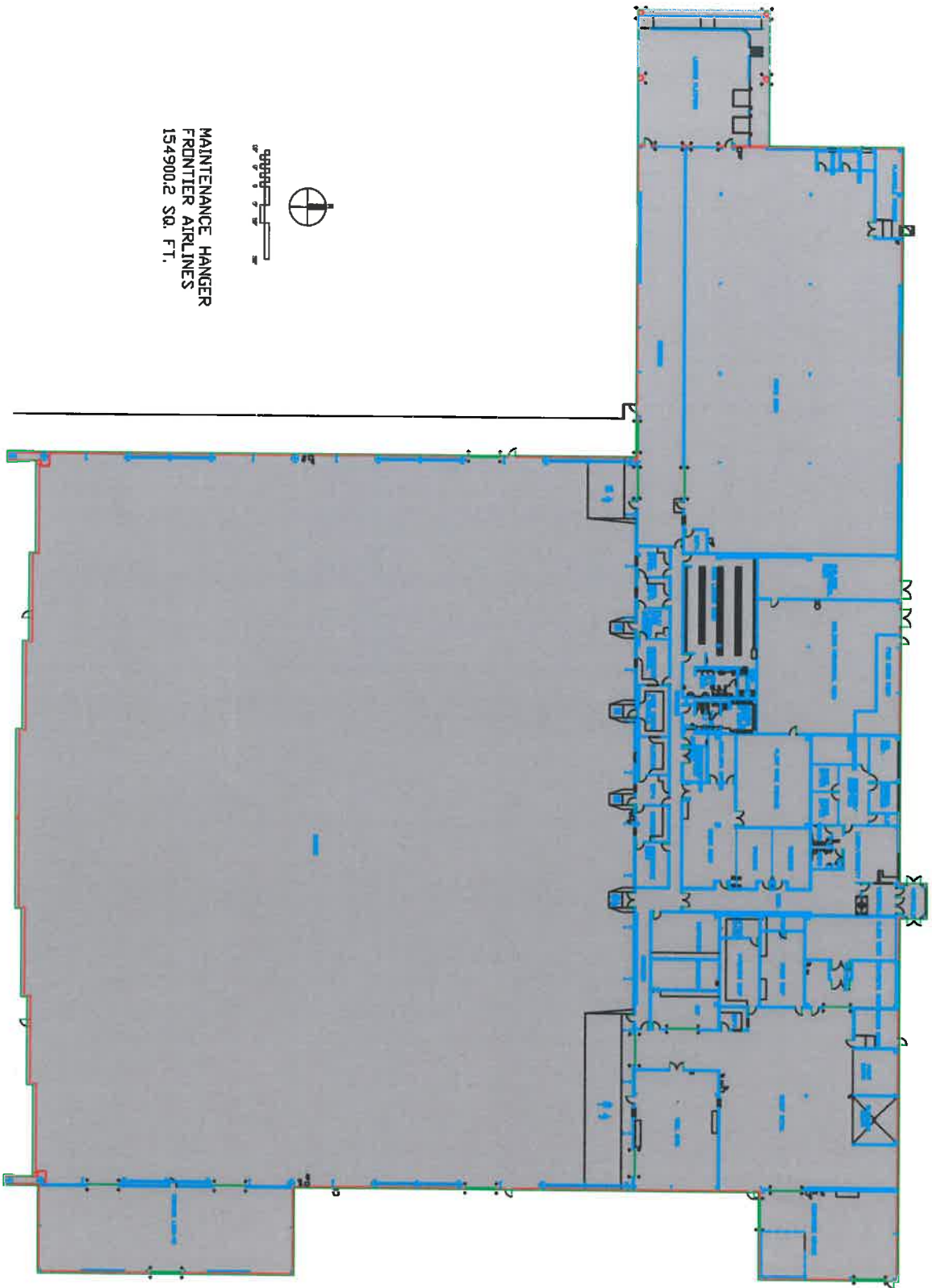
By \_\_\_\_\_

By \_\_\_\_\_

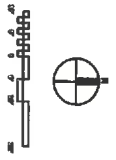
By \_\_\_\_\_



EXHIBIT A



MAINTENANCE HANGER  
FRONTIER AIRLINES  
154900.2 SQ. FT.

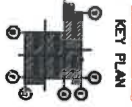


RECORD DRAWING  
AND \_\_\_\_\_



MAINTENANCE HANGER

DATE: \_\_\_\_\_



KEY PLAN

DATE:	02/12/2014
PROJECT:	08-23-13
CLIENT:	LD&S
DESIGNER:	LD&S
SCALE:	1/8" = 1'-0"
PROJECT NO.:	1
DATE:	02/12/2014
PROJECT:	08-23-13
CLIENT:	LD&S
DESIGNER:	LD&S
SCALE:	1/8" = 1'-0"
PROJECT NO.:	1

AS100

**LEGAL DESCRIPTION FOR THE FRONTIER AIRLINES HANGAR LEASE AREA**

Date: June 28, 2013

A parcel of land situated in the Northwest Quarter of Section 16 and in the Northeast Quarter of Section 17, Township 2 South, Range 65 West of the 6<sup>th</sup> Principal Meridian, City and County of Denver, State of Colorado, more particularly described as follows:

Bearings used in this legal description are based on the east line of said Northeast quarter of Section 17, which bears North 00°16'58" East, a distance of 2663.20 feet.

Commencing at the East Quarter corner of said Section 17;

Thence North 00°16'58" East, a distance of 713.43 feet to the Point of Beginning;

Thence North 89°28'11" West, a distance of 1301.52 feet;

Thence North 00°31'49" East, a distance of 1316.00 feet;

Thence South 89°28'11" East, a distance of 515.50 feet;

Thence North 81°59'58" East, a distance of 1339.82 feet;

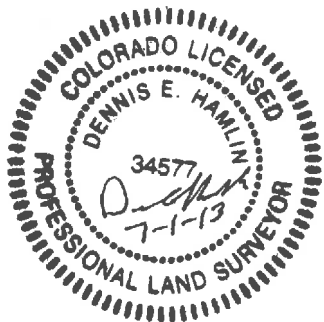
Thence South 00°31'49" West, a distance of 1514.75 feet;

Thence North 89°28'11" West, a distance of 538.98 feet to the Point of Beginning.

Said Parcel contains 2,553,770 square feet or 58.626 acres.

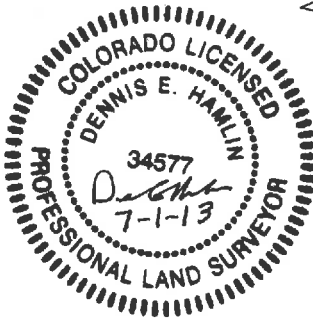
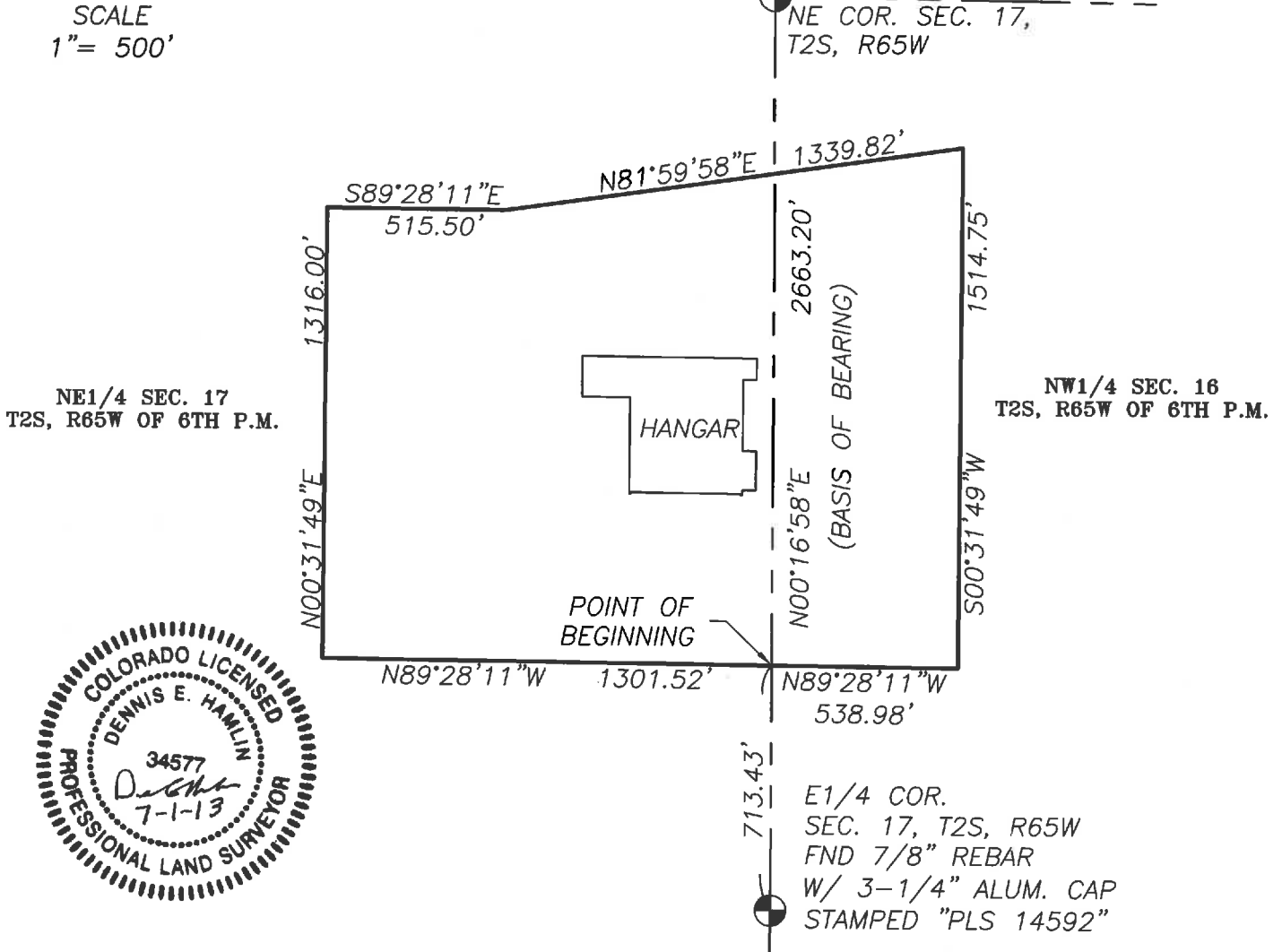
See Exhibit "B"

 7/2/13  
Approved by: Michael H. Steffens, P.E.      Date





SCALE  
1" = 500'



AREAS:

LEASE PARCEL AREA = 2,553,770 SQUARE FEET OR 58.626 ACRES


I HEREBY CERTIFY THAT THIS EXHIBIT WAS PREPARED UNDER MY DIRECT SUPERVISION.

*Dennis E. Hamlin*

DENNIS E. HAMLIN, PLS  
COLO. REGISTRATION NO. 34577

NOTE: THIS DOES NOT REPRESENT A MONUMENTED LAND SURVEY. NOR DOES IT REPRESENT A TITLE SURVEY BY THIS SURVEYOR. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

*Michael H. Steffens*  
MICHAEL H. STEFFENS, PE  
MANAGER OF CONSTRUCTION  
7/2/13  
DATE

		<p><b>CITY AND COUNTY OF DENVER</b> <b>DEPARTMENT OF AVIATION</b> <b>DENVER INTERNATIONAL AIRPORT</b></p>																		
<table border="1"> <thead> <tr> <th colspan="3">REVISED</th> </tr> <tr> <th>NO.</th> <th>DATE</th> <th>NAME</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>		REVISED			NO.	DATE	NAME										<p><b>FRONTIER AIRLINES HANGAR LEASE AREA</b> SITUATED IN NW1/4 SEC 16 &amp; IN NE1/4 SEC 17, TOWNSHIP 2 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO.</p>			
REVISED																				
NO.	DATE	NAME																		
<p>REQUESTED BY: SUSAN E. MOORE</p>	<p>DATE 06/28/13</p>	<p>SCALE 1"=500'</p>	<p>DRAWN BY: <u>TJB</u> FIELD BY: <u>XXX</u> CHECKED BY: <u>RTL</u></p>	<p>SHEET NO. <u>1</u> OF <u>2</u> SHEETS</p>	<p>DRAWING NO. 21Q0620U</p>															

# Exhibit C

## Hanger Deficiency Repair Report

### Frontier Fire Protection Quote

--Painted upright riser room	\$410.00
--Missing G4 Cover plates throughout office area 10 total	\$195.00
--Need to change gauges on pumps w/ 8 Oil filled suction and Discharge Gauges for all fire pumps	\$2240.00
--20 regular gauges for Deluge systems and sensing lines	\$490.00
--Generator does not start up when there is a power loss on the pumps	\$9000.00
--The cooling system draw piping from line pump #5 is failing and mat Completely fail at any time. Cooling system should be repaired ASAP	\$8000.00
--Given the age and condition of more than half of the fire pump packing's, All Diesel pumps should have rotational assembly repair.	\$9000.00
--The fire pump gauge peck cock on Diesel pump #3 is not functional	\$57.00
--Repack both electric Fire Pumps	<u>\$2640.00</u>
<b>Total</b>	<b>\$32,032.00</b>

### Arapahoe Roofing Quote

--Reroof Hanger	\$689,019.00
--Reroof warehouse roof	<u>\$415,754.00</u>
<b>Total</b>	<b>\$1,104,773.00</b>

### Douglas/Colony Roofing Quote

--Re roof Hanger	\$659,750.00
--Reroof warehouse roof	\$363,980.00
--Re-certify Lightning protection	<u>\$52,000.00</u>
<b>Total</b>	<b>\$1,075,730.00</b>

## Wilderness Quote T-12 Retrofit

--Retrofit all T-12 fixtures with T-8 lamps and Ballasts	<b>Total</b>	<b>\$28391.00</b>
--	--------------	-------------------

## Wilderness Quote from Inspection report

### FLATWORK SECTION 1.5

--infill large voids under existing concrete cracks by mud jacking procedure		\$12,081.00
--	--	-------------

--reseal 3000 lineal feet of concrete joints at 1 ½ inches wide		\$25,371.00
---	--	-------------

--crack repair of 3000 lineal feet of concrete joints at 1 ½ inches wide		\$50,743.00
--	--	-------------

### BUILDING FRAME/SUPERSTRUCTURE SECTION 2.2

--remove and replace 1000 lineal feet of failed expansion joints between concrete panels		\$9,120.00
--	--	------------

### SIDEWALL SYSTEM SECTION 2.3.1

--furnish and install new clear anodized aluminum cladding over damaged EIFS façade (approximately 100 lineal feet)		
--cladding to be installed on all four sides		\$5,294.00

### FENESTATION SYSTEM SECTION 2.3.2

--remove and replace 1000 lineal feet of failed isolation joints around windows and doors at office and storage area		\$9,120.00
--	--	------------

### ROOF COVERING SECTION 2.4.1

--repair water damage to drywall and paint at west portico		\$2,174.00
--	--	------------

### APPENDIX C

--repair east hangar door		\$630.00
---------------------------	--	----------

--furnish and install new hangar door panels approximately 120 square feet		\$10,269.00
--	--	-------------

--remove and replace damaged slats at overhead coiling doors		\$ 5,436.00
--	--	-------------

--remove and replace carpet in Rooms 123-127 and 129		
--	--	--

--minor floor prep		
--------------------	--	--

--new rubber base		
-------------------	--	--

--carpet allowance of \$35.00 a square yard		\$10,873.00
---	--	-------------



--furnish and install new carpet or VCT in Rooms 134-142	
--minor floor prep	
--new rubber base	\$11,198.00
<u>ELECTRICAL please see report</u>	
--exterior electrical	\$5,436.00
--hangar 100 electrical	\$9,665.00
--building main electrical room	\$9,665.00
--plant maintenance storage electricle	\$7,007.00
--mechanical room electrical	\$1,569.00
--break room 119 electrical	\$1,811.00
--pump house electrical	\$13,289.00
--storage lean electrical	\$965.00
--hazardous storage electrical	\$9,665.00
--stores/stock room electrical	\$2,174.00
--valve room electrical	\$3,020.00
<u>MECHANICAL please see report</u>	
--Hangar 100 Mechanical and Plumbing	\$3,290.00
--Sheet Metal 106 Mechanical and Plumbing	\$1,557.00
--Clean Room 161, Radio shop 112, Storage 157, Avionics Shop 111, Mechanical and Plumbing	\$ 1,696.00
--Break Room 119 Mechanical and Plumbing	\$ 1,460.00
--Women's Shower 138, Men's Shower 139, Women's Toilet 140, Men's Toilet 141 and Mechanical and Plumbing	\$12,032.00
--Mechanical Room 137 Mechanical and Plumbing	\$13,500.00
--Mechanical Equipment Located on Roof	<u>\$3,140.00</u>
<b>Total</b>	<b>\$253250.00</b>

Arc Flash test

--The arc flash analysis program is based on meeting or exceeding the following codes and standards that regulate arc flash analysis:

- OSHA 29-CFR 1910.333, 1910.335 (a) (1)(i), 1910.132(d)(1) and 1910.335(b)(1)
- NFPA 70E 130.5, 130.7(C) (16)
- NEC 110.16, 110.22,
- IEEE 1584 & 1584.1
- ANSI Z535.4

**Total    \$8925.00**

400 hertz Electrical repair on the floor of the Hanger

--5 heavy duty cables that are the solid Jacketed 40' 7 conductor replaceable head cables.

\$13,006.25

--A field trip to you for 2 days onsite with a load bank to load test the cables

\$4,698.52.

**Total    \$17,704.77**

Detention Pond Liner

--Replace Detention Pond Liner with Hypalon type

\$56,187.00

-- Labor to install

\$12,136.00

**Total    \$68,323.00**

Repaint the sides of Building

--Repaint the sides of the building to remove the word Continental

Total    \$50,000.00

**Total of all estimated repair sections**

**\$1,534,355.77**

## EXHIBIT G

### Design Standards, Construction Procedures and Environmental Requirements

**Section 1. Design Standards.** The Airline agrees to utilize and comply with the Denver International Airport Design Standards Manuals for design of the Facilities. The Airline further agrees to design, construct, and operate the Facilities in accordance with the Denver International Airport Tenant Development Guidelines and the Denver International Airport Rules and Regulations, as they may be established or amended from time to time, and any other applicable design, construction, operation, and maintenance standards. See additional information at <http://business.flydenver.com/bizops/bizRequirements.asp>

All civil design drawings submitted by the Airline to the City shall be provided and submitted according to FAA requirements in Advisory Circular AC150/5300-18B GIS Standards: Collection of airport data through field and post processing methodologies are specified in this FAA Advisory Circular. The data model specifies the following Geographical Information System (GIS) feature groups: Airfield, Airspace, Cadastral, Environmental, Geospatial, Man Made Structures, Navigational Aids, Seaplane, Security, Surface Transportation, and Utilities. The model incorporates safety critical data including runway thresholds, navigational aids as well as other airport features including runways, taxiways, aprons, buildings, roadways, cadastral, land-uses, and utilities. The single GIS airport database will serve numerous needs and therefore requires a very robust set of data features and associated attributes. As a result, significant time and effort is required to collect and input the metadata (data about data). The power of an airport GIS database is derived from the metadata. The long term application of airport GIS data collection methodology will reduce survey costs, errors, and missing data.

To facilitate these FAA requirements GIS/CADD data submittals shall adhere to the data standards set forth in DIA Design Standards Manual 12 (DSM 12). CADD/GIS files must be submitted that are compatible with the FAA's AGIS database and includes all features required by the FAA relevant to the project. Each feature shall be fully and accurately attributed according to the specifications of FAA AC 150/5300-18B. Any files rejected by the FAA must be corrected and resubmitted to DIA's Project Manager until satisfactorily accepted by the FAA. Final CADD survey data required for FAA submission should adhere to the standards provided in DSM 12.

Approval of the City shall extend to and include consideration of architectural and aesthetic matters and the City reserves the right to reject any designs submitted and to require the Airline to resubmit designs and layout proposals until they meet with the City's approval.

In the event of disapproval by the City of any portion of the plans and specifications, the Airline shall promptly submit necessary modifications and revisions thereof.

**Section 2. Construction Procedures.** All construction work shall comply with the requirements of and standards established by the City and all other appropriate governmental agencies and entities.

The City shall at all times have the right to monitor and inspect the construction of the Facilities and all site improvements to assure that the Facilities and all site improvements are constructed and installed in compliance with the Plans and Specifications.

In order to assist the City in monitoring and inspecting such construction, the Airline's contractor or contractors shall submit, or cause to be submitted to the City, for information and record purposes, copies of all (i) permit applications, permits and plans required by permits, (ii) field test reports, (iii) material certificates, (iv) approved shop drawings to be reviewed for compliance with the Airport design and construction standards, (v) requests for payment to contractors or subcontractors, (vi) progress reports, (vii) notification of substantial completion of the leased facilities and all site improvements and final acceptance thereof, (viii) two copies of maintenance and operation manuals in connection with building systems and all updates thereof, (ix) as-constructed drawings, and (x) any other documents related to the construction of the Facilities which may be reasonably requested by the City.

No change order which materially changes the scope of the work shall be effected by the Airline without the approval of the Manager, which approval shall not be unreasonably withheld. The City will approve, conditionally approve or disapprove submissions of change orders within a reasonable period of time following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation as to the reason therefore.

All construction work, materials, and installations involved in or incidental to the construction of the Facilities and all other improvements on Airport Property undertaken by the Airline throughout the term hereof shall be subject at all times to inspection and approval by the City.

The Airline shall give or cause to be given to the Manager advance notice before performing any modification to Airport Property.

The Airline shall cause all construction work, workmanship, materials, and installations to be in full compliance with plans and specifications. The City shall have the right to halt construction of the Facilities or any site improvement at any time if such construction is at material variance from the Plans and Specifications until such variance is corrected, or if such construction poses an immediate safety hazard at the Airport, until such safety hazard is eliminated. The City shall cooperate and use its best efforts to alleviate and resolve any such variance or impediment to the safe operation of the Airport so as to permit continuation of construction as expeditiously as possible.

The Airline, at its sole cost and expense, shall make and obtain such utility connections, hook-ups or taps as shall be necessary and shall have the right to receive all necessary utilities and services and shall secure all necessary applications and permits and shall pay all application and permit fees, hook-up or tap fees and all other user charges of whatever nature occasioned thereby. The Airline further agrees at its sole cost and expense to provide meters adequate to measure the amount of utilities and water used or consumed and to maintain said equipment in such a manner as to supply accurate measurement of such usage and consumption.

The Airline shall also include in its agreements with its general contractors covenants that require the construction contractor and its subcontractors of any tier to pay all workers, mechanics, and laborers in accordance with the rates and classifications established under the federal Davis-Bacon Act and Section 20-76 or the Denver Revised Municipal Code, whichever is greater. The Airline further agrees, if requested by the Manager, to fully comply with the procedural requirements of Section 20-76 of the Denver Revised Municipal Code by requiring its general contractors and their subcontractors of any and all tiers to submit to the City true and correct copies of the payroll records of all workers, laborers and mechanics employed.

The Airline throughout the term of this Agreement shall not without the prior written approval of the Manager make any material or structural alterations, improvements or additions to Airport Property, including without limitation any interior modifications or improvements.

Any work necessary to make any alterations, improvements or additions to the premises throughout the term of this Agreement shall be done at the Airline's sole cost and expense and in accordance with and subject to all of the required approvals, submittals and procedures, and all other requirements of whatsoever nature, set forth herein in reference to the initial construction by the Airline of the Facilities and its related site improvements.

Upon completion of such work, the Airline shall deliver to the City revised as-constructed drawings, and evidence of payment, contractor's affidavits, and full and final waivers of any liens for labor, services, or materials. The Airline shall include in the Airline's agreement with its contractors provisions whereby such contractors shall defend and hold the City harmless from all costs, damages, liens, and expenses related to such work.

All work done by the Airline or its contractors shall be done in a first-class workmanlike manner using only good grades of materials and shall comply with all insurance requirements and all applicable laws and ordinances and rules and regulations of governmental departments or agencies. Whenever a conflict arises between state or local law, ordinances or regulations, and federal law or regulations, Federal law or regulations applicable to this agreement shall control.

Within 60 days after completion of construction of the Facilities, the Airline shall furnish to the Manager two sets of as-constructed drawings, showing in detail all construction, including the locations of all underground and above ground utility lines.

All civil as-constructed drawings shall be provided by the Airline to the City in accordance with the City's design standards, and shall be submitted to: AC150/5300-18B GIS Standards and shall adhere to the data standards set forth in DIA Design Standards Manual 12 (DSM 12). CADD/GIS files must be submitted that are compatible with the FAA's AGIS database and include all features required by the FAA relevant to the project. Each feature shall be fully and accurately attributed according to the specifications of FAA AC 150/5300-18B. Any files rejected by the FAA must be corrected and resubmitted to DIA's Project Manager until satisfactorily accepted by the FAA. Final CADD survey data required for FAA submission should adhere to the standards provided in DSM 12.

### **Section 3. Compliance with Environmental Requirements.**

(a) Compliance by the Airline. The Airline, in conducting any activity on the Airport, including any environmental response or remedial activities, shall comply with all applicable local, state, and federal environmental rules, regulations, statutes, laws or orders, (collectively, "Environmental Requirements").

The Airline agrees to ensure that any new facilities or any modifications or alterations to existing facilities are designed, constructed, operated and maintained in a manner that minimizes environmental impact through appropriate preventive measures and complies with all federal, state, and local environmental requirements, including the Airport's Tenant Development Guidelines, which shall be provided to Airline.

The Airline shall financially reimburse the City for penalties incurred by the City as a result of the release of any pollutant or contaminant from the premises covered in this Agreement resulting from or arising out of the Airline's operations.

The Airline shall conduct all environmental monitoring pertaining to Airline construction, operation, and maintenance activities required by Environmental Requirements. Monitoring records shall be retained as required by Environmental Requirements and available for inspection. The Airline is required to release any or all nonprivileged environmental data upon request from the City.

The Airline shall obtain all necessary federal, state, and local environmental permits and comply with all applicable federal, state, and local environmental permit requirements concerning its operations at the airport.

In the case of a release, spill, or leak caused by Airline construction, operation or maintenance activities, the Airline shall immediately call the Airport Communications Center at x4200. The Airline then shall, as soon as reasonably practicable, control and remediate the contaminated media as required by applicable Environmental Requirements.

(b) Review of Environmental Documents. The Airline, at the request of the City, shall make available for inspection and copying at the City's expense, upon reasonable notice and at reasonable times, any or all of the documents and materials that the Airline has prepared or submitted to any governmental agency. If there is a federal, state or local duty to file any notice or report of a release or threatened release of Regulated Materials on, under or about the leased facilities, the Airline shall provide a copy of such report or notice to the City.

For purposes of this Agreement, "Regulated Materials" shall mean any wastes, substances, radiation, or materials (whether solids, liquids, or gases) that are defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "solid wastes", "universal wastes", "toxic substances", "toxic pollutants", "contaminants", "pollutants", "regulated substances", or words of similar import, under any applicable federal, Colorado, or local rules, regulations, statutes, laws, or orders.

(c) Access for Environmental Inspection. The City shall have a right of access to the leased facilities and to any of the improvements thereon without prior notice to inspect the same to confirm that the Airline is using the premises in accordance with the Environmental Requirements. Such inspection will not unreasonably interfere with Airline's operations. If the City finds evidence of non-compliance or threatened non-compliance with Environmental Requirements, the Airline, at the request of the City, shall conduct such testing and analysis as is necessary to ascertain whether the Airline is using the premises in compliance with all Environmental Requirements.

(d) Correction of Environmental Non-Compliance. If the Airline fails to comply in all material respects with any applicable Environmental Requirement, the City, after providing Airline with reasonable notice under the circumstances and reasonable opportunity to correct such noncompliance, in addition to its rights and remedies described elsewhere in this Agreement, at its election, may enter the premises and take such measures as may be necessary to insure compliance with the Environmental Requirements, all at the Airline's expense.

(e) Duty to Notify City. In the event of a release or threatened release of pollutants to the environment caused by Airline's use or occupancy of the premises, the Airline shall immediately notify the Airport Communications Center at x4200 and shall notify the City in writing as soon as reasonably practicable. In the event any claim, demand, action or notice is made against the Airline with regard to the Airline's failure or alleged failure to comply with any Environmental Requirements, the Airline, shall notify the City in writing as soon as reasonably practicable, and provide the City with copies of any written claims, demands, notices or actions so made.

(f) Environmental Remediation. The Airline shall undertake all actions as required by applicable Environmental Requirements to remedy or remove any Regulated Materials and any other environmental contamination discovered on or under the premises and/ caused by the Airline to bring the premises into compliance with all applicable Environmental Requirements in effect as of the date thereof.

The work shall be performed at the Airline's expense after the Airline submits to the City a written plan for completing such work and receives the prior written approval of the City, not to be unreasonably withheld, and the City shall have the right to review and inspect all such work at any time and at the City's expense using consultants and representatives of the City's choice. Cleanup levels for any environmental remediation work shall comply with applicable Environmental Requirements.

(g) Environmental Requirements for New Construction (including modifications or alterations to existing facilities). Throughout the construction activities for any facilities, the Airline is responsible for complying with all of the requirements under Denver International Airport Technical Specifications Section 01566 (Environmental Controls), Section 16642 (Cathodic Protection) and the Airports' Tenant Development Guidelines, all of which shall be provided to Airline.

(1) Air Pollution. All activities associated with the construction of the Facilities shall be performed under the Airline's (or its agent's) fugitive dust permit for

the construction project. The Airline is responsible for complying with the terms of its permit.

In order to comply with the above-referenced permit requirements, the Airline shall implement the procedures and techniques identified in Technical Specifications Section 01566.

(2) Water Pollution Controls. The Airline shall comply with the environmental specifications identified in Technical Specifications Section 01566.

(3) Soil Erosion and Sedimentation Control. The Airline shall comply with the environmental specifications for soil erosion and sediment control during construction, identified in Technical Specifications Section 01566. The Airline shall implement "best management practices" in preventing soil erosion and controlling sedimentation. The Airline shall obtain all necessary state and local permits for new development or construction. The Airline is responsible for the preparation and implementation of any plan required by the permits.

(4) Solid and Hazardous Waste Controls. This subsection applies to solid waste and hazardous waste as defined by federal and state regulations. Solid waste is defined as all putrescible and non-putrescible solid, semi-solid and liquid wastes, but does not include hazardous waste. The Airline is responsible to minimize the amount of solid and hazardous waste generated during construction activities. A commercially reasonable effort should be made to recycle generated construction debris. The Airline is responsible for the safe disposal of all solid and hazardous waste and shall dispose of such waste in accordance with Environmental Requirements and Mayor's Executive Order No. 115 (City requirement to direct all non-hazardous waste to DADS Landfill for disposal). Disposal of hazardous wastes on Denver International Airport property is prohibited. Recyclable waste is accepted at approved Airport recycling locations.

The Airline is responsible for complying with the solid and hazardous waste control requirements listed in Technical Specifications Section 01566.

(5) Noise and Vibration Control. Noise and vibration control requirements are listed in Technical Specifications Section 01566.

(h) Environmental Requirements for Operation and Maintenance.

(1) Storage Tanks and Ancillary Equipment. All underground storage tanks and pipelines, and any above-ground storage tanks and pipelines in contact with the ground, and any other underground metallic structures installed by Airline on Airport Property shall be integrated into a cathodic protection program. Airport officials shall be notified of any removal, addition, or modification of underground tanks, piping, and other metallic structures.

Wastewater from maintenance activities shall be pretreated with a water quality pre-treatment device. These devices shall be inspected and maintained by the Airline.



The Airline shall be responsible for all containment, treatment, and disposal of all fuel spills caused by Airline operations using "Best Management Practices." The Airline shall make all "best efforts" to recycle recovered fuel. A Spill Prevention Control and Countermeasures Plan shall be prepared and submitted according to federal (40 CFR 112) and state requirements.

Fuel storage tanks shall either be installed above ground, according to appropriate federal and state requirements, or underground in accordance with EPA regulations cited in 40 CFR Part 280 and State of Colorado CCR 1101-14.

(2) Air Pollution Control. The Airline shall obtain all necessary air emission control permits associated with operation and maintenance of its facilities.

(3) Water Pollution Control. The Airline shall obtain all necessary permits under NPDES (National Pollutant Discharge Elimination System) stormwater regulations (40 CFR Part 122-124), Colorado Pollutant Discharge System (CDDS), and industrial and sanitary pretreatment requirements.

The Airline shall comply with all federal and state water pollution control requirements. Upon the direction of the City, the Airline will be responsible for conducting all appropriate water quality monitoring related to its Denver International Airport operations. This data shall be released to the City upon the City's request.

(i) Waste Management Plan.

(1) The Airline shall prepare and submit to the City upon request a waste management plan outlining its program for recycling, waste management and waste minimization at DIA to the extent reasonably possible.

(2) The Airline shall make good faith efforts to participate in recycling programs offered by the Airport and to identify upon request locations on the Demised Premises at which recycling collection containers may be placed.