

**CARGO FACILITIES LEASE AGREEMENT**

between

**CITY AND COUNTY OF DENVER**

and

**SKY CHEFS, INC.**

at

**DENVER INTERNATIONAL AIRPORT**

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## CARGO FACILITIES LEASE AGREEMENT

**THIS CARGO FACILITIES LEASE** (the "Lease"), made and entered into as of the date indicated on the signature page below (the "Effective Date"), 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 **SKY CHEFS, INC.**, a corporation organized and existing under and by virtue of the laws of the State of Delaware, and authorized to do business in the State of Colorado, hereinafter referred to as the "LESSEE", Party of the Second Part, and collectively (the "Parties");

### 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 Lessee is engaged in the business of airline and non-airline catering; and

**WHEREAS**, the Parties desire to enter into this Lease for the lease of certain premises and facilities at the airport as more fully hereinafter set forth;

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

### PART I LEASE AND USE OF DEMISED PREMISES

#### 1.01 DEMISED PREMISES

The City, for and in consideration of the covenants and agreements hereinafter contained, hereby leases to the Lessee and the Lessee hereby leases from the City, subject to the conditions hereinafter expressed, those certain parcels of real property situated in the City and County of Denver, State of Colorado as depicted on **Exhibit B**, which is incorporated herein and made a part hereof by this reference, together with any and all improvements located thereon (hereinafter referred to as the "Demised Premises"). The Demised Premises constitute non-residential real property. Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Lease shall grant to the Lessee any rights whatsoever in the air space above the Demised Premises except as approved by the City.

#### 1.02 USE OF DEMISED PREMISES

The Lessee shall be entitled to use the Demised Premises for the following purposes:

- A. The Cargo Building portion of the Demised Premises designated "Parcel No. 2" upon the aforementioned **Exhibit B** for the exclusive use of Lessee as follows:

- (1) For the storage, warehousing, light assembly, distribution and employee/ administrative functions related to its airline and non-airline catering operations.
  - (2) For the reception, storage and distribution of repair parts, supplies and other personal property owned by, or in the possession of Lessee for the performance of minor repairs to personal property of the Lessee;
  - (3) For the training of personnel employed or to be employed by the Lessee in connection with its airline catering operations.
  - (4) For normal office purposes associated with the conduct of an airline and non-airline catering business by Lessee.
  - (5) Vending machines may be permitted for the use of Lessee's employees pursuant to paragraph 7.04 herein. The portion of the Demised Premises designated "Parcel No. 1" upon the aforementioned **Exhibit B** for the exclusive use of Lessee for ground equipment storage and circulation.
- B. The portion of the Demised Premises designated "Parcel No. 3" upon the aforementioned **Exhibit B** for the non-exclusive use of Lessee for loading and unloading of cargo and for parking of motor vehicles by employees, customers, patrons, contractors, agents and invitees of Lessee.

### **1.03 PAYMENT OF FIXED AND VARIABLE RATES, FEES AND CHARGES**

Rentals for the Demised Premises shall commence on the Effective Date and shall be due and payable, in advance, without notice, on or before the first day of each month of the Term.

The Lessee agrees to pay rentals, rates, fees and charges established and fixed in accordance with the cost-accounting concepts and ratemaking procedures established and adopted by the CEO and set forth on **Exhibit F** attached hereto and made a part hereof (**see Exhibit F**). These rentals, rates, fees and charges are subject to change each year in accordance with the terms of this Agreement.

In addition to the fixed rentals, rates, fees and charges provided herein, Lessee shall pay for its proportionate share of the actual cost of common use facilities, equipment, services and maintenance utilized by Lessee during its operations hereunder. 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. An apportionment of the categories of actual cost for the facility is set forth on **Exhibit E**. Such fees shall not include any costs capital in nature.

The City further reserves the right during the term and any extensions hereof for its CEO, 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 CEO; 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 ground service equipment facilities and services furnished to the Lessee.

#### **1.04 PROJECTION OF RENTALS, RATES, FEES AND CHARGES**

Rentals, Rates, fees and Charges shall be established in accordance with Section 120 of the Denver International Airport Rules and Regulations, as amended. Current rates are shown in **Exhibit F**, said Exhibit which shall be considered to be duly amended by any subsequent changes in Rentals, Rates, Fees and Charges established in accordance with the ordinary practices for establishing such Rentals, Rates, Fees and Charges.

Should the proposed rentals, fees and charges result in an increase of more than 5% in the dollar amount of compensation paid by Lessee in the prior calendar year, then Lessee may decline to pay compensation at the new rate(s). If Lessee declines to pay the new rate under this provision, the Lessee shall promptly advise the CEO of its intention to cancel and terminate this Agreement. Upon such notice of intent to cancel and terminate, Lessee shall surrender the Demised Premises upon a date specified by the Manager but in no event less than 120 days. Should Lessee fail to give such notice of cancellation and termination, then it shall be deemed to have accepted the new rate(s) of compensation as promulgated by the CEO.

#### **1.05 FINAL AUDIT AND RECONCILIATION**

Upon release by the City's independent auditors of the audited financial statements of the Airport, the City shall furnish Lessee 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). If the rentals, rates, fees and charges actually paid by Lessee were greater than the respective amounts chargeable to Lessee, Lessee shall receive credits promptly in the amount of such overpayment against future rentals, rates, fees and charges. If the rentals, rates, fees and charges actually paid by Lessee were less than the respective amounts chargeable to Lessee, Lessee shall pay promptly the amount of any such deficiency.

### **PART II PROVISIONS RELATING TO DEMISED PREMISES**

#### **2.01 ACCEPTANCE AND INSPECTION OF THE DEMISED PREMISES**

The Lessee has been given the opportunity to inspect the Demised Premises. As of the Effective Date, subject to any representations, warranties, covenants, and obligations of the City set forth in this Lease, the Lessee takes the Demised Premises as is, where is, and with all faults.

#### **2.02 MAINTENANCE OF DEMISED PREMISES**

The Lessee agrees to provide at its own expense all utilities, equipment, trash and janitorial services, and maintenance of the Demised Premises, including, but not by way of limitation, snow removal, maintenance, repair, water; gas, electricity, light, heat, power and telephone service.



The Lessee shall be responsible for all maintenance and repair of the Demised Premises, as established by **Exhibit E**, except for repairs necessitated by the negligence or willful acts of the City, its employees, agents and contractors. Except for the requirements established by **Exhibit E**, the City shall be responsible for all capital repairs and replacements at its sole cost and expense.

The Lessee further agrees that it will at all times maintain its Demised Premises in a neat, clean, safe and orderly condition, in keeping with the general decor of the area in which they are situated.

### **2.03 ALTERATIONS TO DEMISED PREMISES**

The Lessee may, with the prior written approval of the CEO, which shall not be unreasonably withheld, at its own cost and expense, install in the Demised Premises any fixture or improvement or do or make alterations or do remodeling, germane to the use herein or hereafter granted. Any fixtures, equipment and other property installed, erected or placed by the Lessee in, on or about such Demised Premises shall be deemed to be personal and shall be and remain the property of the Lessee, except as otherwise provided herein, and the Lessee shall have the right at any time during the term hereof to remove any or all of its property, subject to the Lessee's obligation to repair damage, if any, resulting from such removal. All such fixtures, equipment and other property shall be removed from said Demised Premises by the expiration or earlier termination of the Lease. The Demised Premises must be restored to substantially the same condition as the condition existing at the time of the letting, reasonable wear and tear, damage by casualty, damage due to the negligent or willful act or omission of the City, and condemnation excepted, unless the City, acting by and through its CEO, shall have advised the Lessee 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 such fixtures, improvements, equipment and other property in lieu of restoration of the Demised Premises. During such period and until such personal property is removed, Lessee shall pay to the City the full rental applicable to those Demised Premises, as determined by the CEO, which are directly associated with said personal property and which Demised Premises are not usable by others until said personal property is removed.

Lessee shall require that said improvements, 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 and the **Tenant Development Guidelines and the Airline Requirements for Design, Tenant Development Guidelines**, both of which are publicly available and incorporated herein by reference.

The Lessee agrees that it shall include in its contracts with its general contractors for construction a requirement that 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 Lessee further agrees, if requested by the City, to comply with the procedural requirements of Section 20-76 of the Denver Revised Municipal Code by requiring its general contractors for construction and their subcontractors of any and all tiers of construction to submit to the City true and correct copies of the payroll records of all workers, laborers and

mechanics employed. Upon request by the City, copies of all contractor application for payment requests shall be provided to the City Auditor's Office.

Alterations to the Demised Premises are subject to the applicable provisions of Chapter 28, Denver Revised Municipal Code (D.R.M.C.), and referred to in this Contract as the "M/WBE Ordinance". The Lessee will work with the City's Office of Economic Development, Division of Economic Mobility, or successor in function, to ensure that its construction contractors comply with the M/WBE Ordinance. Failure of Lessee to require its construction contractors' compliance with these requirements may result, at the discretion of the Director of the Division of Small Business Opportunity ("DSBO"), in the imposition of sanctions against the Lessee in accordance with Section 28-77, D.R.M.C.

#### **2.04 SUBLETTING, ASSIGNMENT AND GROUND HANDLING ARRANGEMENTS**

No interests or rights under this Lease may be transferred except as provided under this Section 2.04.

Lessee may sublet, assign or otherwise transfer the Demised Premises, in whole or in part, to another company, or use the Demised Premises for the handling by Lessee's personnel of air transportation operations of other companies, subject, however, to each of the following conditions:

- (A) No sublease, assignment, ground handling agreement or other transfer shall relieve Lessee from primary liability for any of its obligations hereunder without the City's consent, and Lessee shall continue to remain primarily liable for the payment of rentals, fees and charges applicable to such premises and facilities hereunder unless the City releases Lessee;
- (B) Lessee shall provide written notice to the City and a copy of the proposed sublease, assignment, ground handling agreement or other transfer not less than thirty (30) days prior to the Effective Date of such arrangement;
- (C) Any sublease, assignment, ground handling agreement or other transfer shall be subject to the prior written approval of the CEO, such approval not to be unreasonably withheld, conditioned, or delayed; and
- (D) No sublease, assignment or other transfer hereunder to any affiliate or subsidiary corporation of Lessee shall be permitted without compliance with all of the conditions set forth in subparagraphs (A), (B) and (C) above.

#### **2.05 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 Lessee operations as is reasonably practicable) to enter upon the Demised Premises for the following purposes:

- (A) To inspect the Demised Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine

whether the Lessee has complied and is complying with the terms and conditions of this Lease with respect to the Demised Premises.

- (B) To perform maintenance and make repairs and replacements in any case where the Lessee is obligated to do so and has failed after reasonable notice to do so, in which event the Lessee 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 Demised Premises or the building in which they are located or to correct any condition likely to cause injuries or damages to persons or property.
- (D) In the exercise of the City's lawful police power. No such entry by or on behalf of the City upon such Demised Premises leased to Lessee shall cause or constitute a termination of the letting thereof or deemed to constitute an interference with the possession thereof by the Lessee.
- (E) Excluding safety or emergency situations, the City will use commercially reasonable efforts to notify the Lessee prior to entry into the interior portions of the Demised Premises.

## **2.06 ABANDONMENT OF DEMISED PREMISES**

While in monetary default of the Lease, if the Lessee ceases to occupy and use a material portion of the Demised Premises for a continuous period of six (6) consecutive months or longer, the City, acting by and through its CEO, may consider such portion of the Demised Premises abandoned, and upon not less than thirty (30) days prior written notice to the Lessee, may terminate the Lease for such portion of the Demised Premises.

## **2.07 DESTRUCTION OF PREMISES**

If by reason of any cause, Lessee's Demised Premises, or any portion thereof, are damaged or destroyed by fire or other casualty, then:

- (A) The City, after consultation and agreement with Lessee, shall forthwith repair, reconstruct and restore the damaged or destroyed portions of the Demised Premises to substantially the same condition, character, utility and value as existed prior to such damage or destruction, unless the City and Lessee 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 Demised Premises are damaged to such an extent that the Demised Premises are or a material portion thereof is untenable, the City, acting by and through the CEO, will make all reasonable efforts to provide substantially equivalent substitute premises, and such substitute premises

will be made available to Lessee, subject to Lessee'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. In addition, Lessee shall have the right to terminate this Agreement.

- (C) For the portions of the Demised Premises that are untenable, Lessee 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 Demised Premises are repaired and restored and improved by Lessee such that they are usable by Lessee for their intended purposes.

### **PART III GENERAL PROVISIONS**

#### **3.01 "CEO" DEFINED**

As used in this Lease, the term "CEO" shall mean the Chief Executive Officer of the City's Department of Aviation or the CEO's successor in function having jurisdiction over the management, operation and control of the Airport.

#### **3.02 CEO'S AUTHORIZED REPRESENTATIVE**

Wherever reference is made herein to the "CEO'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 CEO shall be such authorized representative of said CEO until notice otherwise is hereafter given to the Lessee. CEO shall have the right to designate any of its rights or duties hereunder to CEO's representative, and Lessee shall have the right to rely on any approval or other action of CEO's representative.

#### **3.03 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. The Federal Appendices, which are attached hereto are incorporated herein by this reference (**see Appendix 1**).

#### **3.04 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 Lessee agrees not to knowingly 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 Lessee 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.

### **3.05 LAWS, REGULATIONS AND AGREEMENTS TO BE OBSERVED**

- (A) The Lessee shall not use or authorize the use of the Demised Premises, 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 CEO. 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 Lessee 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 Demised Premises 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 Lessee; provided, further, that nothing herein shall be considered to restrict the police power of the City. Specifically, as the rules and regulations relate to environmental matters, the rules and regulations shall not call for standards, actions, or remediation more than what is required by environmental laws. Copies of the rules and regulations, as adopted by the City, shall be forwarded to the Lessee's local manager. The City shall not unjustly discriminate against Lessee in the enforcement of its rules and regulations.
- (C) The Lessee 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 Lessee 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 CEO's determination resulting from said administrative hearing shall be final, subject only to Lessee'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 Demised 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 Lessee acknowledges that the Demised 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 Demised Premises shall remain in compliance with such laws, regulations and building codes throughout the term of this Lease and any extensions thereto.

#### **PART IV TERM OF THE LEASE**

##### **4.01 TERM OF LEASE**

The term of this Lease shall commence on the Effective Date, May 1, 2018 and shall terminate on the earlier to occur of:

- (a) April 30, 2021 or
- (b) thirty (30) days following written notice from Lessee that the use of the Demised Premises is no longer required; or

unless this Lease is earlier canceled or terminated as hereinafter provided.

##### **4.02 TERMINATION OF LEASE BY CITY**

Subject to notice and cure set forth in Section 4.04, the City, acting by and through its CEO, may declare this Lease terminated in part or in its entirety, as the CEO deems appropriate, upon the happening of one or more of the following events and may exercise all rights of entry and reentry in accordance with law, without liability for trespass upon the Demised Premises:

- (A) After receipt of written notice by Lessee and five (5) business to cure such delinquency, if the rentals, rates, fees, charges or other money payment which the Lessee herein agrees to pay, or any part thereof, shall be unpaid after the date the same shall become due; or
- (B) If the Lessee shall use or permit the use of the Demised Premises covered hereby 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 CEO, or shall use or permit the use thereof in violation of any law, rule or regulation to which the Lessee has agreed in this Lease to conform; or If the

Lessee shall be in violation of any provision of Part II with respect to the subletting of Demised Premises hereunder; or

- (C) If, during the term of this Lease, the Lessee shall (a) apply for or consent to, in writing signed on behalf of the Lessee by any of its officers or its duly authorized attorney, the appointment of a receiver, trustee or liquidator of the Lessee or of all or a substantial part of its assets, (b) file a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they come due, (c) make a general transfer for the benefit of creditors, (d) file a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of an insolvency law, or (e) file an answer admitting the material allegations of a petition filed against the Lessee 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 Lessee as bankrupt or insolvent, or approving a petition seeking a reorganization of the Lessee 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 Lessee a notice of intention to end the term of this Lease in its entirety 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 Lessee hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term, and the Lessee will then voluntarily and peaceably quit and surrender the Demised Premises covered hereby to the City, but the Lessee shall remain liable as herein provided.

#### **4.03 TERMINATION OF LEASE BY LESSEE**

The Lessee, at its option, may declare this Lease terminated in part or in its entirety 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 Lessee to conduct its business at the Airport (including action in the nature of alteration, amendment, modification, suspension, cancellation or revocation of any such certificate, permit or document), the Lessee shall cease to have authority to operate aircraft in or out of the Airport pursuant to such a certificate or document, provided that (1) such governmental action or non-action was not requested by the Lessee, and the Lessee made all reasonable efforts to prevent such governmental action or non-action, or in the alternate, (2) 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, (3) the Lessee gave the City reasonable advance notice that such governmental action or non-action was being requested or might occur, and the Lessee 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 Lessee 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 Lessee and which is substantially necessary to the Lessee 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, Lessee'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 Lessee; or

(E) If the Demised Premises are damaged or destroyed by fire or other casualty as set forth in Part II herein, and the City and Lessee mutually agree that such destruction of the premises is beyond repair and that substantially equivalent substitute premises and facilities are not available or Lessee elects to terminate this Lease.

(F) If Lessee elects to terminate this Lease in accordance with Section 4.01 hereof.

(G) In addition to any other right or remedy at law or in equity, if the City breaches the Lease.

#### **4.04 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 Lessee to make money payments hereunder, for which termination may be declared by the City upon fifteen (15) days' written notice, unless Lessee remedies such default within such fifteen (15) day period; and provided further that the Lessee will be allowed only two (2) notices of default with respect to money payments 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 4.05,4.06, 5.02, 7.07, and 7.13 or such other obligations that expressly or by their nature should survive a termination hereof. 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 have rather than its right of termination.

#### **4.05 SURRENDER AND HOLDING OVER**

The Lessee covenants that at the expiration of the period for which the Demised Premises are leased to it, or at the earlier termination of the letting thereof, it will quit and surrender such Demised Premises in broom clean state and condition, reasonable wear and tear, acts of God or other casualty, condemnation, and damage due to the negligent or willful act or omission of the City excepted, and except as otherwise provided in Part II, the Lessee shall forthwith remove therefrom all equipment, trade fixtures and personal property belonging to it. The City shall have the right on such termination to enter upon and take possession of such Demised Premises with or without process of law, without liability for trespass.

Should the Lessee hold over the use of or continue to occupy any portion of such Demised Premises after the expiration of the term of this Lease, such holding over shall be deemed merely a tenancy from month to month. Rent, fees and charges for each month of such holding over shall be paid as provided herein and in a sum equal to the monthly rental required for the month prior to the end of the term hereof or as reestablished as provided for herein. All conditions as herein or hereafter provided shall remain the same, except for term.

#### **4.06 TERMINATION OF HOLDOVER**

If the Lessee holds over pursuant to Section 4.05 hereof, 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 V PERFORMANCE BOND, INDEMNIFICATION AND INSURANCE**

#### **5.01 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 Lessee shall deliver to the CEO 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 Demised Premises hereunder) of said Lease, a valid corporate Performance Bond, or an irrevocable Letter of Credit, in an amount equal to three (3) months rental and other charges payable hereunder, payable without condition to the City and County of Denver, with surety acceptable to and approved by the CEO, 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 Lessee, and as said Lease may be amended, supplemented or extended.

(B) Alternatively, the Lessee may modify the Airport Use Agreement letter of credit or performance bond to include this Lease, deliver the same to the CEO 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 Demised Premises hereunder) of said Lease.

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

## **5.02 INDEMNIFICATION**

The Lessee 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, Lessee'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 Lessee, 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 Lessee, its contractors, employees, agents, customers, or anyone claiming or acting by or through the Lessee.

Lessee 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 Lessee'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, Lessee 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 Lessee 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 Lessee 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 Lessee's breach of any environmental requirement existing under federal, state or local law, regulation, order or other legal requirement in connection with any of Lessee's acts, omissions, operations or uses of property relating to this Agreement, or such a breach by the act or omission of any of Lessee'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 Lessee 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 Lessee of any claim or suit and the Lessee 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.

### **5.03 INSURANCE**

The Lessee shall obtain and keep in force during the entire term of this Lease, insurance policies as described in the City's form of insurance certificate attached to this Lease as **Exhibit C** and incorporated herein unless otherwise provided for in the Companion Agreement. The certificate specifies the minimum insurance requirements the Lessee and sub lessees must meet under this Lease. Such amounts may be adjusted by the CEO in his reasonable discretion at any time during the term of this Lease provided that such modified insurance is commonly available and the same or similar insurance as that required at similarly situated airports. The original of such certificate shall be executed by the authorized party as specified on the certificate.

Prior to the Effective Date, the Lessee shall submit to the Airport Property Management Office a fully completed and executed original of the insurance certificate form, which specifies the issuing company or companies, policy numbers and policy periods for each required coverage. The Lessee shall deliver to the Airport Property Office a certificate evidencing the renewal of all policies, at least ten days prior to each policy's expiration date.

The City's acceptance of any submitted insurance certificate is subject to the approval of the City's Risk Management Administrator. All coverage requirements specified in the certificate shall be enforced unless waived or otherwise modified in writing by the City's Risk Management Administrator.

The Lessee 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.

The Lessee shall comply with all conditions and requirements set forth in the insurance certificate for each required coverage during all periods in which coverage is in effect.

The parties hereto understand and agree that the City and County of Denver, its officers, officials and employees, are relying on, and do not waive or intend to waive by any provisions of this Lease, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 to 120, C.R.S., or otherwise available to the City and County of Denver, its officers, officials and employees. The CEO may increase the limit of insurance required when, in the CEO's discretion, she deems the amount stated herein is

insufficient.

#### **5.04 LIENS**

Except to the extent inconsistent with other provisions of this Lease, the Lessee 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 provided that Lessee shall have the right to protest any such lawful taxes, excises, license fees and permit fees in accordance with applicable laws. The Lessee also covenants and agrees not to authorize 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 Lessee by any mechanic or materialman. The Lessee further covenants and agrees not to suffer any 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 Lessee 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 Lessee shall not, pending the termination of such contest, be obligated to pay, remove or otherwise discharge such lien or claim. The Lessee agrees to indemnify and save harmless the City from any loss as a result of the Lessee's action as aforesaid.

If the Lessee 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 Lessee 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 Lessee, not less than five (5) days before any such tax, assessment or charge shall become delinquent, shall give notice to the City of the Lessee's intention to contest its validity. If such notice is so given by the Lessee to the City and such contest is conducted in good faith by the Lessee, the City shall not, pending the termination of such legal proceedings, pay, remove or discharge such tax, assessment or other charge.

#### **5.05 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 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 except to the extent caused by the negligence or willful misconduct of the City, its officers, employees, contractors, agents, or invitees, and the Lessee hereby covenants and agrees to make no claim for any such loss or damage at any time. Lessee shall not be responsible for loss or damage to property caused by latent defects in the Demised Premises.

#### **5.06 FORCE MAJEURE**

Neither the City nor the Lessee 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 Lessee to pay rents, fees 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 VI QUIET ENJOYMENT; INCONVENIENCES DURING CONSTRUCTION**

### **6.01 COVENANT OF QUIET ENJOYMENT**

Upon the payment by Lessee of all rentals, rates, fees and charges properly assessed to Lessee and the performance of the covenants and agreements on the part of Lessee to be performed hereunder, Lessee shall peacefully have and enjoy the Demised Premises, appurtenances, facilities, licenses and privileges granted herein; provided, however, it is recognized that certain temporary inconveniences may occur during construction (provided that the City shall use good faith efforts to minimize such inconveniences and they shall not unreasonably interfere with Lessee's use and enjoyment of the Demised Premises).

### **6.02 INCONVENIENCES DURING CONSTRUCTION**

The Lessee 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 Lessee in its operations at the Airport. The Lessee 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 Demised Premises, the Lessee waives any right to claim damages or other consideration for such minor inconvenience or minor discomfort (provided that the City shall use good faith efforts to minimize such inconveniences and they shall not unreasonably interfere with Lessee's use and enjoyment of the Demised Premises).

## **PART VII MISCELLANEOUS PROVISIONS**

### **7.01 LEASE BINDING**

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

## **7.02 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.

## **7.03 SIGNS**

The Lessee agrees that no signs or advertising displays shall be painted on or erected in any manner upon its Demised Premises without the prior written approval of the CEO or the CEO's authorized representative; and that signs identifying the Lessee will conform to reasonable standards established by the CEO, or the CEO's authorized representative, with respect to type, size, design, location and content.

## **7.04 VENDING MACHINES**

No telecommunication devices, personal computers, amusement or vending machines or other machines 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 Lessee's Demised Premises except with the permission of the Lessee and the CEO and the number, type, kind and locations thereof shall be in the discretion of the CEO and the Lessee. 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 Lessee shall not permit the installation of any such machines, except by a concessionaire authorized by the CEO and subject to and in accordance with the concessionaire's agreement with the City. If and when the Lessee permits the installation of vending machines in its Demised Premises, the Lessee shall make no charge to the concessionaire for the privilege of installing or maintaining such machines, except that if the Lessee 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.

## **7.05 PURCHASES BY LESSEE**

Property, services and materials (except as otherwise provided in this Lease) may be purchased or otherwise obtained by the Lessee 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 Lessee or its suppliers for the privilege of purchasing, selling, using, storing, withdrawing, handling, consuming, loading, unloading or delivering any personal property of the Lessee, by the Lessee or its suppliers, or for the privilege of transporting such personal property to, from or on the Airport.

## **7.06 NON-DISCRIMINATION**

The Lessee, for itself, its successors and assigns, as a part of the consideration hereof,

does hereby agree as follows:

- (A) As more fully set forth in Appendix 1 attached hereto and incorporated herein by reference, if facilities are constructed, maintained or otherwise operated on the Demised Premises 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 Lessee shall maintain and operate such facilities and services in compliance with all applicable 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 Lessee will in all of its operations and activities in and at the Airport comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. and all regulations implementing such Act.

#### **7.07 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.

#### **7.08 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:

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

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

John H. Hayes  
Sky Chefs, Inc.  
6191 N. State Highway 161  
Irving, TX 75038

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 Lessee or said CEO.

#### **7.09 PLACE AND MANNER OF PAYMENTS**

In all cases where the Lessee is required by this Lease to pay any rentals, fees or other  
Sky Chefs, Inc.  
201840776

charges or to make other payments 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, by ACH/wire transfer or at such other place in the City and County of Denver as the City may hereafter designate by notice in writing to the Lessee, and shall be made in legal tender of the United States. Any check shall be received by the City subject to collection, and the Lessee agrees to pay any bank charges for the collection of any such check.

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

## **7.10 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.

## **7.11 SECURITY**

It is understood and agreed by the Lessee that in addition to the Lessee's responsibilities to maintain the Demised Premises as provided herein, it shall take reasonable security precautions to maintain the Demised Premises in a manner as to keep them secure from unauthorized intrusion and shall with respect to any area of the Demised Premises 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 Lessee that at any time during the term hereof when requested in writing by the CEO, or her authorized representative, the Lessee shall submit to the CEO the security plans that are to be used and are being used by the Lessee on any or all of the Demised Premises.

## **7.12 WAIVERS**

No waiver of default by either party of any of the terms, covenants or conditions hereof to be performed, kept and observed by the Lessee 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 Lessee 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 Lessee of any term, covenant or condition of this Lease



other than the failure of the Lessee 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.

### **7.13 LESSEE BOOKS AND RECORDS**

The Lessee agrees that the Auditor of the City or any of the Auditor's 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 its own expense, to have access to and the right to examine any books, documents, papers and records of the Lessee pertinent to this Lease.

### **7.14 CITY SMOKING POLICY**

The Lessee 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. Lessee agrees that it will take reasonable actions to prohibit smoking by its employees and the public in the Demised Premises except in specially designated areas.

### **7.15 USE, POSSESSION OR SALE OF ALCOHOL OR DRUGS**

The Lessee 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.

### **7.16 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 Lessee may assign this Lease in accordance with Part II hereof, 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 Lessee because of any breach hereof or because of any of the terms, covenants, agreements and conditions herein contained.

### **7.17 MASTER PLAN**

Lessee 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.

### **7.18 PAYMENT OF MINIMUM WAGE**

Lessee shall comply with, and agrees to be bound by, all requirements, conditions, and City determinations regarding the City's Minimum Wage Ordinance, Sections 20-82 through 20-84 D.R.M.C., including, but not limited to, the requirement that every covered worker shall be paid no

less than the City Minimum Wage in accordance with the foregoing D.R.M.C. Sections. By executing this Agreement, Lessee expressly acknowledges that Lessee is aware of the requirements of the City's Minimum Wage Ordinance and that any failure by Lessee, or any other individual or entity acting subject to this Agreement, to strictly comply with the foregoing D.R.M.C. Sections shall result in the penalties and other remedies authorized therein.

#### **7.19 CITY NON-DISCRIMINATION**

In connection with the performance of work under this Lease, the Lessee 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 Lessee further agrees to insert the foregoing provision in all subcontracts hereunder.

#### **7.20 ENTIRE LEASE**

The provisions contained in this Lease constitute the entire agreement and understanding between the parties with respect to the subject matter thereof, and 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 CEO herein, shall be valid unless executed by an instrument in writing by both parties hereto with the same formality as this Lease.

#### **7.21 SALE OF FOOD AND BEVERAGES**

The Lessee shall not sell, or permit the sale of food, food products or beverages (both alcoholic and non-alcoholic) upon the Demised Premises occupied by it except by a concessionaire to whom the City has granted the right to provide such services in said Demised Premises and except that, with respect to its Demised Premises, Lessee may sell, or permit the sale of, such items on its own behalf or by a concessionaire selected by Lessee. Lessee 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.

#### **7.22 CONDITION; FINAL APPROVAL**

This Lease, which 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 Lessee, may be signed in two or more counterparts, each of which shall be deemed to be an original signature page of this Lease.

#### **7.23 ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS**

Lessee consents to the use of electronic signatures by the City. The Lease, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The parties agree not to deny the legal effect or enforceability of the Lease solely because it is in electronic form or because an electronic record was used in its formation.

The Parties agree not to object to the admissibility of the Lease in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

**[SIGNATURE PAGES FOLLOW]**

**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 \_\_\_\_\_

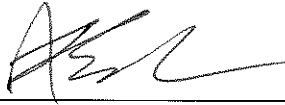
By \_\_\_\_\_

By \_\_\_\_\_



**Contract Control Number:** PLANE-201840776-00

**Contractor Name:** Sky Chefs, Inc.

By: 

Name: Adriaan van Eeden  
(please print)

Title: VP - Finance  
(please print)

**ATTEST: [if required]**

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_  
(please print)



## **Appendix No. 1**

### **Standard Federal Assurances and Nondiscrimination**

## APPENDIX A

### COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

NOTE: As used below the term "Contractor" shall mean and include Concessionaire, 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 will comply with the Title VI List of Pertinent Non-Discrimination Statutes and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made part of this Agreement.

2. **Nondiscrimination.** The Contractor, with regard to the work performed by it during this Agreement, will not discriminate on the grounds of race, creed, color, national origin, or sex in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and Regulations, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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 will be notified by the Contractor of the Contractor's obligations under this Agreement and the Acts and Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. **Information and Reports.** The Contractor will provide all information and reports required by the Acts, Regulations or directives issued pursuant thereto and will 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 Acts, Regulations, 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 or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance.** In the event of a Contractor's noncompliance with the nondiscrimination provisions of this Agreement, the sponsor will 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 this Agreement until the Contractor complies, and/or;
- b. Cancelling, terminating, or suspending this Agreement, in whole or in part.

6. **Incorporation of Provisions.** The Contractor will include the provisions of

paragraphs one (1) through six (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations or directives issued pursuant thereto. The Contractor will take 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, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into such litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.



## APPENDIX B

### STANDARD FEDERAL PROVISIONS

**Sensitive Security Information.** Airline acknowledges that, in the course of performing its work under this Agreement, Airline may be given access to Sensitive Security Information ("SSI"), as material is described in federal regulations, 49 C.F.R. part 1520. Airline specifically agrees to comply with all requirements of the applicable federal regulations specifically, 49 C.F.R. Parts 15 and 1520. Airline understands any questions it may have regarding its obligations with respect to SSI must be referred to the DEN's Security Office.

**DEN Security.** Airline, its officers, authorized officials, employees, agents, subcontractors, and those under its control, will comply with safety, operational, or security measures required of Airline or City by the FAA or TSA. If Airline, its officers, authorized officials, employees, agents, subcontractors or those under its control, fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against City, then, in addition to any other remedies available to City, Airline covenants to fully reimburse City any fines or penalties levied against City, and any attorney fees or related costs paid by City as a result of any such violation. This amount must be paid by Airline within fifteen (15) days from the date of the invoice or written notice.

**Federal Rights.** This Agreement is subject and subordinate to the terms, reservations, restrictions and conditions of any existing or future agreements between 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 City for DEN purposes and the expenditure of federal funds for the extension, expansion or development of the Denver Municipal Airport System.

**General Civil Rights Provision.** The Airline agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the Airline and subtier airlines through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

## APPENDIX E

### TITLE VI LIST OF PERTINENT NONDISCRIMINATION AUTHORITIES

As used below, the term "Contractor" will mean and include Concessionaire and the term "sponsor" will mean City.

During the performance of this Agreement, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits' discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation-Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601 ), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S. C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC§ 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 1 00-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and Contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 -12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high

and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S. C. 1681 et seq).

**Exhibit A**

**Reserved**

**LEGAL DESCRIPTION FOR THE PROPOSED LSG SKY CHEF LEASE AREA**

Date: February 1, 2018

A parcel of land situated in Section 33, 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-west mid-section line of said Section 33, which bears North 89°52'39" East, a distance of 5289.55 feet, monuments as shown.

Commencing at the East Quarter corner of said Section 33;

Thence South 89°52'39" West along the east-west mid-section line, a distance of 2082.49 feet to the interior wall of an existing building known as Joint Cargo;

Thence North 00°02'02" West along said interior wall line, a distance of 21.70 feet to the centerline of a common wall, also being the Point of Beginning;

Thence South 89°57'58" West along said centerline, a distance of 114.00 feet to the centerline of the westerly wall, also being Point A;

Thence North 00°02'02" West along said centerline, a distance of 50.05 feet to the centerline of a common wall;

Thence North 89°57'58" East along said centerline, a distance of 114.00 feet to the interior wall;

Thence South 00°02'02" East along said interior wall, a distance of 50.05 feet to the Point of Beginning.

Said Building Lease Area contains 5706 square feet.

Beginning at Point A as described above;

Thence South 89°57'58" West, a distance of 107.00 feet;

Thence North 00°02'02" West, a distance of 50.05 feet;

Thence North 89°57'58" East, a distance of 107.00 feet to the centerline of the westerly wall to said existing building;

Thence South 00°02'02" East along said centerline, a distance of 50.05 feet to Point A.

Said Landside Lease Area contains 5355 square feet.

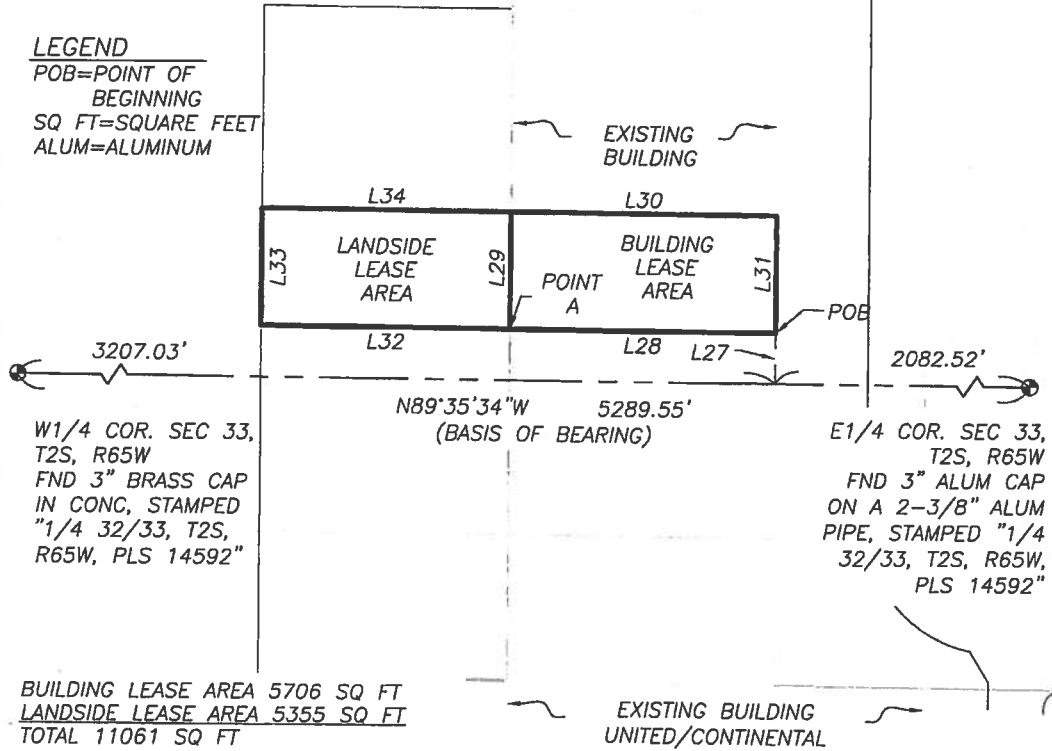
Total area of Building Lease area and Landside Lease area equals 11061 square feet.

See Exhibit "B"



SCALE: 1"=60'

LEGEND  
 POB=POINT OF BEGINNING  
 SQ FT=SQUARE FEET  
 ALUM=ALUMINUM



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

*[Signature]*  
 THOMAS J BREITNAUER, PLS  
 COLO. REGISTRATION NO. 30085

Note: This does not represent a monumented land survey. Nor does it represent a search for easements or Rights-of-Way of record. It is intended only to depict the attached description



CITY AND COUNTY OF DENVER  
 DEPARTMENT OF AVIATION  
 DENVER INTERNATIONAL AIRPORT

REVISED		
NO.	DATE	NAME

**LSG Sky Chef Lease Area**  
 Situated in Section 33, Township 2 South, Range 65 West of the 6th Principal Meridian, City and County of Denver, State of Colorado.

REQUESTED BY: Moore, Susan	DATE 02/01/18	SCALE 1"=60'	DRAWN BY: TJB FIELD BY: NA CHECKED BY: DEH	SHEET NO. 1 OF 2 SHEETS	DRAWING NO. S:\DRAWINGS\13T\13T0907RLeaseExhibits
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LINE TABLE		
Line #	Direction	Length
L27	N00°29'43"E	21.76'
L28	N89°30'17"W	114.00'
L29	N00°29'43"E	50.05'
L30	S89°30'17"E	114.00'
L31	S00°29'43"W	50.05'
L32	N89°30'17"W	107.00'
L33	N00°29'43"E	50.05'
L34	S89°30'17"E	107.00'

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

  
 THOMAS J. BREITNAUER, PLS  
 COLO. REGISTRATION NO. 30085



**CITY AND COUNTY OF DENVER  
 DEPARTMENT OF AVIATION  
 DENVER INTERNATIONAL AIRPORT**

REVISED		
NO.	DATE	NAME

**LSG Sky Chef Lease Area**  
 Situated in Section 33, Township 2 South, Range 65 West of the  
 6th Principal Meridian, City and County of Denver, State of  
 Colorado.

REQUESTED BY:  
 Moore, Susan

DATE  
 02/01/18

SCALE  
 1"=60'

DRAWN BY: TJB  
 FIELD BY: NA  
 CHECKED BY: DEH

SHEET NO. 2  
 OF 2 SHEETS

DRAWING NO.  
 S:\DRAWINGS\13T\13T0907R\LeaseExhibits

**CITY AND COUNTY OF DENVER  
INSURANCE REQUIREMENTS FOR THE DEPARTMENT OF AVIATION**

Certificate Holder Information:

CITY AND COUNTY OF DENVER  
Attn: Risk Management, Suite 8810  
Manager of Aviation  
Denver International Airport  
8500 Peña Boulevard  
Denver CO 80249

If you are awarded the contract, your ACORD forms must be submitted electronically to: [contractadmininvoices@flydenver.com](mailto:contractadmininvoices@flydenver.com).  
HARD COPIES will not be accepted.  
All ACORD forms must have the project number in the Description of Operations section.

**CONTRACT NAME & NUMBER TO WHICH THIS INSURANCE APPLIES: Sky Chefs**

**I. PRIMARY COVERAGE**

**Colorado Workers' Compensation and Employer Liability**

**Minimum Limits of Liability (In Thousands)** \$100, \$500, \$100

1. Contractor expressly represents to the City, as a material representation upon which the City is relying in entering into this Agreement, that none of the Contractor's officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect such rejection during any part of the term of this Agreement. Any such rejections previously effected, must have been revoked as of the date Contractor executes this Agreement.
2. If the contractor/consultant is a sole proprietor, Workers' Compensation is waived per State of Colorado law.

**Commercial General Liability**

**Minimum Limits of Liability (In Thousands):**

Each Occurrence:	\$1,000
General Aggregate Limit:	\$2,000
Products-Completed Operations Aggregate Limit:	\$2,000
Personal & Advertising Injury:	\$1,000

The policy must provide the following:

1. That this Agreement is an Insured Contract under the policy.
2. Defense costs are outside the limits of liability.
3. A severability of interests or separation of insureds provision (no insured vs. insured exclusion).
4. A provision that coverage is primary and non-contributory with other coverage or self-insurance maintained by the City.
5. The full limits of coverage must be dedicated to apply to each project/location.

**Business Automobile Liability**

**Minimum Limits of Liability (In Thousands):**

Combined Single Limit \$1,000

The policy must provide the following:

1. Coverage applicable to all owned, hired and non-owned vehicles used in performing services under this Agreement.
2. If transporting wastes, hazardous material, or regulated substances, Contractor shall carry a pollution coverage endorsement and an MCS 90 endorsement on their policy.



## II. ADDITIONAL COVERAGE

### Excess/Umbrella Liability

#### Minimum Limits of Liability (In Thousands):

Umbrella Liability Controlled Area	Each Occurrence and aggregate	\$9,000
Umbrella Liability Non-Controlled Area	Each Occurrence and aggregate	\$1,000

The policy must provide the following:

1. Coverage must be written on a "follow form" or broader basis.
2. Any combination of primary and excess coverage may be used to achieve required limits.
3. If operations include unescorted airside access at DIA, then a \$9 million Umbrella Limit is required.

### Property Insurance

Coverage: All Risk Form Property Insurance, Replacement Cost basis

Personal Property, Contents, Fixtures, Tenant Improvements and Betterments

- 100% of the Replacement Cost value of Personal Property, Contents, Fixtures, Tenant Improvements and Betterments
- Covered Cause of Loss – Special Form including glass coverage and signs
- Replacement Cost Endorsement

Business Income including Loss of Rents

Amount equal to all Minimum Annual Rent and Other Sums payable under the Lease

#### **Any Policy issued under this section must contain, include or provide for the following:**

1. The City and County of Denver, Department of Aviation shall be named as loss payee as its interest may appear.
2. Waiver of Subrogation Applies to City as Landlord for any protected Landlord Property.
3. In the event of payment of any Loss involving Tenant Improvements and Betterments, permanent fixtures, etc, the insurance carrier shall pay the City (as Landlord) its designee first for said property loss.
4. If leased property is located in a flood or quake zone (including land subsidence), flood or quake insurance shall be provided separately or in the property policy.

## III. ADDITIONAL CONDITIONS

It is understood and agreed, for the benefit of the City, that the following additional conditions shall apply to all coverage specified herein:

1. For Commercial General Liability, Auto Liability and Excess Liability/Umbrella (if required), Contractor and subcontractor's insurer(s) shall include the City and County of Denver, its elected and appointed officials, employees and volunteers as additional insured.
2. All coverage provided herein shall be primary and any insurance maintained by the City shall be considered excess.
3. For all coverages required under this Agreement, Contractor's insurer shall waive subrogation rights against the City.
4. The City shall have the right to verify or confirm, at any time, all coverage, information or representations contained herein, and the insured and its undersigned agent shall promptly and fully cooperate in any such audit the City may elect to undertake.
5. The required insurance shall be underwritten by an insurer licensed or authorized to do business in Colorado and rated by A.M. Best Company as "A-"VIII or better.
6. For claims-made coverage, the retroactive date must be on or before the contract date or the first date when any goods or services were provided to the City, whichever is earlier
7. No changes, modifications or interlineations on this document shall be allowed without the review and approval of the Risk Administrator prior to contract execution.

### **NOTICE OF CANCELLATION**

It is understood and agreed that should any Policy issued hereunder be cancelled or non-renewed before the expiration date thereof, or sustain a material change in coverage adverse to the City, the issuing company or its authorized Agent shall give notice to the Department of Aviation in accordance with policy provisions.



SURETY RIDER

To be attached to and form a part of

Bond No. 022037346

Cross Ref:

Type of

Bond: Performance Bond for Contract #AC5Y006

dated

effective August 1, 2015  
(MONTH-DAY-YEAR)

executed by Sky Chefs, Inc. , as Principal,  
(PRINCIPAL)

and by Liberty Mutual Insurance Company , as Surety,

in favor of the City and County of Denver, a municipal corporation of the State of Colorado  
(OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing  
The penal sum of the attached bond from Four Hundred Fifty Thousand, Two Hundred Sixty Two and no/100 Dollars  
(\$450,262.00) to Four Hundred Seventy One Thousand, One Hundred Seventeen and no/100 Dollars (\$471,117.00).

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider  
is effective April 26, 2018  
(MONTH-DAY-YEAR)

Signed and Sealed 4/26/18  
(MONTH-DAY-YEAR)

Sky Chefs, Inc.  
(PRINCIPAL)

By: [Signature]  
(PRINCIPAL) **Thomas J. Lee Assistant Secretary**

Liberty Mutual Insurance Company  
(SURETY)

By: [Signature]  
(ATTORNEY-IN-FACT) Sandra Weathersby



**THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.**

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 7765105

Liberty Mutual Insurance Company  
The Ohio Casualty Insurance Company West American Insurance Company

**POWER OF ATTORNEY**

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Rachel Rhodes; Sandra Weathersby; Twan Johnson

all of the city of Southlake, state of TX each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 15th day of May, 2017



The Ohio Casualty Insurance Company  
Liberty Mutual Insurance Company  
West American Insurance Company

By: David M. Carey  
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss  
COUNTY OF MONTGOMERY

On this 15th day of May, 2017, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Teresa Pastella, Notary Public  
Upper Merion Twp., Montgomery County  
My Commission Expires March 28, 2021  
Member, Pennsylvania Association of Notaries

By: Teresa Pastella  
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

**ARTICLE IV – OFFICERS – Section 12. Power of Attorney.** Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

**ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings.** Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

**Certificate of Designation –** The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

**Authorization –** By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 26th day of April, 2018



By: Renee C. Llewellyn  
Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

EXHIBIT E

**DENVER INTERNATIONAL AIRPORT  
SUMMARY OF OPERATION AND MAINTENANCE RESPONSIBILITIES**

	Exclusive Use Premises	Preferential Use Premises	Joint Use Premises	Non-Public Areas	Public Areas	Airfield
Building Exteriors	C	C	C	C	C	C
Building Interior Finishes	A	C	C, A(1,3,6)	C	C	
High Speed Apron Doors	A		C, A (1)	C, A(1)		
Loading Bridges	C, A(9)	C, A(9)				
Landscaping					C	C
Roadways					C	C
Law Enforcement, Fire Protection, Emergency Medical Services	C	C	C	C	C	C
Plumbing	C, A(1 ,2)	C	C, A(1, 2)	C	C	C
Electrical and Lighting	C, A(1 ,3)	C	C, A(1, 3)	C	C	C
Fire Alarm Systems	C	C	C	C	C	
Fire Sprinkler Systems	C	C	C	C	C	
Furnishings	A	C, A (1)	C, A (1)	A	C	
HVAC	C(4), A(1)	C	C	C	C	
Glass Breakage	C, A(1)	C	C	C	C	
FIDS/BIDS/GIDS	C, A(1)	C, A(1)	C, A(1)	C, A(1)	C	
Communications Systems/Paging	C, A(1)	C, A(1)	C, A(1)	C, A(1)	C	
Custodial Service/Window Cleaning	A	C, A(5)	C, A(6, 7)	C	C	
People Movers (elevators, escalators, moving walkways, AGTS)	C, A(1)	C	C	C	C	
Signage	A	C, A(1)	C	C	C	C
Snow Removal	A	A (5)	A	C	C	C
Triturators			C, A (8)			
Baggage Handling Systems	Airline responsibility per separate Agreements (see Section 3.06)					
Bag Claim Carousel Equipment						

KEY: A = Airline, C = City

1. Airline is responsible for maintenance, repair and replacement of Airline-owned devices and equipment
2. Airline is responsible for routine maintenance, including cleaning drains to the first 25 feet.
3. Airline is responsible for routine maintenance, including relamping. Spent bulbs must be properly disposed of as mandated by law. Light fixtures in BMU areas are Airline's responsibility. City provides electrical power to fixture.
4. City is responsible for building HVAC systems, including airline installed equipment that has been made part of the building system, according to the Tenant Development Guidelines. Airline is responsible for all supplemental equipment, such as computer room cooling units and any other equipment that is not part of the building HVAC system.
5. Airline is responsible for cleaning and snow removal on aircraft parking ramp (from building to outer VSR), including emergency stairs on outside of building and jet bridge stairs.
6. Airline is responsible for cleaning of bag makeup areas on concourses.
7. Airline is responsible for cleaning and providing supplies to joint use restrooms when it is the primary tenant (by number of sq. ft. leased) in the hallway where Joint Use rest rooms are located, unless Airline exclusively leases rest rooms for its employees in this area.
8. Airline is responsible for cleaning after each use.
9. Airline is responsible for replacing damaged PC Air hoses, nozzles and hose handling systems; e.g. reels, baskets, trolleys.

DENVER INTERNATIONAL AIRPORT  
AIRLINE RATE-MAKING METHODOLOGY

General Rate-Making Concepts

The City will use a "compensatory" methodology to establish Terminal Complex rental rates. The Airlines will pay the fully allocated cost of the space that they lease in the Landside Terminal building and airside concourses.

Landing fees will be established according to a "cost center residual cost" methodology, under which the airlines will pay the costs of the Airfield, after first deducting airfield revenues from other sources (primarily general aviation landing fees and fuel flowage fees).

Rate-Making Procedures at the Airport

At the Airport, the City intends to use cost accounting concepts and rate-making procedures as described in the following sections.

Cost Centers Direct (revenue-producing) cost centers include the following:

**Terminal Complex**--All levels of space in the Landside Terminal and airside Concourses A, B, and C, including the pedestrian bridge to Concourse A, public escalators, elevators and moving walkways.

**Commuter and Regional Jet Facilities** – All levels of space in facilities in the Terminal Complex airside Concourses A and C primarily used for commuter and regional jet operations. The Commuter and Regional Jet Facilities cost center excludes the Concourse B Commuter Facility which is allocated to the Concourse B Tenant Finish cost center as outlined in the Stipulated Order dated November

21, 2003. Any additional commuter facilities on Concourse B will be allocated to the Commuter and Regional Jet Facilities. Sub-cost centers will be established for each respective facility. Commuter and Regional Jet ramp areas are assessed separately.

**Airline Tenant Finishes and Equipment**--Airline space finishes and equipment in the Terminal Complex, ticketing facilities, loading bridges, communications equipment, baggage and flight information display systems, and baggage sortation systems which shall include related equipment and space within Concourses A and B (and additional concourses as such sortation systems are operational), and approved modifications to the Automated Baggage system and Space. Sub-cost centers will be established for the Landside Terminal, International Facilities, each airside concourse and each airline as applicable.

**Interline Bag Transfer Area** – All space in the Landside Terminal used by airlines for interline baggage transfer operations.

**Common Use Terminal Equipment** All costs associated with the installation and maintenance of the City's common use terminal equipment. The airline is responsible for its proprietary equipment.

**Concourse Joint Use Facilities**--All space and related equipment in Concourses A, B, and C for tug space (parking, drives, and circulation) and common use facilities, (including, but not limited to, pre-conditioned air facilities, triturators, etc.). The apron level on Concourse C shall be included in the Concourse C tug circulation space (excluding the space occupied by the baggage carousels on the Concourse C Apron).

**Baggage Claim**--All baggage claim space and equipment in the Landside Terminal including carousels, input conveyors and related inbound baggage handling space in the Landside Terminal.

**Automated Baggage System and Space**--The inbound and outbound automated DCV baggage systems (AABS and UABS), including their equipment and related space (excluding the Tunnel space allocated to the AGTS and Tunnel cost center) in the Landside Terminal and in the Tunnel from the Landside Terminal to the Concourses, separately serving Concourse A (the "AABS") and separately serving Concourse B (the "UABS"), including the costs of the maintenance space, control room equipment and related control room space, (excluding the costs of baggage sortation system equipment and space in the concourses and the costs of approved modifications to the automated systems which are included in the baggage sortation for each concourse).

**Conventional Baggage System**--The outbound conveyor baggage system and equipment, including all costs of baggage equipment, and construction costs to accommodate the Conventional Baggage System and related operations, Landside Terminal tug spaces (parking, drives and circulation), porter warming shelters, and odd size lift space in the Landside Terminal, Baggage Sortation space in the Landside Terminal, related maintenance space and the Baggage Sortation Space in the parking structure used for the Conventional Baggage System.

**AGTS and Tunnels**--The Automatic Guideway Transit System ("AGTS"), including vehicles and equipment, the AGTS tunnels and the baggage and tug tunnels between the Landside Terminal and the airside concourses and tunnel modifications for tug and cart operations.

**International Facilities**--International gates on Concourse A and related holdrooms, sterile circulation space, ramp areas, operations space, international

baggage recheck belt space and equipment, and the FIS area in the Landside Terminal, and the international portion of the connector to Concourse A.

**Concourse Ramp Area**--The aircraft parking aprons and pushback zones located adjacent to the airside concourses.

**Airfield Area**--The runway and taxiway system, deicing and related facilities, undeveloped acreage, and 50% of the costs incurred to develop the North Cargo Site prior to February 28, 1995.

**Public Parking Area**--All space allocated for public parking in the parking structure and all other public parking lots (excluding the cost of the parking structure space allocated to the Conventional Baggage System in the Conventional Baggage System cost center in the event the average number of cars in the Parking Structure exceeds 12,000 for 22 consecutive days).

**Employee Parking Area**--The employee parking lot(s).

**Fueling System**--The fuel storage and distribution system, including hydrant fueling pits at the aircraft parking aprons.

**Commercial Vehicle Facilities**--The surface parking area and building to be used for staging commercial vehicles and the dedicated commercial roadways serving the Terminal Complex. Commercial vehicles include but not limited to hotel/motel courtesy vans, taxis and limousines.

**Rental Car Facilities**--Areas and roadways provided for rental car operations (excluding the Terminal Complex).



**Cargo Area**--The joint use air cargo facilities (including apron, building, ground service equipment, and truck parking areas) and other areas provided for air cargo carriers and freight forwarders. Sub-cost centers will be established for cargo building, cargo apron, cargo tenant finishes, and cargo ground service equipment areas.

**Airline Maintenance and Support Area**--Areas provided for airline maintenance facilities, cargo facilities, ground service equipment facilities and inflight kitchens.

**Airport Mail Facility**--Areas provided for the Airport mail facility.

**Future Concourses**--Costs related to all levels of space and associated apron areas of any airside concourses in addition to Concourses A, B, and C shall be allocated to new cost centers to be established.

**Future Baggage Systems** – Costs related to all levels of space and equipment for future baggage systems.

Indirect (nonrevenue-producing) cost centers are to include, but not limited to:

**Access, Terminal, and Service Roadways**--Peña Boulevard, other secondary access roads, the terminal area roadways, the terminal curbsides, the perimeter circulation roadway, and other secondary internal roadways.

**Airport Maintenance**--Airport maintenance facilities and indirect (unallocated) maintenance expenses.

**Airport Administration**--Airport administrative facilities and administrative expenses.

**Aircraft Rescue and Fire Fighting (ARFF)**--The rapid response stations, structural fire station(s) and ARFF operating expenses.

Certain Cost Center Allocations

The net requirement of the Terminal Complex will be recovered through rental rates. Net Terminal Complex requirements will be divided by total Rentable Space in the Terminal Complex to determine the average rental rate per square foot of rentable space. For purposes of calculating the average Terminal Complex rental rate, Rentable Space shall be the sum of (a) 65% of approximately 99,000 square feet of Concourse B Basement Space on Concourse B, and (b) 100% of all other airline and nonairline Rentable Space in the Terminal Complex. Concourse B Basement Space shall be defined as exclusive use space on Concourse B located in the basement below the apron level. Concourse B Basement Space shall not include Baggage Sortation Space, Automated Baggage System Space, or Concourse Joint Use Facility space. The rental rate per square foot charged for 99,000 square feet of Basement Space on Concourse B will be equal to 65% of the average Terminal Complex rental rate. The rental rate for all other airline space shall be equal to 100% of the average Terminal Complex rental rate. Space costs associated with baggage claim, Automated Baggage System and Space, International Facilities, and baggage sortation space on Concourse B shall be determined using the average Terminal Complex rental rate.

The net requirement of Commuter and Regional Jet Facilities shall be computed independently for each airside concourse. The requirement of each concourse Commuter and Regional Jet Facilities shall include all allocated Airport Costs. The requirement of each concourse Commuter and Regional Jet Facilities will be recovered through separate fees assessed based on the City's estimate of full utilization of the respective facility and allocated based on landed weight.

Charges for the Interline Bag Transfer Area will be assessed among airlines based on their respective linear feet of baggage shelving area in the Interline Baggage Transfer Area as a percent of total linear baggage shelving area.

The requirement for the Common Use Terminal Equipment (CUTE) will be recovered through a fee assessed to airlines utilizing the system. The CUTE fee will be assessed based on the City's estimate of full utilization of the equipment and allocated based on landed weight.

The net requirement of the Concourse Ramp Area will be recovered through separate ramp fees assessed on a per-lineal-foot basis measured two hundred and fifty (250) feet from the exterior walls of each concourse. Commuter and regional aircraft ramp fees will be calculated based on a 50% of the sum of the per-lineal-foot measurement of the respective ramp area.

The net requirement of the Airfield Area will be recovered through landing fees assessed on the basis of the total landed weight of all aircraft using the Airport.

International fees will be assessed as follows to recover costs allocable to the International Facilities cost center. A fee will be assessed per deplaned international passenger for the FIS area and a separate fee will be assessed per enplaned and deplaned passenger for the gate-use fee. The City will record the shortfall of revenues each year as a payment-in-aid and will keep a cumulative account of this shortfall. If revenues exceed expenses in any given year the cumulative payment-in-aid will be reduced.

Fueling system charges will be distributed 10% equally and 90% on a gallonage basis among airlines to recover all of the costs associated with the fueling system.

Charges for the AGTS and Tunnels will be assessed among airlines on the basis of their respective (a) originating and destination passengers at the Airport for domestic flights

and (b) originating passengers at the Airport for international flights for the preceding three-month period.

Baggage Claim space will be costed at the average rental rate in the Terminal Complex. This amount will be added to the Baggage Claim cost center costs. Charges for the Baggage Claim cost center will be allocated among airlines on the basis of their respective deplaned domestic destination passengers for the preceding three-month period until outbound bag tracking information is available when charges will be allocated based upon the respective number of outbound bags including odd-size bags.

Landside Terminal space allocated to the Conventional Baggage System will be costed at the average rental rate of the Terminal Complex. The cost of this space shall be allocated to airlines based on Airline rented square footage in the Landside Terminal. Space in the Public Parking Area will be costed at the average cost per square foot of the Parking Structure, and, when applicable, will be added to the Conventional Baggage System cost center. Charges for the Conventional Baggage System cost center, including equipment, construction costs and related Baggage Sortation Space in the Landside Terminal, and related Public Parking Area space will be allocated to a sub-cost center for each of the modules presently developed in the Landside Terminal and Parking Structure (additional modules will be added when developed). The costs of each module shall be charged to the airline(s) leasing or using those facilities. In the event the Conventional Baggage System equipment and/or space is jointly used by two or more airlines, such costs will be allocated among such airlines on the basis of their proportional number of carousels in the module exclusively used by each airline to the total number of carousels in their module. Furthermore, if a carousel is jointly used by two or more airlines, the costs allocated to such carousel will be further allocated to each carrier using the carousel based on their proportional share of originating passengers.

The cost of the Parking Structure and Baggage Sortation Space in the Landside Terminal will be allocated to each module based on the square footage of that module used for the

Conventional Baggage System. However, the airlines will not be charged for such costs until the average number of cars in the Parking Structure exceeds 12,000 for 22 consecutive days.

The cost of Concourse Joint Use Facilities shall be determined on the basis of the average Terminal Complex rate. The cost of the Joint Use Facilities in each concourse shall be separately allocated based on Airline rentable square footage within the respective concourse and charged to the respective airlines using the facilities in each concourse based on their proportional share of rented square footage to the total airline rentable square footage. Airline rentable space used to allocate the cost of Concourse Joint Use Facilities on Concourse C shall include approximately 83,855 square feet of undeveloped space on that concourse. If the approximately 83,855 square feet of undeveloped space on Concourse C, or any portion thereof, is leased by an airline, the leased portion shall be reclassified as airline rentable and the remainder of the approximately 83,855 square feet shall remain a part of the airline rentable space used to allocate the cost of Concourse Joint Use Facilities on Concourse C.

The space associated with the Automated Baggage System and Space in the Terminal Complex will be costed at the average rental rate of the Terminal Complex. This amount will be added to the equipment costs of the Automated Baggage System and Space and allocated 65% to UABS serving Concourse B and 35% to AABS serving Concourse A and assessed among the airlines on each respective concourse on the basis of their respective originating and destination passengers on each concourse for the preceding three-month period. Debt service on Bonds issued to construct the Airport originally, amortization charges, and variable rate bond fees included in the 35% of costs allocable to the AABS shall be reduced by PFC revenues, which shall be allocated to the AABS. The PFC revenue allocated to the AABS will be adjusted from time to time by the City and the City will use its best efforts to achieve a 12% premium in the weighted average effective rate per square foot on Concourse A in comparison to the weighted average effective rate on Concourse C. The methodology to calculate the weighted average

effective rate per square foot on each concourse is described below. The amount of PFC revenue allocated to the AABS shall not exceed the portion of the Automated Baggage System and Space that is eligible to be funded with PFC revenues under the Record of Decision. The Record of Decision states that Baggage Systems are 47.22% eligible.

The weighted average effective rate per square foot for each concourse shall be equal to the sum of: (a) the average Terminal Complex rental rate, (b) the average tenant finish and equipment rate per square foot applicable to each concourse, (c) the cost of Concourse Joint Use Facilities divided by airline rentable space on each concourse, (d) baggage sortation equipment charges divided by total airline rented space on each concourse, and (e) Automated Baggage System and Space charges divided by total airline rented space on each concourse. For purposes of calculating the weighted average effective rate per square foot, Concourse A total airline rented space shall be 91,760 square feet.

Airline Tenant Finish and Equipment costs, excluding the costs of the baggage sortation equipment and approved modifications to the Automated Baggage System and Space to provide for the automated system on Concourses A and B, shall be allocated to the applicable sub-costs centers and then divided by total airline rentable space in that cost center to determine the average tenant finish rate per square foot. The cost of Baggage Sortation Space located on concourses shall be determined using the average Terminal Complex rental rate and allocated based on airline rentable space located on each respective concourse.

The costs of the Concourse A baggage sortation system equipment and approved modifications, so long as such equipment is not being leased or utilized, shall be allocated exclusively to the airlines operating on Concourse A on the basis of their respective passenger enplanements on Concourse A. One-half of Concourse A baggage sortation equipment is located on the east side of Concourse A and one-half of said equipment is located on the west side of Concourse A.

If an airline or airlines lease or utilize all of the baggage sortation system equipment on Concourse A, or a portion of said equipment on both the east and west sides of Concourse A, the costs of such equipment shall be allocated exclusively to such airline or airlines leasing or utilizing all the equipment on the basis of their respective Concourse A passenger enplanements. To the extent all of the Concourse A baggage sortation equipment is leased or utilized by an airline or airlines, all other airlines operating on Concourse A will not be responsible for costs associated with the Concourse A baggage sortation equipment.

If an airline or airlines lease or utilize all or any portion of the Concourse A baggage sortation system equipment at only one of the two locations, 50% of the cost of the Concourse A baggage sortation system equipment shall be allocated exclusively to such airline or airlines on the basis of their respective passenger enplanements on Concourse A. Costs of the Concourse A baggage sortation system equipment not being leased or utilized by an airline or airlines shall continue to be allocated to all airlines operating on Concourse A on the basis of their respective passenger enplanements on Concourse A.

The costs of the Concourse B baggage sortation system equipment and approved modifications shall be allocated exclusively to the airlines operating on Concourse B on the basis of their respective passenger enplanements on Concourse B. The costs of the Concourse C baggage sortation system equipment as of February 28, 1995 shall be allocated to the Concourse B sortation system equipment until such equipment is otherwise utilized or leased by other airlines.

In the event an automated baggage system is constructed for Concourse C or for any additional airside concourse, the costs related to such baggage system(s), equipment and space shall be allocated to Concourse C, or the new concourse as applicable, and charged exclusively to the airlines operating on such concourse.

In the event a Future Baggage System is constructed for any concourse or concourses, the costs related to such baggage system(s), equipment and space shall be charged to the airlines operating on such concourse(s) as the City and airlines may reasonably allocate. Costs associated with the planning and design, excluding construction documents, for the Future Baggage System will be allocated to the Terminal Complex Cost Center.

Costs associated with undeveloped acreage will be allocated to the Airfield Area until the land is developed. Costs and revenues associated with developed acreage will be allocated to the applicable cost center.

Not more than forty percent (40%) of the costs (debt service and operating and maintenance expenses) associated with the Access and Terminal Roadways shall be allocated to the Terminal Complex.

Costs associated with the Service Roadways shall be allocated back to the direct cost centers based primarily on which cost centers benefit from such Service Roadways.

Not more than eighty percent (80%) of the costs associated with Aircraft Rescue and Fire Fighting shall be allocated to the Airfield Area cost center.

Costs associated with the Airport Administration cost center will be allocated based on a 50/50 revenue/direct expense formula: fifty percent (50%) on the percentage distribution of operating revenue by cost center and the remaining fifty percent (50%) allocated on the percentage distribution of direct Operation and Maintenance Expenses by cost center.

Undeveloped space shall include space in which no buildout has occurred.

Rentable Space shall mean space leased pursuant to an agreement or on a per use basis, or typically available for lease in the Terminal Complex except for: (i) mechanical and electrical space, (ii) public spaces including restrooms, circulation spaces, stairwells,



stairways, escalators, elevators, public lounges and public queuing space, (iii) Undeveloped Space, (iv) approximately 83,855 square feet of space in the basement of Concourse C until such space is leased or utilized, (v) the space in level 3 of the Landside Terminal interior to the tug circulation rights-of-way not otherwise leased or used, (vi) approximately 108,000 square feet of baggage sortation space on Concourse A, (vii) baggage sortation space in the Landside Terminal, unless the average number of cars in the parking structure exceeds 12,000 for 22 consecutive days, (viii) approximately 105,100 square feet of Concourse B baggage sortation space, (ix) space in the Administration Office Building and (x) space for security checkpoint areas and areas for explosive detection systems and explosive trace detection. The City shall determine what constitutes the various types of space and associated square footage in this paragraph and shall have the right, from time to time, to revise the categories of space and the square footage of each category.

If the 108,000 square feet of former baggage sortation Concourse A space is leased, the space will not be included in the calculation of airline rates and charges and, specifically, the calculation of the average Terminal Complex rental rate. The annual rental rate per square foot charged for Concourse A baggage sortation space shall be equal to 50% of the average Terminal Complex rental rate in that year.

Baggage Sortation Space includes all areas where out-bound baggage is sorted for delivery to departing aircraft.

#### Airport Costs

Airport Costs (also referred to as "requirements") include without limitation:

- (1) Operation and Maintenance Expenses.

- (2) Deposits to the Operation and Maintenance Reserve Account of the General Bond Ordinance
- (3) Debt service including variable rate bond fees on Bonds issued for Airport and any other amounts required under the General Bond Ordinance except debt service paid by PFC revenues.
- (4) Debt service including variable rate bond fees on Bonds used for Airport land acquisition.
- (5) Equipment and capital outlays
- (6) Amortization of 50% of the City's Airport expenditures incurred prior to January 1, 1990, from Capital Fund and Operating Fund moneys used for (a) pre-1990 planning and administrative costs, (b) Airport land acquisition, (c) Airport project costs, and (d) debt service including variable bond fees, on Bonds used for Airport land acquisition.
- (7) Amortization of all investments made for the New Airport project from other than Bonds or grants after January 1, 1990 and prior to February 28, 1995.
- (8) Amortization of the City's investment in the Airport Coverage Account to be accumulated prior to February 28, 1995.
- (9) For the purposes of items (6), (7), and (8) above, amortization charges are to be calculated over 15 years at the weighted average effective interest cost on all Airport fixed-rate Bonds as originally issued prior to January 1, 1997. Except and only to the extent, if any, that the rights of the owners of its airport revenue bonds (including, without limitation, the rights arising from the rate maintenance covenant) are not thereby materially impaired, the City will cause, by January 1,

- 1997 (or as soon thereafter as possible consistent with the City's aforesaid obligations to owners of its airport revenue bonds), amortization of the net unamortized balance of City's investments in items (6), (7) and (8) above on a straight-line basis for the balance of the period through March 1, 2025.
- (10) Amortization of reimbursements made to United Airlines related to costs for modifications to the United Airlines automated DCV baggage system, not to exceed \$45 million, from other than bonds shall be calculated on a straight line basis over 30 years, effective as of the date of any such reimbursement, at the weighted average effective interest rate of all Airport fixed-rate bonds prior to January 1, 1997.
- (11) Amortization of the City's investments from the Capital Fund, subsequent to February 28, 1995, shall be amortized at the average rate of the Airport fixed-rate bonds over 15 years or the life of the asset, whichever is shorter, and charged to the Airlines.
- (12) All airline bad debt will be allocated to the airfield cost center.
- (13) Notwithstanding anything to the contrary in paragraphs (9) and (11) above, amortization charges shall be calculated and charged to the Airlines as follows:
- (a) Amortization on Existing City Investments. From and after January 1, 2015, the unamortized amount of all City investments from the Capital Fund made prior to January 1, 2015 that are charged to Airlines will be amortized at an interest rate of 4.5%.
- (b) Amortization on Future City Investments. From and after January 1, 2015, the City will amortize any City investments from the Capital Fund made on or after January 1, 2015 that are charged to Airlines based on the life for each project, as reasonably determined by the City up to the economic life of the project, and

calculated using an interest rate set to equal the average ali-in cost of Airport debt sold by the City during the calendar year when such project is put in service or, if no Airport debt was sold, set to equal comparable published average borrowing costs.

### PFC Revenues

PFC Revenues will not be treated as Gross Revenues for the purpose of establishing airline rates, fees and charges. For rate-making purposes, PFC revenues shall be allocated to the extent available, to at least fifty percent (50%) of the capital costs and/or debt service associated with the following eligible projects in the following order of priority: (1) facilities for the Federal Inspection Services, (2) the portion of Pena Boulevard from an interchange with E-470 to the Terminal Complex and terminal area roads, (3) the AGTS and Tunnels. That portion of the capital costs or debt service paid for by PFC revenues will not be included in the calculation of the airline rate base.

### Airport "Credits"

**Interest income** - Interest income on the Bond Reserve Fund (provided that the minimum Bond Reserve Requirement has been funded) and on the Interest and Principal Accounts of the Bond Fund that are Gross Revenues shall be credited to the cost centers of the Airport in the same proportion as the debt service allocation.

**Other credits** - To the extent the City receives revenues for the use and lease of all, or any part, of the 108,000 square feet of undeveloped Concourse A baggage sortation space, such revenues will be allocated to the cost centers of the Airport in the same proportion as debt service on Bonds issued for the Original Airport Project.

**Airline Revenue Credit** - The City shall establish accounts within the Capital Fund as illustrated in Figure 1. Net Revenues of the Airport System, as defined in the General Bond Ordinance, flowing to the Capital Fund each year are to be used to replenish reserve funds or accounts as required in the General Bond Ordinance and the Coverage Account and to fund the Equipment and Capital Outlay Account for equipment and capital outlays included in the operating budget. Remaining Net Revenues are to be allocated as follows: (a) 75% from March 1, 2000 through February 28, 2006 and 50% thereafter, up to a maximum of \$40 million to flow into the Airline Revenue Credit Account to be applied as a credit against Signatory Airlines rates and charges in the following fiscal years and (b) the balance to flow into the Capital Improvement Account.

The City shall maintain a Coverage Account and fund that account up to an amount equal to twenty-five percent (25%) of Debt Service Requirements on Bonds issued to finance the Airport, improvements at the Airport and land acquired for the Airport. Bonds shall not include Special Facilities Bonds and other Bonds to finance support facilities such as cargo, maintenance and food preparation facilities). The Coverage Account shall be considered as Other Available Funds (as defined in the General Bond Ordinance) for the purpose of meeting the Rate Maintenance Covenant of the General Bond Ordinance.

**Reduction of airline rates and charges**

The City will reduce all airline rates and charges by \$4 million per year from 2004 through 2010. The sources available to the City for the rates and charges cost reductions include, but are not limited to: \$1.50 PFC revenues, the City's share of revenue credit, and annual debt service interest savings from refunding outstanding airport revenue bonds.

The rates and charges cost reductions outlined above shall cease if (i) there is an insufficient annual deposit to the Capital Improvement Account to make the annual \$1.5 million payment to Stapleton Development Corporation, (ii) the City is unable to meet its annual irrevocable commitment to pay debt with PFC revenues under the Bond

Ordinance, or (iii) regulatory or other legal action precludes payment of these rates and charges cost reductions (cost reductions will be deferred during the pendency of any such actions, and reinstated and extended as necessary upon a successful conclusion to such action to ensure that all airlines receive the full benefit of these reductions).

The City's rates and charges cost reduction contribution shall be reduced if Airport management (i) determines in good faith that there is a deficiency in any of the required Airport fund balances, (ii) receives an official written communication from any rating agency that a downgrade of the Airport's existing credit rating is likely unless a reduction to the City's rates and charges cost reduction contribution is made, or (iii) determines in good faith that operating cash balances are insufficient and contributions would jeopardize the ongoing operation of the airport.

#### Miscellaneous

All defined terms used herein shall be consistent and subordinate to the defined terms in the General Bond Ordinance.

#### Concourse A Baggage Sortation Space

The City redeemed Airport project Bonds equal to the principal outstanding associated with approximately 108,000 square feet of Concourse A baggage sortation space.

Debt service costs associated with Bonds issued by the City to redeem the Bonds associated with the 108,000 square feet of Concourse A baggage sortation space shall be allocated to the cost centers of the Airport in the same proportion as debt service on Bonds issued for the Original Airport Project.

**SUMMARY OF AIRLINE RATES AND CHARGES**  
Denver International Airport  
(2 of 2)

Airline Rates and Charges	Basis	Exhibit reference (a)	Estimate 2017		Estimate 2018		Increase/(decrease)	
			Signatory [A]	Nonsignatory (b) [C]	Signatory [B]	Nonsignatory (b) [D]	Signatory [B-A]	Nonsignatory [D-C]
<b>TENANT FINISHES, EQUIPMENT, AND SYSTEMS (continued)</b>								
Conventional baggage system fees	<i>Allocable based on Landside Terminal airline rented space</i>	Worksheet A-7a	\$261.76	\$314.11	\$273.67	\$328.64	\$12.11	\$14.53
Space costs								
Equipment and operating costs	<i>Allocable based on number of rented airline carousels</i>	Worksheet A-7b	\$460,000	\$552,000	\$445,000	\$533,000	(\$15,000)	(\$10,000)
<b>Tenant Finishes and Equipment</b>								
Landside Terminal	<i>Airline rentable space</i>	A-8	\$40.91	\$49.09	\$36.06	\$43.27	(\$4.85)	(\$5.82)
Concourse A	<i>Airline rentable space</i>	A-9	\$27.90	\$33.48	\$25.08	\$30.07	(\$2.84)	(\$3.41)
Concourse B	<i>Airline rentable space</i>	A-9	\$34.96	\$41.95	\$32.64	\$39.17	(\$2.32)	(\$2.78)
Concourse C	<i>Airline rentable space</i>	A-9	\$23.70	\$28.44	\$19.48	\$23.35	(\$4.24)	(\$5.09)
<b>International Facilities</b>	<i>Int'l arriving passengers</i>							
			<i>Recovered through Int'l Facility charges</i>		<i>Recovered through Int'l Facility charges</i>		<i>Recovered through Int'l Facility charges</i>	
Fueling System Requirement (c)	<i>Gallons of fuel</i>	A-11	\$10,886,000	n.a.	\$10,666,000	n.a.	(\$220,000)	n.a.
<b>CARGO RATES AND CHARGES</b>								
Ground rental rate	<i>Rentable square feet</i>	A-13	\$0.72	\$0.87	\$0.69	\$0.82	(\$0.03)	(\$0.05)
Cargo building rental rate	<i>Rentable square feet</i>	A-13	\$9.44	\$11.33	\$8.24	\$9.88	(\$1.20)	(\$1.45)
Cargo apron fee	<i>Rentable square feet</i>	A-13	\$0.57	\$0.68	\$0.54	\$0.65	(\$0.03)	(\$0.03)
Ground Service Equipment rental rate	<i>Rentable square feet</i>	A-13	\$0.11	\$0.13	\$0.10	\$0.12	(\$0.01)	(\$0.01)

Note: Columns may not add to the totals shown due to rounding.

(a) See the accompanying exhibits to this report.

(b) Equal to 120% of the Signatory rates and charges.

(c) Signatory airline commuter gate and ramp per use fee based on landed weight.

(d) Reflects the amount to be recovered by the fueling system operator.

**SUMMARY OF AIRLINE RATES AND CHARGES**  
**Denver International Airport**  
(1 of 2)

	Basis	Exhibit reference (a)	Estimate 2017		Estimate 2018		Increase/(decrease)	
			Signatory [A]	Nonsignatory (b) [C]	Signatory [B]	Nonsignatory (b) [D]	Signatory [B-A]	Nonsignatory [D-C]
<b>BASIC RATES AND CHARGES</b>								
Landing fee rate (average)	Landed weight (1,000 lb units)	A-1	\$5.08	\$6.09	\$4.75	\$5.70	(\$0.33)	(\$0.39)
Average Signatory Terminal Complex rental rate Exclusive and preferential								
Space at 100% of premium rate	Rentable space	A-2	\$85.85	\$103.02	\$80.35	\$106.02	\$2.50	\$3.00
Space with a differential rate of 65%			\$55.80	n.a.	\$57.43	n.a.	\$1.63	n.a.
Joint use rates	Allocable based on rented space	A-3						
Concourse A			\$20.63	\$24.76	\$21.23	\$25.47	\$0.60	\$0.72
Concourse B			\$51.66	\$61.88	\$53.07	\$63.68	\$1.51	\$1.80
Concourse C			\$29.81	\$35.77	\$30.68	\$36.81	\$0.87	\$1.04
International Facilities fees								
FIS fee	Infl arriving passengers	A-5	\$7.16	\$9.31	\$7.37	\$9.58	\$0.21	\$0.27
Gate-use fee	International arriving and departing passengers	A-5	\$4.07	\$4.88	\$4.19	\$5.03	\$0.12	\$0.15
Baggage Claim fee								
Domestic outbound bags allocation	Number of outbound bags	A-6	\$1.66	\$1.67	\$1.57	\$1.88	\$0.01	\$0.01
Concourse Ramp fee	Rentable linear feet	A-10	\$1,171.90	Charged through nonsignatory gate-use fee	\$1,188.40	Charged through nonsignatory gate-use fee	\$16.50	Charged through nonsignatory gate-use fee
Concourse A commuter ramp fee	Landed weight (1,000 lb units)	Worksheet A-10	\$0.45	n.a.	\$0.45	n.a.	\$0	n.a.
Automated Guideway Transit System and Tunnel fee	O&D passengers	A-8	\$1.15	\$1.38	\$1.28	\$1.50	\$0.10	\$0.12
CUSE fee	Landed weight (1,000 lb units)	A-12	\$0.06	n.a.	\$0.10	n.a.	\$0.04	n.a.
Per gate use fee								
Concourse A	Landed weight (1,000 lb units)	A-4	\$1.22	\$1.46	\$1.22	\$1.47	\$0	\$0.01
Concourse B	per landing and takeoff	A-4	\$1.80	\$2.16	\$1.82	\$2.19	\$0.02	\$0.03
Concourse C		A-4	\$1.58	\$1.69	\$1.49	\$1.79	(\$0.09)	(\$0.10)
Concourse A commuter per gate use fee	Cost per gate	A-4a	\$191,000	n.a.	\$189,000	n.a.	(\$2,000)	n.a.
Concourse A commuter gate and ramp use fee (c)	Landed weight (1,000 lb units)		\$1.48	\$1.75	\$1.45	\$1.74	(\$0.01)	(\$0.01)
<b>TENANT FINISHES, EQUIPMENT, AND SYSTEMS</b>								
United - other baggage costs			\$353,000	n.a.	\$356,000	n.a.	\$3,000	n.a.
UA vibration payment			\$685,000	n.a.	\$685,000	n.a.	\$0	n.a.