

**PRIVATE HANGAR CONDOMINIUM LAND LEASE AND OPERATING
AGREEMENT**

Rando Airport Hangar Unit Owners Association, Inc.

THIS PRIVATE HANGAR CONDOMINIUM LAND LEASE AND OPERATING AGREEMENT ("Private Hangar Condo Agreement") is entered into by and between THE BOARD OF COUNTY COMMISSIONERS OF GARFIELD COUNTY, Lessor ("BOCC"), and RANDO AIRPORT HANGAR UNIT OWNERS ASSOCIATION, INC., a Colorado non-profit corporation, Lessee ("Lessee").

WITNESSETH:

WHEREAS, the BOCC owns and operates the Rifle Garfield County Airport ("Airport") and has right, title and interest in and to the real property and public facilities on the Airport and full power and authority to enter into this Private Hangar Condo Agreement in respect thereof; and

WHEREAS, Lessee is a Colorado non-profit corporation desiring to lease land at the Airport for an existing 10 Unit condominiumized T-Hangar buildings, the units of which are owned and operated by members of the Association as condominiums for non-commercial aeronautical purposes; and

WHEREAS, the Rules and Regulations and Minimum Standards for Aeronautical Activities, adopted by the BOCC on February 7, 2000, along with the current Rules and Regulations and Minimum Standards, adopted December 17, 2015, and as thereafter amended (together "Rules and Regulations and Minimum Standards" and separately "Rules and Regulations" or "Minimum Standards") allow non-commercial storage of aircraft at the Airport; and

WHEREAS, Part III, Section (11) of the Minimum Standards designates the individual or unit owners association holding the ground lease with the County as a non-commercial or private "Hangar Operator" and specifically authorizes use of the condominium form of ownership and management; and

WHEREAS, two independent structural engineering opinions ("Engineer Opinions") were provided to the Airport Director regarding the condition of the Structure on the Leased Premises. One, from Westar Engineers, Inc. dated 6/08/2016, concluded "it would be reasonable to assume that [the Structure] will continue to be serviceable for at least 10 additional years providing imposed loads remain the same, and that appropriate maintenance is observed". And, in a second report dated 4/1/2016, Kurtz & Associates, Inc. concluded "the building's structural steel framing system and foundation are in good condition and the hangars are in serviceable condition"; and

WHEREAS, as a condition of providing for the removal of the hangar structure and any environmental mitigation necessary, the BOCC is requiring the Lessee to establish a separate Removal and Mitigation fee payment pursuant to the terms and conditions of this agreement; and

WHEREAS, on 6/18/17, the BOCC voted to authorize and convey the leasehold rights and the license and privilege to conduct aeronautical activity on the Airport as a Hangar Operator upon the terms and provisions stated herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein, the BOCC and Lessee agree as follows:

SECTION I LEASED PREMISES

The BOCC hereby leases unto Lessee, for the Term and upon the rentals, fees, charges and conditions hereinafter stated, the parcel of land, identified by Airport parcel number 7FL, and depicted in the 1-page "Lease Boundary Exhibit" attached hereto and incorporated herein by this reference as Exhibit A ("Leased Premises") and depicted in the 1-page "Garfield County Right-Of-Way Parcels", attached hereto and incorporated herein by this reference as Exhibit B ("Public Access").

SECTION II IMPROVEMENTS

A. Improvements on Leased Premises.

1. Structure. Lessee shall perform maintenance on the entire 10-unit hangar facility to bring it into a functional and serviceable condition. Specifically, but not limited to, the hangar doors shall be securely fastened to the Structure and function as intended 365 days a year. Lessee shall address and correct, to a reasonable extent, maintenance items identified, in the two Engineer Opinions, for this Structure to include, but not limited to: drainage, door rail system preservation and/or replacement, excessive floor slab movements, leaking roof, and wild life control. Lessee may address, if necessary, the minimal overhang of the roof to protect the area directly in front of the doors.

2. Taxiway Connector. Lessee shall maintain the concrete taxiway connector to the main ramp, within the Leased Premises, in compliance with Federal Aviation Administration ("FAA") standards and advisory circulars. The taxiway connectors shall remain contiguous with the Airport's right of way adjacent to the taxiway connectors on all sides of the Structure.

3. Condominium Development.

a. Title. Title to the improvements remains with Lessee during the Term, as defined in Section IV below. Upon expiration of this Private Hangar Condo Agreement, title to the Structures and associated improvements shall be designated in accordance with Section XIII below.



b. Condominium Declaration. It is specifically understood between Lessee and the BOCC that the structure was developed as individual aircraft storage spaces ("Unit(s)") for sale and lease to the general public. The Leased Premises are subject to a Condominium Plat recorded June 2, 1986 at Reception No. 371515 and an Amended and Restated Declaration recorded September 27, 2007 at Reception No. 733897 and an Amended and Restated Declaration recorded May 19, 2017 at Reception No. 892563. The Association was incorporated July 21, 1987 under ID Number 19871682059 and is currently in good standing and of perpetual duration. The Declaration shall bind the individual Unit owners and tenants ("Hangar Occupant(s)"), as appropriate, to their interest in the Leased Premises and the Structure and associated improvements, and the association of Unit owners ("Condominium Association") to the provisions of this Private Hangar Condo Agreement and the Rules and Regulations and Minimum Standards. Consistent with Part III, Section (11) of the Minimum Standards, the Condominium Association may be either incorporated or unincorporated and must otherwise conform to the "Ownership Structure" provision of Part III, Section (11).

4. Completion Date. The Structure and associated improvements maintenance necessary to bring the facility into acceptable operating condition, as determined by the Airport Director, shall be completed on or before December 31, 2017 ("Completion Date"). If Lessee is diligently and actively pursuing alternate means and methods to bring the facility into an operable and safe condition, the Lessee shall be afforded an extension of the Completion Date to December 31, 2018. The Extended Completion Date, if needed, shall be by means of a written request to the Airport Director on or before December 31, 2017 and shall request an amendment to this Private Hangar Condo Agreement in accord with Section XXIV that states the reason for the extension and the proposed means and methods the Lessee will pursue. If Lessee determines that the structure cannot be reasonably repaired and/or maintained in an operable condition any time on or before the Extended Completion Date, Lessee may terminate this lease and abandon the structure with no obligation for its removal.

B. Improvements Off-Leased Premises.

1. Required Improvements. There are no required improvements off of the Leased Premises under this Private Hangar Condo Agreement.

2. Optional Fuel Storage. Optional Fuel Storage is authorized but subject to additional permitting requirements in accordance with the Rules and Regulations and Minimum Standards.

SECTION III USES AND OPERATIONS

A. Required Operations. Lessee shall operate as a private/non-commercial Hangar Operator under Part III, Section (11) of the Minimum Standards. Each Unit within the Hangars shall be used for the storage of at least one (1) FAA-certified and manned aircraft owned or leased by the Hangar Occupant. The Hangars and associated improvements shall only be used for Group I



aircraft, as identified in Federal Aviation Administration Federal Aviation Regulation ("FAR"), Advisory Circular Part 150/5300-13.

B. Permitted Operations.

1. Ancillary Storage, Other Than Aircraft. It is understood by the BOCC and Lessee that Hangar Occupants may store aviation-related equipment, vehicles and items of personal property other than aircraft, owned by or in the care, custody and control of the Hangar Occupant, as long as such storage is not otherwise unauthorized under this Private Hangar Condo Agreement, illegal, a nuisance or a hazard. A minimum of 51% of the hangar area shall be reserved for manned aircraft storage.

2. Self-Fueling. Fueling of aircraft, based in the Units and owned or leased by a Hangar Occupant, may be performed by the Hangar Occupant if the Hangar Occupant has obtained a "Non-Public Fuel Dispensing Permit" from the Airport Director, under Section 900 of the Rules and Regulations. Should such a permit be obtained, the Hangar Occupant shall provide the BOCC, through the Airport Director, proof of insurance covering fueling operations and environmental risks, at the time of issuance of a Non-Public Fuel Dispensing Permit. Such insurance shall be in addition to that required in Section XI below. All federal, state and local regulations regarding self-fueling shall be complied with by the Hangar Occupant. Any unauthorized use of the Non-Public Fuel Dispensing Permit shall result in automatic revocation of the permit and automatic revocation of the right to use the optional storage facility constructed under terms of Section II.B.2 above. Such revocation shall be automatic upon written notice from the BOCC, through the Airport Director, to the Hangar Occupant, in the manner described in Section II.B.2 above.

3. Storage of Non-Owned/Non-Leased Aircraft.

a. Minimum Standards: Activity and Insurance. Consistent with the Minimum Standards, Lessee may have one or more tenants or sub-tenants or storage agreement permittees/space users ("tenants", "permittees"), as distinguished in subsection 3.b and c below. Consistent with the requirements of the Minimum Standards, Lessee shall procure and maintain insurance covering all operations related to such storage, if any, and shall provide proof of such insurance to the BOCC. If Lessee stores non-owned or non-leased aircraft, it is understood that Lessee may also allow use of portions of the Hangars for ancillary storage of aviation-related equipment, vehicles and items of personal property other than aircraft, owned by or in the care, custody and control of Lessee's tenants or permittees.

b. Use/License/Storage Agreement. The BOCC and Lessee acknowledge that such "storage agreements" may be use agreements that do not convey a real property leasehold interest in the underlying land, owned by the BOCC, or in the Units and associated improvements, owned by Lessee.

c. Conveyance of Interest in Land. Any form of agreement that grants a leasehold interest in the underlying real property ("sublease") and/or the Units and associated improvements ("lease") for a period of time less than the full term of the Private Hangar Condo Agreement or which reserves interest(s) in Lessee, including a lease of office space to an individual or entity storing aircraft in the Units, shall incorporate the terms and conditions of this Private Hangar Condo Agreement, as applicable, and a copy of each such conveyance document shall be delivered to the BOCC at the address stated in Section XXI below. Full assignment of this Private Hangar Condo Agreement, as distinguished from leasing and subleasing, can only occur in conformance with Section XVII below.

4. Repair and Maintenance. Hangar Occupants may repair and maintain aircraft, owned or leased by the Hangar Occupant, as otherwise allowed by FAA Maintenance, Preventive Maintenance, Rebuilding, and Alteration regulations, contained in FAR Part 43 and the Rules and Regulations and Minimum Standards. Hangar Occupants may also engage in active kit building of aircraft owned by the Hangar Occupant. Active kit building is identified as 50% completion in 12 consecutive months, fully functional and certified aircraft within 24 consecutive months.

5. Storage of Hazardous Materials and Waste. Storage of Hazardous Materials is permitted in approved containers with appropriate secondary containment. Temporary storage of Hazardous Waste is permitted in approved containers as allowed by federal regulation. Each Hangar Occupant may store, in approved containers, a total volume of no more than 55 gallons of Hazardous Materials and waste. A Hazardous Material is defined as: "A substance (gas, liquid or solid) capable of creating harm to people, the environment, and property." Examples are: solvents, paints, gasoline, adhesives and lubricants. Hazardous Waste is a hazardous material that is contaminated and/or no longer serves its purpose and needs to be disposed of in accordance with the Environmental Protection Agency regulations. This includes chemicals, solvents, used shop rags, used oil, paint, etc.

C. Unauthorized Uses and Operations.

1. Fuel Co-Ops. Neither Lessee nor Hangar Occupants shall engage in self-fueling by means of a co-operative or any other form of association. Self-fueling is only allowed through the acquisition of Non-Public Fuel Dispensing Permit under which a Hangar Occupant shall be permitted to fuel only aircraft based in a Unit and owned or leased by the Hangar Occupant, as stated in subsection B.2 above.

2. Storage of Abandoned or Derelict Vehicles. Neither Lessee nor Hangar Occupant shall store abandoned or derelict vehicles or allow or passively consent to storage of such vehicles on the Leased Premises, either inside or outside of the Units. Any vehicle stored, as allowed by subsection B.1 above, shall be licensed, registered and insured and shall otherwise not meet the definition of "abandoned vehicle" in the Rules and Regulations.

3. Commercial Activities. Neither Lessee, nor Hangar Occupant shall engage in non-aeronautical or aeronautical commercial activities, directly or through subcontract or other agreement. If Lessee or a Hangar Occupant stores non-owned, non-leased aircraft, in accordance with subsection B.3.a through c above, the Lessee or Hangar Occupant shall not allow or passively consent to tenants/sub-tenants or permittees/sub-permittees engaging in commercial aeronautical or non-aeronautical activities, directly or through subcontract or other agreement. Lease or license by the Lessee or a Hangar Occupant of office space to an individual or entity storing aircraft in the Units shall be for private/non-commercial purposes only. Use of based aircraft for commercial purposes is not prohibited. However, aeronautical commercial operations, whether using based or other aircraft, and non-aeronautical commercial operations shall not be conducted on or from the Leased Premises.

4. Concession and Operating Rights. Nothing in this Private Hangar Condo Agreement shall be deemed to give Lessee or Hangar Occupants the right to sell any goods or services or engage in any other activities, other than those required and permitted under the provisions of this Section III.

5. Nonresidential Property. Neither Lessee nor Hangar Occupants shall permit or passively consent to residential use of the Leased Premises.

6. Heavy Repair and Maintenance. Painting, welding and heavy maintenance of aircraft, vehicles and/or machinery is not permitted in this facility.

7. Storage of Hazardous Materials and Hazardous Waste over 55 gallons. Storage of more than 55 gallons of combined hazardous material and/or Hazardous Waste per Unit is strictly prohibited unless the entire facility obtains and maintains a State-approved Spill Prevention and Counter Control Plan.

8. Private Parking Area. No outside parking or storage of vehicles, equipment, machinery and/or supplies that would interfere with the taxiway/object-free area is permitted. Vehicles parked on the taxiway connector for active loading and/or unloading shall be attended at all times. Public parking is available in the main parking area of the Airport outside the security fence. Parking vehicles in the hangar is permitted contingent on space being available for aircraft.

SECTION IV TERM

The Term of this Private Hangar Condo Agreement, no matter the date of execution, is for a period of ten (10) years, beginning September 1, 2016, and ending August 31, 2026 ("Term").

SECTION V RENTS, FEES AND CHARGES

A. Ground Rent. Lessee shall pay to the BOCC the following annual rent:

Lease Parcel 7FL: 26,362 sq. ft. x (current non- commercial aeronautical lease rate)
= total annual lease rate

B. 2016 Pro-rated Ground Rent. Lessee shall pay to the BOCC the following 2016 pro-rated ground rent.

2016 non-commercial aeronautical ground rate = \$0.24907
Annual Lease Rate = (26,362 sq. ft. x \$0.24907) = \$6,565.98
Pro-rated Lease Rate = Annual lease rate / 366 days = \$17.94/ day
2016 lease term September 1 - December 31 = 122 days
122 days x \$17.94 = \$2,188.68

C. Adjustment of Ground Rental Rates.

1. Through December 31, 2016. The rental rate specified in Section V.A above shall be the rent charged during the calendar year 2016.

2. January 1, 2017 and thereafter: CPI. January 1, 2017, the rental amounts detailed in Sections V.A above shall be adjusted based on the average of the "first half" and "second half" semi-annual averages of the Consumer Price Index for All Urban Consumers for Denver, Boulder, and Greeley, Colorado, as published in February of each year by the U.S. Department of Labor Bureau of Labor Statistics, Washington D.C., or a comparable successor index identified by the BOCC, ("CPI"), plus twenty-five (25) basis points.

The first newly adjusted payment shall be for the calendar year 2017, beginning January 1, 2017, and shall be tied to the CPI published in February of 2016, identifying the percent change for the calendar year 2015. The second adjustment, January 1, 2018, shall be tied to the CPI published in February 2017, identifying the percentage change for the calendar year 2016, and so forth for each succeeding calendar year.

3. Formula. The arithmetic formula for adjustment, illustrated for the calendar year beginning January 1, 2017, shall be:

Prior yr. (\$xxxx) lease rate x (1 + (CPI percent change) + (.0025)) = next year's lease rate.

Illustrated for the calendar year beginning January 1, 2017: \$6,565.98
x (1 + CPI % change percent change for year 2015 + .0025) = next year's (2017) lease rate.

The rental amount determined from the above formula for the calendar year 2017 shall then become the "prior year rental amount" for adjustment of rental rates for the calendar year 2018, and so, thereafter compounded.

4. Notice of Adjustment. As soon as the BOCC obtains the necessary data, it shall determine the rent adjustment for the applicable calendar year and notify Lessee in writing of the adjustment, together with the BOCC's calculations thereof. Until Lessee receives notice of said rental adjustment, Lessee shall continue to pay rent at the then prevailing amount; any past due rent resulting from the adjustment shall be due the BOCC within thirty (30) days of Lessee's receipt of the BOCC's written notice of rental adjustment.

D. Rates, Fees and Charges, Airport Rules and Regulations and Minimum Standards. Lessee and individual Hangar Occupants shall be subject to the rates, fees and charges detailed in Section 1100 of the Rules and Regulations, as applicable to Lessee's operations as a Hangar Operator and individual Hangar Occupants' operation on the Airport as Aircraft Operators, as defined in Section 200.11 of the Rules and Regulations, including without limitation, landing fees, ramp parking fees, gate fees and, as applicable to each, the Section 1104 non-commercial aeronautical operators' fees.

E. Additional Fees, Charges and Costs.

1. Off-Leased Premises. Nothing in this Private Hangar Condo Agreement shall be construed to limit the power of the BOCC to require any person or entity, other than Lessee and Hangar Occupants, using the Leased Premises to pay landing fees, parking, ramp, hangared aircraft, gate card or other fees and charges on areas other than the Leased Premises, or to limit the power of the BOCC to charge similarly situated Airport tenants and users pro-rated costs, as reasonably may be incurred by the BOCC, for improvement or maintenance of the non-Airport Operations Areas of the Airport.

2. Water/Sewer Tap Fees. If applicable, Lessee shall be liable for water and sewer tap fees and associated charges, which may be assessed by the BOCC and/or the City of Rifle, as detailed in Section VIII below. If applicable, Lessee shall pay, directly to the City of Rifle, the then-existing tap fees, representing a water tap fee, sewer tap fee, tap and water rights dedication fee(s), and related charges, applicable at the time of construction, for connection to the City of Rifle water and sewer systems.

F. Payment Dates and Place of Payment.

1. Calendar Year 2016. Rent and Structure Removal and Mitigation Fee due on the Leased Premises from September 1, 2016 through December 31, 2016 shall be pro-rated and shall be paid in full within one (1) month of the execution of this Private Hangar Condo Agreement.

2. January 1, 2017 and Thereafter. Rent and Structure Removal and Mitigation Fee shall be payable in annual installments beginning January 1, 2017, and the first day of

each January, thereafter. The last year of the appropriate lease Term shall be pro-rated and paid in advance on January 1, 2026.

3. All payments due and payable under this Private Hangar Condo Agreement shall be payable to the order of the Garfield County Treasurer and delivered Attn: Finance Department, 108 8th Street, Suite 201, Glenwood Springs, CO 81601.

G. Delinquent Payments. The BOCC reserves the right to charge, and Lessee agrees to pay interest and a late fee, reasonably related to the administrative cost of processing late payments, as such interest and fee may be instituted by the BOCC and changed from time to time, in accordance with the Local Government Delinquency Charges statute § 29-1-1101, *et seq.*, C.R.S., as amended, and other applicable law then in effect.

SECTION VI REMODELING PROCESS AND APPROVAL REQUIREMENTS

A. Plans and Specs, Preliminary Site Plan, Construction Plans. For any major construction of or remodeling of the Structure and associated improvements, to include but not limited to the permanent removal of the hangar doors, Lessee shall submit a preliminary site plan to the BOCC for review, at the address stated in Section XXI below. Upon written approval of the site plan by the BOCC or its designee, including approval of location, Lessee shall submit construction plans and associated permit applications to the Garfield County Community Development Department. All remodeling of improvements shall be built or installed in conformance with the Airport Rules and Regulations and Minimum Standards; County, State and Federal codes and requirements in effect at the time of construction, including without limitation, the Building Code and applicable fire codes; the Airport Layout Plan and Master Plan in existence at the time of such construction; and the current Airport Director's Development Guidelines, Requirements and Application Procedures ("Development Guidelines"). Plans and specifications approved for construction shall be prepared and certified by registered professional architects and/or engineers. Plans must be approved in advance of construction by the Garfield County Community Development Department, and drainage plans must be approved by the Office of the Construction Management or the BOCC's designated private engineer, as required by Section VI.C below. Construction shall be in accordance with the plans so approved.

B. Asphalt or Concrete Apron. Specifications, weight tolerances, designs and dimensions of asphalt or concrete paving of the staging/maneuvering and apron areas, if any, constructed and/or repaired by Lessee, shall be certified by Lessee's professional engineer or construction contractor as based on the planned use of the surface and as consistent with accepted engineering standards and applicable FAA specifications and standards.

C. Drainage and Grading/Excavation Plan. Drainage plans for excavation or grading and for improvements made by Lessee to the Leased Premises, if any, shall be consistent with the overall Airport drainage plan and Storm Water Management Plan. Drainage plans shall be submitted by Lessee to the Office of County Construction Management or the BOCC's designated private engineer for review and approval, prior to or at the same time as a Building Code grading/excavation permit or building permit application is submitted to the Garfield County

Community Development Department. It is specifically agreed by the BOCC and Lessee that the drainage aspects of the T-Hangar Paving Project were certified by the BOCC's Airport engineer.

D. Lighting. Any illumination of the Leased Premises or the Structure or other improvements shall be installed and maintained by Lessee according to criteria established by the BOCC in Airport Rules and Regulations and Minimum Standards; and, specifically, such lighting shall not be a hazard to aircraft.

E. Signage. Upon the written approval of the BOCC, through the Airport Director or other authorized designee, Lessee shall install and maintain on the Leased Premises, one (1) sign stating the Airport building number only and one (1) Unit Number designation on each individual Unit. Such Unit Numbers shall be visible, whether the hangar door is opened or closed, and shall be large enough to be seen from a safe distance. The size of Unit designation numbering shall be pre-approved by the Airport Director. The sign stating the Airport building number shall be visible and legible from the closest Airport access road and shall be constructed and installed consistent with the Garfield County "Sign Code", fire code, the Development Guidelines and, if applicable, the Building Code. Lessee may install an identical Airport building number sign on the side of the Structure most visible from the Airport Operations Area. Lessee may be listed on the Airport entrance directory sign by sending a written request to the Airport Director. Approval by the Airport Director, in writing, is required prior to Lessee's filing of a sign permit application with the Garfield County Community Development Department. Lessee shall not otherwise erect or display billboards or advertisements or identification signage on the Airport.

SECTION VII MAINTENANCE AND SECURITY

A. Maintenance. The Structure and associated improvements on the Leased Premises shall be maintained by Lessee at Lessee's own expense. Lessee shall maintain, protect and preserve the Leased Premises and the Structure and associated improvements in a safe, neat and attractive condition and in good and serviceable repair as determined by the Airport Director. Lessee shall be responsible for ongoing weed management on Leased Premises. The Structure shall have a reasonable maintenance schedule. The entire facility shall be professionally painted with a long lasting, high quality metal compatible paint on or before July 31, 2017. The color shall be similar to existing facilities and approved by the Airport Director prior to painting the facility. Structure doors shall be secure and operable 365 days a year. Lessee shall repair all damage to the Leased Premises caused by its operations; and/or by its employees, guests, contractors, agents, representatives, invitees, tenants and permittees; nature or any other cause within thirty (30) days of discovery.

B. Snow Removal. The BOCC shall provide snow removal service on the airfield and on public roads and taxi-ways serving the Leased Premises, including the GA Taxiway, identified in Section II.A., above. Snow removal on the Leased Premises shall be the responsibility of Lessee. Lessee shall place snow south of the facility in the drainage ditch south of Corporate Air Road. Lessee shall remove snowfall in a timely manner from the taxiway connectors, not more



than 72 hours after the latest snow fall event. Lessee shall not place snow on taxi-ways, ramp or leave snow berms in or around the taxiway/Object Free Zone.

C. Security. Security of the Leased Premises, shall be the responsibility of Lessee. Nothing in this Private Hangar Condo Agreement shall be construed to impose security obligations upon the BOCC. The BOCC shall not be liable for any loss or damages suffered by Lessee from Lessee's use and occupancy of and operation upon the Leased Premises.

SECTION VIII UTILITIES

A. Utility Availability.

1. City of Rifle. Access to the City of Rifle water and sewer systems is available to the Leased Premises. Lessee may extend water and sewer mains to the boundary of the Leased Premises at Lessee's sole cost and expense. It is understood by the BOCC and Lessee that the BOCC will not extend the water or sewer main to the boundary of the Leased Premises.
2. Industrial Waste. Lessee specifically agrees that the City of Rifle sewage system shall not be used for collection of industrial waste. Lessee, at its sole expense, shall engage a properly certified service for collection and off-site disposal of industrial and/or hazardous waste from individual Units. Without limiting the generality of any sections of this Private Hangar Condo Agreement, Hangar Occupants shall comply with the Colorado Department of Labor and Employment, Division of Public Safety regulations regarding storage of oil, solvents, and any other regulated substances.
3. Rubbish. Lessee shall be responsible for the collection, storage and removal of paper and all other waste and rubbish from the Leased Premises, including within the Structure. Lessee shall engage a properly certified waste removal service for collection and off-site disposal of rubbish. Utilizing other tenants' and/or the Airport's trash containers are prohibited unless the Lessee has a written agreement allowing such use.
4. Telephone. Telephone hookup is available on the Airport. Lessee shall have the same responsibility for construction of the connectors and service lines necessary to extend telephone service as stated in Section VIII.A.1 above regarding extension of water and sewer, if Lessee installs land line service to the Leased Premises.
5. Nonexclusive Access Rights for Installation. With respect to electricity, gas, water, waste, and telephone, the BOCC hereby grants Lessee nonexclusive rights over and across the BOCC's property, along reasonably convenient and direct routes as approved by the Airport Director, in order to provide utility services to the Leased Premises.

B. Monthly Service Charges. Lessee shall be liable for all set up fees, monthly service charges, and any other fees charged by utility providers. Should Lessee decide to access the City

of Rifle water and sewer system, as permitted by subsection A.1 above, Lessee acknowledges that the City of Rifle water and sewer service fees have been paid on a non-metered, percentage basis, related to the number and size of fixtures in the Structure and other buildings on the Airport. Upon installation of a water meter, Lessee agrees to pay water and sewage fees on a metered basis, if allowed by the City of Rifle. Otherwise, Lessee, assuming connection to the City of Rifle systems, agrees to pay water and sewage fees on a pro-rated basis until such time as the City of Rifle may allow metered service on the Airport, in accordance with the recorded documents identified in Section VIII.C below, or other authorized governmental action.

C. Agreements Affecting Airport Utilities. It is specifically understood by the parties that the agreements made in this Section VIII are subject to that certain City of Rifle, Garfield County, and Airport Land Partners Limited Pre-Annexation/Infrastructure, Zoning and Subdivision Agreement, and Garfield County Land Donation Agreement, recorded at Book 1139, Page 611 through 657 in the records of the Garfield County Clerk and Recorder, including but not limited to Section II.D at Page 616 of said recorded document and any amendments of record. Further, this Section VIII is also subject to pertinent sections of the City of Rifle Municipal Code

SECTION IX APPURTENANT RIGHTS

Lessee shall have the rights of ingress to and egress from the Leased Premises, for Lessee and Lessee's based aircraft owner/lessees, tenants/permittees, employees, guests, contractors, agents, representatives and invitees, by reasonable and adequate routes of travel designated from time to time by the BOCC. Lessee shall also have, for its use and with others to whom similar rights are granted, the use of the public Airport facilities, such as runways, taxi ways, taxi-lanes, ramps, aprons, public restroom and the public automobile parking area. This Private Hangar Condo Agreement shall include two (2) Airport security gate access cards per Unit at no additional fee. Individual Hangar Occupants shall sign for the cards and accept the operating terms for the use of the access cards as found in the Airport Rules and Regulations. Additional Airport security gate access cards may be obtained, and/or lost or stolen access cards may be replaced, for an additional fee as found in the current Airport Rules and Regulations.

SECTION X LIENS, REMOVAL AND MITIGATION FEE

A. Liens. In the event any individual or entity attempts to assert a mechanics', materialmen's or other type of lien against the Leased Premises, Lessee shall hold the BOCC harmless from such claim, including the cost of defense, and shall provide the BOCC with a Release of Lien or a Release of Verified Statement of Claim, as appropriate, recorded in the Office of the Garfield County Clerk and Recorder.

B. Removal and Mitigation Fee.

1. Lessee and BOCC shall establish an annual removal and mitigation fee to be paid by Lessee and used for the removal of the physical hangar structure and concrete slab



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under the hangar, reclaiming the bare ground to grade level and mitigation of any environmental issues identified upon removal of the Structure. The concrete taxiway connector shall remain intact. Damage to the concrete taxiway slab, if any upon removal, shall be repaired by Lessee.

2. Lessee shall deposit funds annually in accordance with the Removal and Mitigation fee as calculated in Exhibit C attached hereto and incorporated herein to reach a final fund balance of \$29,550.89 by January 1, 2026.

3. Lessee has obtained a written demolition estimate from SGM, Inc. dated 11-6-2013 for the removal of the Structure and reclaiming of the land and has provided a copy of the written estimate to the Airport Director. The calculation in Exhibit C has applied a CPI adjustment to project the total removal and mitigation fund necessary to remove the structure at the end of the lease term.

4. If the BOCC determines it is appropriate to remove Structure and Associated Improvements from Leased Premises, BOCC agrees that the fund balance will be used to remove the hangar structure and reclaim the bare ground. Lessee and BOCC agree that if the removal and reclamation costs BOCC less than the fund balance Lessee will not require return of the excess funds and if the removal and reclamation costs, not including environmental mitigation set forth in subsection 5 below, exceed the fund balance BOCC agrees to not require additional payment from Lessee.

5. Upon removal of the hangar structure, the BOCC may elect to pay for a Phase I Environmental Site Assessment for the purpose of identifying any existing environmental contamination from the funds Lessee paid as part of the Removal and Mitigation fee. Any mitigation recommended or required by the State of Colorado shall be funded first from the removal and mitigation fee fund balance, if any. Lessee remains fully responsible for all environmental mitigation costs, if the costs exceed funds held in the removal and mitigation fund. All options remain available to the BOCC to recover the mitigation cost from Lessee, if the mitigation exceeds the funds held in the removal and mitigation fund.

SECTION XI INDEMNITY AND INSURANCE

A. Indemnification.

1. General. Lessee assumes the risk of loss or damage to the Structure and associated improvements; contents of the Structure; and aircraft, vehicles and any other personal property, whether if from wind storm, fire, earth quake, snow, water runoff, vandalism or any other cause or causes whatsoever. Lessee hereby agrees to indemnify and hold harmless the BOCC, its officers, employees, agents, and assigns from and against all claims and damages of any kind, including attorney's fees, brought by anyone, arising out of this Private Hangar Condo Agreement or out of Lessee's or its employees',

guests', contractors', agents', representatives', tenants', permittees' or invitees' use and occupancy of and/or operations on the Leased Premises.

2. Employees. Without limiting the generality of Section XI.A.1 above, and recognizing that no commercial activities are allowed under this Private Hangar Condo Agreement, it is expressly understood by the BOCC and Lessee that employees of Lessee and its guests, contractors, agents, representatives, tenants, permittees and invitees, including but not limited to Lessee's construction contractor(s) for improvements built under terms of this Private Hangar Condo Agreement, are not employees of the BOCC for any purpose.

B. Insurance.

1. Types and Limits. Lessee, to the extent that the following coverages apply to Lessee's occupancy of and operations on the Leased Premises and consistent with the terms of Section III above, Lessee shall furnish and maintain at all times at its own cost and expense, the following types of insurance in at least the minimum limits stated, below, and in the Minimum Standards:

a. public liability insurance, including personal injury, property damage, "premises", and "contractual liability";

1,000,000 per occurrence and 1,000,000 aggregate;
The contractual liability coverage shall specifically insure the hold harmless provision in Section XI.A of this Private Hangar Condo Agreement.

b. "all risks" builders' insurance, during construction.

c. "all risks" property damage insurance for the replacement costs of the Structure and associated improvements any other construction allowed by this Private Hangar Condo Agreement.

Lessee specifically understands and agrees that insurance coverage types and limits may be changed in accordance with amendments to the Minimum Standards. Further, if and when Lessee enters into agreements, defined in Sections II and III above, with contractors, tenants or permittees or others with respect to the Leased Premises and the Structures and associated improvements, Lessee shall include all such entities or individuals in Lessee's insurance coverage or require the individual or entity to secure insurance coverage, applicable to use rights and/or tenancy and/or operations, and provide proof thereof to Lessee.

2. Aggregate Coverage Limits/Additional Insured/ Certificates. If any aggregate limit set forth above is reduced below the stated amount because of claims made or paid in a policy period, Lessee shall immediately obtain additional insurance to restore the full aggregate limit and furnish a certificate or other document showing compliance with this



provision to the Airport Director. Insurance coverage shall be written with companies licensed to do business in Colorado, and the policy or policies shall be in a form satisfactory to the BOCC and properly filed with and approved by the Colorado Department of Insurance. Lessee shall demonstrate contractual liability coverage supporting the indemnity provision of this Private Hangar Condo Agreement either through policy language or by waiver of exclusion. The BOCC shall be named as an additional insured. The certificate shall provide that the insurance may not be materially changed, altered or canceled by the insurer without first giving thirty (30) days' written notice by certified or registered U.S. Mail, return receipt requested, to the BOCC at its address identified in Section XXI below. Certificate(s) of Insurance and appropriate endorsements, documenting the coverage required by this Private Hangar Condo Agreement, shall be delivered to the BOCC on the initial and each policy renewal date at the address stated in Section XXI below. The Builder's Insurance Certificate shall be delivered to the BOCC, through the Airport Director, prior to the start of construction on any construction by Lessee at the Airport.

3. Application of Insurance Proceeds. Lessee shall apply insurance proceeds, payable by reason of loss or damage to the Structures and associated improvements, to the restoration of the improvements on the Leased Premises. In the event of damage due to an insurable cause and Lessee's application of proceeds to restoration, this Private Hangar Condo Agreement shall continue in full force and effect.

4. Workers' Compensation. Recognizing that this Private Hangar Condo Agreement does not allow for commercial operations, Lessee shall carry Workers' Compensation Insurance, if and as required by Colorado law and regulation. Certificate(s) of Insurance documenting such coverage shall be delivered to the BOCC on the initial and each policy renewal date at the address stated in Section XXI below. The BOCC shall not be named as an additional insured. Consistent with the provisions of Section XI.A above, the BOCC, its officers, agents or employees shall not be responsible for any claims or actions occasioned by Lessee's failure to comply with the provisions of this Section XI.B.4. Further, during any construction on the Airport required or permitted by this Private Hangar Condo Agreement, Lessee shall require proof from Lessee's general contractor documenting the contractor's Workers' Compensation coverage. Lessee shall also require the general contractor to provide proof from each subcontractor that the subcontractor is insured, as required by the Colorado Workers' Compensation Act, or, shall require the general contractor to accept coverage responsibility for subcontractors without insurance or with inadequate Workers' Compensation coverage.

5. Hangar Occupants and Condominium Association. The provision of this Section XI are specifically applicable to Lessee and the Condominium Association identified in Section II.A.3 above and Section XVI below. The Declarations shall contain a provision requiring the Condominium Association to be responsible for provision of the required insurance, whether or not financial responsibility for insurance is passed to individual Hangar Occupants.

SECTION XII REMEDIES FOLLOWING DEFAULT

A. Lessee's Monetary Default or Lack of Insurance. In the event of breach by Lessee of the monetary or insurance covenants of this Private Hangar Condo Agreement, contained in Sections II.B.2 (fueling), V (rents, fees, charges), X (Liens, Removal and Mitigation Escrow) and XI (insurance) above, the BOCC shall provide written notice to Lessee and Lessee shall be deemed to be in default as of the date the payment was due and not paid or the date on which proof of insurance was required to be delivered and no proof was supplied to the BOCC unless such default is cured within twenty (20) calendar days of Lessee's receipt of the BOCC's written notice. The BOCC, without termination of this Private Hangar Condo Agreement, may thereafter proceed in law or equity to seek injunctive relief, specific performance and/or damages incurred as a result of Lessee's default. Where Lessee's default results from failure to provide proof of insurance and Lessee is proceeding with necessary diligence to obtain such proof of insurance, Lessee shall be entitled to an extension of said twenty (20) day-minimum cure period, not to exceed, however, an additional twenty (20) calendar days in which to obtain the required Certificates of Insurance and provide proof of insurance to the BOCC.

Said written notice to cure, identifying the breach and stating the date by which cure is required, shall be delivered to Lessee in accordance with Section XXI below. If the identified breach is not cured by 5:00 p.m. on the cure date, or an extension thereof with regard to proof of insurance, the BOCC, at its option and with or without termination of this Private Hangar Condo Agreement, may enter and repossess the Leased Premises and all improvements. Such re-entry may be with or without process of law and shall be without liability for trespass or forcible entry and without prejudice to any other remedies to which the BOCC may be entitled. In such event, Lessee agrees to peaceably surrender the Leased Premises to the BOCC without further notice or demand.

B. Non-Monetary Default or Abandonment. In the event of breach by Private Condo Hangar Agreement of the performance of any of the conditions, covenants, agreements or obligations hereunder, other than those described in Section XII.A above, or in the event of abandonment or other failure to maintain and operate the Rando Airport Hangar Unit Owners Association, Inc. by Lessee of its operations on the Leased Premises, the BOCC shall provide written notice to Lessee and Lessee shall be deemed to be in default of this Private Hangar Condo Agreement as of the date of the BOCC's notice unless the breach is cured within thirty (30) calendar days of Lessee's receipt of the BOCC's written notice. The BOCC, with or without termination of this Private Hangar Condo Agreement, may thereafter proceed in law or equity to seek injunctive relief, specific performance and/or damages incurred as a result of Lessee's default. In the event of any default hereunder by Lessee, other than abandonment, where Lessee is proceeding with necessary diligence to effectuate a remedy, Lessee shall be entitled to an extension of such minimum cure period not to exceed however an additional thirty (30) calendar days in which to remedy the default.

Said written notice to cure, identifying the breach and stating the date by which cure is required, shall be delivered to Lessee in accordance with Section XXI below. If the identified breach is not cured by 5:00 p.m. on the cure date, or an extension thereof with regard to a

default, the BOCC, at its option and with or without termination of this Private Hangar Condo Agreement, may enter and repossess the Leased Premises and all improvements. Such re-entry may be with or without process of law and shall be without liability for trespass or forcible entry and without prejudice to any other remedies to which the BOCC may be entitled. In such event, Lessee agrees to peaceably surrender the Leased Premises to the BOCC without further notice or demand.

C. Notice Period for Summary Proceedings. If the BOCC elects to retake possession of the Leased Premises from Lessee by summary judicial proceedings, demanding payment of rent, removal and mitigation costs and/or other fees and charges and/or proof of insurance and/or compliance with any other term of this Private Hangar Condo Agreement or, in the alternative, surrender of possession of the Leased Premises, the parties recognize and agree that the applicable 20-day or 30-day notice/cure period, established in Sections XII.A and B above, shall control. In such instance, for the purpose of § 13-40-104, C.R.S., as amended, the default shall be deemed to have occurred at 5:00 p.m. on the 20th or 30th day following receipt by Lessee of the BOCC's notice to cure (or the last day of an extended minimum cure period), at which point in time, if Lessee is in possession of the Leased Premises, Lessee shall be holding over without permission of the BOCC and, at the BOCC's option, shall be subject to summary proceedings under the Colorado Forcible Entry and Detainer statutes, § 13-40-104, *et seq.*, C.R.S., as amended.

D. Bankruptcy or Other Insolvency Proceeding. Lessee and the BOCC recognize that the Bankruptcy Code of 1978, as amended, allows a trustee in bankruptcy or debtor in possession the options of assuming, rejecting or assigning this Private Hangar Condo Agreement. In the event of Lessee's filing of a Petition in Bankruptcy, or if Lessee is under a receivership or any proceeding intended for liquidation or rehabilitation, including an assignment for the benefit of creditors, the BOCC may act as the private Hangar Operator directly or through contract. Any such action by the BOCC shall be consistent with the terms of a pre-existing assignment by Lessee of this Private Hangar Condo Agreement for the purpose of construction financing.

E. Waiver. No failure to strictly enforce the terms of this Private Hangar Condo Agreement shall be deemed a waiver by either party unless such waiver is in writing and executed by the party against whom enforcement of the waiver is sought. No waiver by either party of any failure of a party to comply with any term or condition of this Private Hangar Condo Agreement shall be construed to be a waiver of any other failure by such party to comply with the same or any other term or condition of this Private Hangar Condo Agreement.

F. Notice. Continued operation of the Rando T-Hangar Owners Association is a condition to continuance of this Lease. Garfield County shall only be obligated to communicate with said Association, as provided in Section XXI, and shall have no obligation to provide any notice or demand to individual Unit Owners. Failure to maintain and operate the Association shall be deemed a default under this Lease and grounds for termination or such other action as the County deems appropriate.

SECTION XIII EXPIRATION OF PRIVATE HANGAR CONDO AGREEMENT

A. Lessee Options at the end of the Term.

1. Request New Lease. If Lessee is in good standing with the Airport, including no monetary default notices were issued during the Term, Lessee may apply to the BOCC for a new lease to be approved in a public process.

B. BOCC Options at the End of the Term.

1. Commercial Operations. It is specifically understood by the BOCC and Lessee that this Private Hangar Condo Agreement does not contemplate commercial operations. If the BOCC determines that Lessee is engaging in commercial operations without the proper permit and without approval by the BOCC and execution by the BOCC and Lessee of a commercial operations land lease and operating agreement, Lessee shall be in breach of Section III of this Private Hangar Condo Agreement and shall be subject to the provisions of Section XII.B above.

2. New Lease Term. If Lessee and Lessee's tenants are in good standing with the Airport, the BOCC may consider Lessee's request for a new lease. Lessee must agree to all additional lease requirements, including repair punch list items, required by BOCC prior to the issuance of a new lease.

3. BOCC's Discretion. In the sole discretion of the BOCC, if Lessee is ineligible to request a new lease or the parties are unable to reach agreement on the terms of the new lease, the BOCC may consider any option for use of the Leased Premises, including continue to operate the Structure. In the event the BOCC determines it is best to remove the Structure, the BOCC may remove the structure using funds paid by Lessee into the Removal and Mitigation Fund. BOCC may retain the Removal and Mitigation fee payments made by Lessee whether it decides to continue to operate or remove the Structure. Upon removal, the BOCC may perform an environmental assessment of the Leased Premises. If contamination is identified, Lessee shall mitigate the contamination to a level required by the State of Colorado standards. Any amount spent by BOCC in environmental mitigation shall remain the responsibility of the Lessee and Hangar Occupants.

C. Abandonment/Noncompliance with XIII.A. If Lessee abandons the Leased Premises and/or does not remove the Structures and associated improvements after notifying the BOCC of Lessee's intention to do so, as provided in Section XIII.A above, then title to the Structures and associated improvements shall automatically pass to the BOCC, upon compliance with the notice and cure provisions of Section XII above, and the BOCC, at its sole option, may use Removal and Mitigation funds deposited under Section X or select one of the other options detailed in Section XII above.

SECTION XIV COMPLIANCE WITH LAWS, RULES AND REGULATIONS

The right to use and occupy the Leased Premises shall be exercised in conformity with the statutes, ordinances, codes, rules and regulations pertinent to Lessee's tenancy of the Leased Premises and conduct of hangar operations on the Airport, as such may be promulgated from time to time by the BOCC, the State of Colorado, the federal government, and other governmental and quasi-governmental entities. Such conformity shall include, but not be limited to, conformity with the United States Department of Transportation requirements detailed in Exhibit F, attached hereto and incorporated herein by this reference. Lessee shall be responsible to ensure that its employees, guests, contractors, agents, representatives, tenants, permittees and invitees comply with such and shall be liable for any and all fines and penalties assessed to the BOCC as a result of action or omission by Lessee or its employees, representatives, contractors, agents, tenants, permittees and invitees with regard to such.

Without limiting the generality of the covenants contained in this Section XIV, Lessee specifically agrees to abide by the Rules and Regulations and Minimum Standards and to pay all taxes levied upon personal property and Lessee's improvements to and possessory interest in the Leased Premises. Lessee shall obtain and pay for all licenses, permits, and other authorizations required in order to make improvements to and operate its Private Hangar operation on the Airport.

SECTION XV OPERATION AS PUBLIC AIRPORT SUBORDINATION TO UNITED STATES GOVERNMENT

The BOCC covenants and agrees that it will operate and maintain the Airport, to the extent it is authorized to do so, as a public airport at all times during the Term of this Private Hangar Condo Agreement, consistent with and pursuant to the Sponsor's Assurances given by the BOCC to the federal government under the Federal Aviation Act of 1958, as amended. This Private Hangar Condo Agreement is subject and subordinate to the terms, reservations, restrictions, provisions and conditions of any existing or future agreement between the BOCC and the United States relative to the operation or maintenance of the Airport.

During war or other national emergency, the BOCC shall have the right to lease the Airport or any part thereof to the federal government. In such event, the provisions of this Private Hangar Condo Agreement shall be suspended and a just and proportionate part of the payments due hereunder shall be abated. In the event possession of the Leased Premises and the improvements is assumed by the United States government or other authorized agency under emergency powers, the rent due under this Private Hangar Condo Agreement shall abate and Lessee shall not be responsible for its covenants under this Private Hangar Condo Agreement until possession by the United States government terminates. In the further event that Lessee is reimbursed for the assumption of possession of the Leased Premises, the rental provisions of this Private Hangar Condo Agreement shall remain in effect, provided further, however, that if the reimbursement is less than the rental amount herein required, then Lessee shall be required to

pay to the BOCC only such amount of reimbursement as it shall receive from the United States government or other authorized agency.

SECTION XVI INSPECTION

The BOCC or its designee shall have the right to enter the Leased Premises at any reasonable time and, except in the event of emergency, upon reasonable notice for the purpose of inspection in the exercise of its governmental or police powers and, specifically, to investigate compliance with the terms of this Private Hangar Condo Agreement.

SECTION XVII ASSIGNMENT

A. Consent. This Private Hangar Condo Agreement shall not be assigned by Lessee without the prior written consent of the BOCC. The consent of the BOCC shall not be unreasonably withheld, and the BOCC may consider the financial viability of the proposed assignee and the assignee's compliance with the Rules and Regulations and Minimum Standards. In any event, Lessee shall not convey an ownership interest in improvements independently from assignment, as approved by the BOCC, of this Private Hangar Condo Agreement. Sub-leasing of Lessee's ground lease interest and leasing of Lessee's ownership interest in the Hangars and associated improvements and licensing/use agreements, by way of storage agreement or otherwise, are dealt with separately in Section III above.

B. Terms and Condition. The terms and conditions of this Private Hangar Condo Agreement shall be incorporated into any document effecting an assignment of this Private Hangar Condo Agreement, and Lessee shall provide the BOCC a copy of the assignment document.

SECTION XVIII QUIET ENJOYMENT

Upon payment of the rents, fees, and charges provided herein and upon observation of all covenants, warranties, agreements, and conditions of this Private Hangar Condo Agreement, Lessee shall have the right to exclusive possession and enjoyment of the Leased Premises during the Term of this Private Hangar Condo Agreement. Lessee recognizes that fee simple title to the Leased Premises and all of the Airport is vested in the BOCC. Lessee agrees that nothing herein shall give Lessee any ownership or option to own the Leased Premises or any portion of the Airport.

SECTION XIX CONSTRUCTION INCONVENIENCES AND POSSIBLE RELOCATION

A. Construction by the BOCC. Lessee recognizes that from time to time during the Term of this Private Hangar Condo Agreement, it may be necessary for the BOCC to engage in construction, expansion, relocation, maintenance and repair in order that the Airport and its facilities may be suitable for the then-existing volume and character of air traffic and flight activity. Such construction includes temporary runway and/or Airport closure. Such activity may inconvenience or interrupt Lessee's operations and will require accommodation by Lessee; however, the BOCC shall make all reasonable efforts to minimize such inconvenience or interruption, including but not limited to allowing Lessee to operate from a temporary location and/or out of temporary facilities, as long as, in the sole judgment of the BOCC, such operations can be safely maintained during construction.

B. Relocate or Replace. In the event the BOCC requires the Leased Premises or any portion thereof, as identified in Section I above, for development of the Airport, the BOCC reserves the right, consistent with the Local Government Budget Act, § 29-1-101, *et seq.*, C.R.S., as amended and the provisions of the Colorado Constitution, to negotiate a purchase of the Structure and associated improvements or to relocate or replace, at the BOCC's cost, Lessee's Structure and associated improvements in substantially similar form at another generally comparable location suitable to Lessee's operations as defined in this Private Hangar Condo Agreement. The BOCC shall provide three (3) months' written notice prior to such negotiation or relocation.

Parcel 7FL shall be listed as available to build box hangars. If an interested party finds this location suitable for their needs, Lessee shall agree to change location. The Airport shall require this interested party to construct replacement hangars in the light general aviation aircraft area on the west side of the Airport. These replacement hangars shall be 10 Units of the same interior dimensions or larger than the Structure on Leased Premises. The Lessee shall pay the current ground lease rate for 7FL, unless the replacement parcel size is smaller than 7FL for the remainder of this lease Term. Other terms and conditions of this Private Hangar Condo Agreement remain, including mitigation of environmental contamination on 7FL. The removal of the 7FL hangar structure expense shall be pro-rated at one hundred sixty six dollars (\$166) per month of occupancy from the start date of this lease to the time of relocation.

C. No Liability. Lessee agrees that no liability shall attach to the BOCC its officers, agents, employees, contractors, subcontractors and representatives by reason of such inconvenience, interruption, relocation, or replacement. Lessee waives any right to claim damages for such.

SECTION XX BINDING UPON SUCCESSORS AND ASSIGNS

All of the covenants, conditions, and agreements contained in this Private Hangar Condo Agreement shall be binding upon and inure to the benefit of the respective parties as well as their successors in interest of any kind, including assigns.

SECTION XXI NOTICE

Every notice or other communication required by this Private Hangar Condo Agreement shall be delivered in writing to the addresses stated below, unless a new address is provided by written notice of one party to the other. Such notice of a change of address or of the identity of the contact person shall not require formal amendment of this Private Hangar Condo Agreement.

Lessee:
Rando Airport Hangar Unit
Owners Association, Inc.
201 Railroad Avenue
P.O. Box 1926
Rifle, CO 81650-1926

Lessor:
Board of County Commissioners of Garfield
County
Attn: Airport Director
0375 County Road 352
Building 1070
Rifle, CO 81650

cc: John Savage
201 Railroad Avenue
P.O. Box 1926
Rifle, CO 81650-1926
Phone: (970)625-1470
Fax: (970)625-0803
Email: savagejw@slcjbs.com

cc: Garfield County Attorney
108 8th Street, Suite 219
Glenwood Springs, CO 81601
Phone: (970)945-9150
Fax: (970)384-5005

Delivery shall be made in person, by certified return receipt requested U.S. Mail, or receipted delivery service. BOCC shall only be obligated to provide notice to Lessee, as designated above, and shall have no obligation to provide any notice or demand to individual Unit Owners or Unit Holders.

SECTION XXII HEADINGS AND NUMBERING

The Section headings and numbering system used herein are for convenience in referencing and are not intended to define or limit the scope of any provision of this Private Hangar Condo Agreement.

SECTION XXIII PARTIAL INVALIDITY

To the extent that this Private Hangar Condo Agreement may be executed and performance of the obligations of the parties may be accomplished within the intent of this Private Hangar Condo Agreement, the terms hereof are severable. If any term or provision of this Private Hangar Condo Agreement is declared invalid by a Court of competent jurisdiction or becomes inoperative for any other reason, then the invalidity or failure shall not affect the validity of any other term or provision of this Private Hangar Condo Agreement.

SECTION XXIV AMENDMENT

All amendments to this Private Hangar Condo Agreement shall be made in writing and executed with the same formality as this Private Hangar Condo Agreement, except as detailed in Section XXI regarding change of notification information. No oral amendment shall be of any force or effect whatsoever.

SECTION XXV MATERIALS AND ENVIRONMENTAL ISSUES

A. BOCC Representations and Responsibilities. The BOCC has no actual notice of or knowledge of any form of environmental degradation to the Leased Premises; however, the BOCC makes no covenants or warranties, express or implied, regarding the lack of environmental degradation. Should the BOCC become aware of the possible presence on the Leased Premises of hazardous material(s), i.e., a substance(s) regulated by any governmental authority or agency having jurisdiction over environmental or health risks, materials handling, or wastes, including but not limited to, the State of Colorado, County of Garfield, Rifle Fire Protection District, United States Environmental Protection Agency, United States Department of Transportation, and Federal Aviation Administration, the BOCC shall investigate such condition as soon as is reasonably possible. Correction of such condition, if required by the authorized agency, shall be in accordance with pertinent statutory and regulatory law. Lessee shall be responsible for the cost of investigation or correction required due to Lessee's or its employee's, contractor's, subcontractor's, agent's, representative's, invitee's or assignee's present or past use and occupancy of and/or operations on the Leased Premises.

B. Limitations on Lessee's Use and Storage of Hazardous Materials and Waste. Lessee shall not generate, use, handle, store, or dispose of hazardous materials and or waste on the Leased Premises; nor shall Lessee passively consent to or permit the Leased Premises to be used to generate, use, handle, store, or dispose of hazardous materials or waste, as defined in Section XXV.A above, unless such materials are generated, used, handled, stored or disposed of consistently with the applicable laws, orders, rules, ordinances and regulations of the authorities and agencies described in Section XXV.A above. Storage of petroleum products shall be in industry-approved containers that includes meeting secondary containment requirements. In no case shall a volume of more than 55 gallons of combined petroleum products, hazardous material and/or waste be housed and/or stored per hangar unit unless the entire facility obtains and maintains a State-approved Spill Prevention and Counter Control Plan. No use of the Leased Premises which requires additional fire protection or environmental regulation, in addition to that required for the uses detailed in Section III above, shall be permitted without advance approval by the BOCC.

SECTION XXVI ATTORNEY'S FEES

Should this Private Hangar Condo Agreement become the subject of litigation to resolve a claim of default in performance by the BOCC or Lessee, the prevailing party, in addition to



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06/20/2017 11:10:40 AM Jean Alberico
24 of 31 Rec Fee:\$0.00 Doc Fee:0.00 GARFIELD COUNTY CO

such other relief as may be granted, shall be entitled to attorney fees, expenses, and court costs. All rights concerning fees and costs shall survive termination of this Private Hangar Condo Agreement.

SECTION XXVII CONTROLLING LAW

This Private Hangar Condo Agreement shall be governed by the laws of the State of Colorado and venue for all actions shall be in Garfield County, Colorado.

SECTION XXVIII RECORDING

Upon execution by the parties, this Private Hangar Condo Agreement shall be recorded in the records of the Garfield County Clerk and Recorder.

SECTION XXIX SPECIAL PROVISIONS

- A. Formation and Other Condominium Association Documents. Lessee shall provide copies of any amendments to formation documents for the Condominium Association to the BOCC, through the Airport Director. This obligation is in addition to the obligation to provide copies of plats and other documents identified in Section II.A.3.b above.
- B. Resolution of Inconsistencies. If there is an inconsistency between the Declaration, identified in Section II.A.4.b above, as it may be amended, and this Private Hangar Condo Agreement, the Private Hangar Condo Agreement controls.
- C. Notice. In accordance with Section XXI above, it shall be Lessee's responsibility to advise the BOCC, through the Airport Director, of the identity and contact information of the governing body of the Condominium Association and amendments to the Declaration and associated documents.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals to be effective September 1, 2016 no matter the date of execution.

ATTEST:

Edna E. Place
Deputy Clerk to the Board



The seal is circular with a double-lined border. Inside the border, the words "GARFIELD COUNTY" are written in an arc at the top and "COLORADO" at the bottom. In the center, the word "SEAL" is written in a bold, serif font.

LESSOR:
BOARD OF COUNTY COMMISSIONERS
OF GARFIELD COUNTY, COLORADO

By: 
John Martin, Chairman

Date: 6 13 17

**LESSEE AND PRIVATE HANGAR
OPERATOR:
Rando Airport Hangar Unit Owners
Association, Inc.**

By: John W. Savage Managing Member Auth Agent

Date: 6/6/17

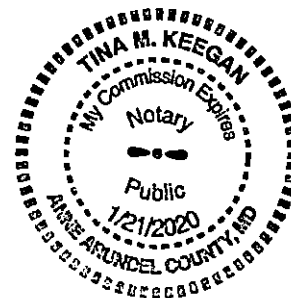
Maryland
STATE OF ~~COLORADO~~)
Anne) ss.
COUNTY OF Anundel)

The foregoing instrument was acknowledged before me on this 6th day of June, 2017, by John W. Savage, an authorized representative of Rando Airport Hangar Unit Owners Association, Inc.

Witness my hand and official seal.

My commission expires: 01/21/2020

Tina M. Keegan
NOTARY PUBLIC



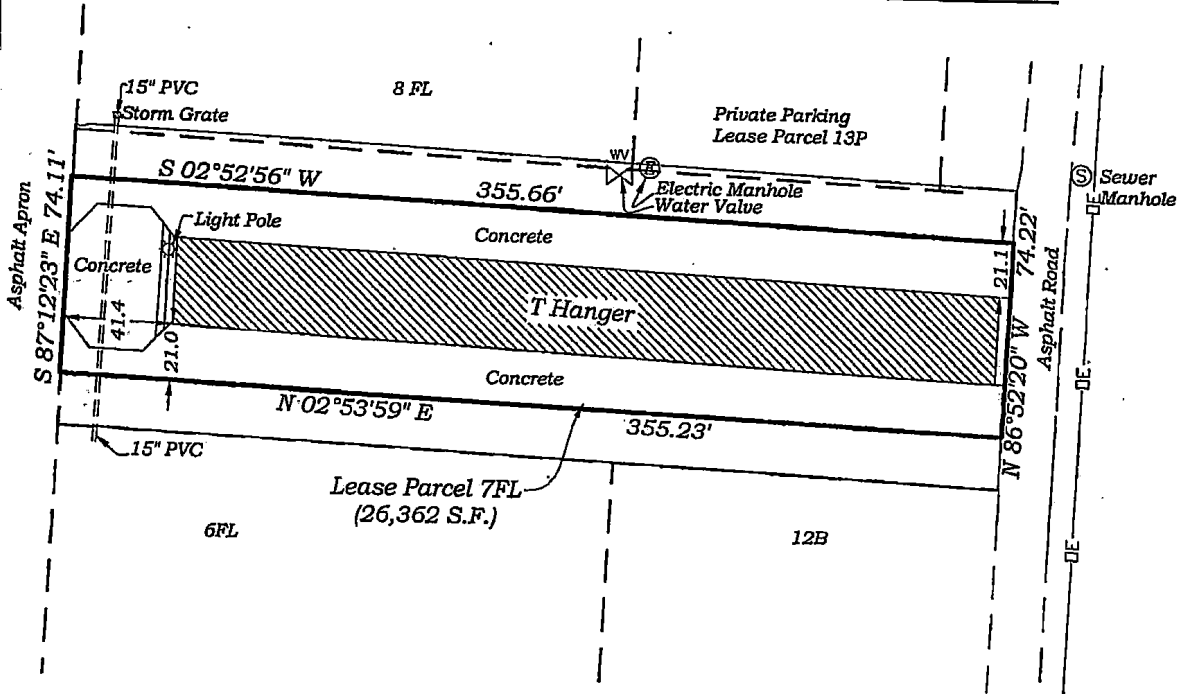


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06/20/2017 11:10:40 AM Jean Alberico
26 of 31 Rec Fee:\$0.00 Doc Fee:0.00 GARFIELD COUNTY CO

PRIVATE HANGAR CONDOMINIUM LAND LEASE
AND
OPERATING AGREEMENT
BETWEEN
GARFIELD COUNTY BOCC
AND
Rando Airport Hangar Unit Owners Association, Inc.

LEASE BOUNDARY EXHIBIT
PARCEL 7 F.L.

SCALE: 1" = 60'



NOTE: THIS PROPERTY IS SUBJECT TO RESERVATIONS, RESTRICTIONS, COVENANTS AND EASEMENTS OF RECORD OR IN PLACE.

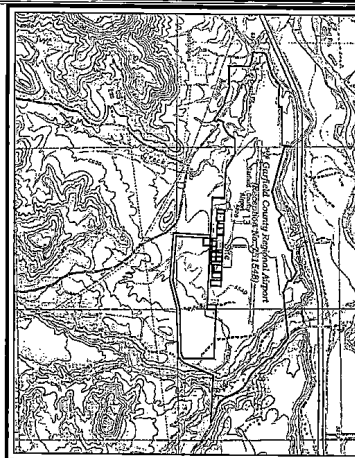
PROPERTY DESCRIPTION

A PARCEL OF LAND LOCATED AT THE GARFIELD COUNTY REGIONAL AIRPORT IN THE SE1/4 SECTION 13, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH P.M., COUNTY OF GARFIELD, STATE OF COLORADO. SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

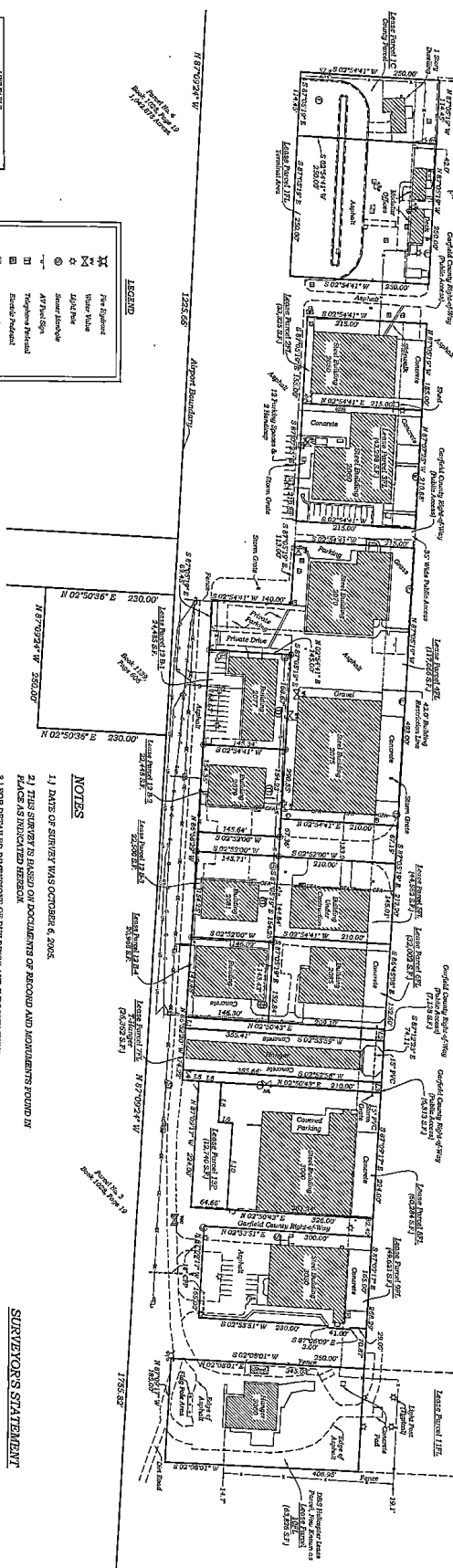
BEGINNING AT THE NORTHEAST CORNER OF THE LEASE PARCEL 7FL WHENCE THE EAST 1/4 CORNER OF SAID SECTION 13 BEARS N50°53'11"E 1824.63 FEET; THENCE S02°52'56"W 355.66 FEET; THENCE N86°52'20"W 74.22 FEET; THENCE N02°53'59"E 355.23 FEET; THENCE S87°12'23"E 74.11 FEET TO THE POINT OF BEGINNING. SAID LEASE PARCEL CONTAINING 26,362 SQUARE FEET, MORE OR LESS.



DATE: JUNE 19, 2006



Vicinity Map
Scale: 1"=2000



LINE TABLE		
LINE	HEADING	EXTENSION
L1	SPT44358	19.09
L2	SPT17238	30.26
L3	SPT17238	17.63
L4	N05.11.14 W	17.06
L5	N02.50.43 W	29.67
L6	N02.50.43 E	39.69
L8	SPT3.17 E	70.30
L9	N02.50.43 E	24.77
L10	SPT3.09.17 E	133.61

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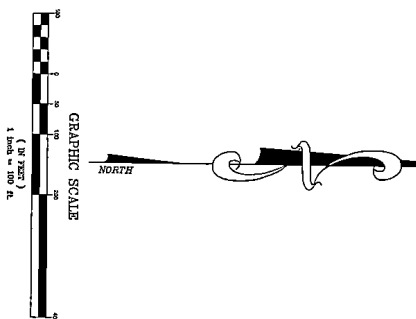
NOTES

1. THE NAME OF SURVEY WAS OCTOBER, 8, 2002.
2. THIS SURVEY WAS BASED ON DOCUMENTS OF RECORD AND NONRECORDS FOUND IN PLACE AS INDICATED HEREON.
3. FOR DETAILED DIMENSIONS OF BUILDINGS AND IMPROVEMENTS, SEE THE RESPECTIVE ATTACHED EXHIBITS.
4. THIS LANE ROUNDAWAY SURVEY WAS CONDUCTED THROUGH THE CENTER OF A CURRENTLY EXISTING DRIVEWAY AND DOES NOT REPRESENT A TYPICAL SURVEY FOR THE DRIVEWAY OR ROADWAY SERVING THEREIN, BUT, INSTEAD, OF THE PROPOSED SITUATION TO DETERMINE THE DIMENSIONS OF RECORD AFFECTING THIS PAVEMENT, OR OTHERWISE.
5. THIS LANE ROUNDAWAY SURVEY DOES NOT REPRESENT THE DIMENSIONS OF ANY OTHER LANE ROUNDAWAY OR IMPROVEMENTS EXISTING, INCLUDING CONDITIONS OF IMPROVEMENTS OR CONSTRUCTION, OR OTHERWISE, ETC.
6. ACCORDING TO CALIFORNIA LAW, YOU MUST COME WITH AN IDOL, ACTING BASED UPON THE INFORMATION THAT YOU HAVE BEEN PROVIDED, AND YOU MUST BE AWARE THAT ANY SUBJECT IN THIS SURVEY WILLING THEIR NAME AFTER YOU SURVEY IN THIS SURVEY BE CONSIDERED TO HAVE BEEN INFLUENCED BY THE NAME OF SURVEYING IN THIS SURVEY.

SURVEYOR'S STATEMENT

1. MICHAEL ANTONOVICH, A REGISTERED LAND SURVEYOR, LICENSED UNDER THE LAWS OF THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE SURVEY SHOWN HEREON WAS COMPLETED ON THIS DATE NOVEMBER 4, 2005 BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND THAT THIS MAP IS A TRUE REPRESENTATION THEREOF.

MICHAEL ANTONOVICH, COLORADO REGISTRATION NO. 36572
POLARIS SURVEYING, COLORADO, INC.
PO BOX 1000, SALT LAKE CITY, UT 84110



REVISION	DESCRIPTION
11/09/05	Add Square Footage of each Parcel
8/20/05	Add TRL, UPL and Add Co. R-C-M Access
3/21/07	Add 125-1 = 125-4, 15, TRL & Upgraded TRL
7/10/08	ADDITIONAL LEASE PARCEL UPDATES

LEASE BOUNDARY EXHIBIT

Brian Condit
Airport Manager
GARFIELD COUNTY REGIONAL AIRPORT
0375 COUNTY ROAD 352, BLD 1070
FIFTE, CO 81650

FILE: 05160-01	PROJ: 03
DFT: SCB	
CK: M.A.	
DATE: 11/3/05	SH: OF

EXHIBIT B

Rando Hangars Disposal Fee calculations					jws	revised		1/26/2017	
Date	Item	Disposal cost est	CPI	CPI change	Per day	days	Disposal Fee	Notes	
2013	SGM Estimate	\$19,125	224,569					SGM tear down estimate was \$17,850-\$20,400, mid range \$19,125	
2014	CPI adjust	\$19,703	230,791	103.021%				SGM estimate adjusted by CPI of prior year	
2015	CPI adjust	\$20,299	237,200	103.027%				SGM estimate adjusted by CPI of prior year	
9/1/2016	CPI adjust	\$20,589	239,991	101.426%	\$8.09	122	\$987.46	Disposal fee due w/ initial lease payment, w/in 30 days of lease execution	
1/1/2017	CPI adjust	\$21,211	246,643	103.022%	\$8.09	365	\$2,954.28	Disposal fee due w/ Jan 1, 2017 lease payment	
1/1/2018	CPI adjust projected	\$22,006	255,276	103.750%	\$8.09	365	\$2,954.28	projected, subject to adjustment for actual CPI of prior year, assume 3.5% annual CPI increase	
1/1/2019	CPI adjust projected	\$22,832	264,210	103.750%	\$8.09	365	\$2,954.28	projected, subject to adjustment for actual CPI of prior year, assume 3.5% annual CPI increase	
1/1/2020	CPI adjust projected	\$23,688	273,458	103.750%	\$8.09	365	\$2,954.28	projected, subject to adjustment for actual CPI of prior year, assume 3.5% annual CPI increase	
1/1/2021	CPI adjust projected	\$24,576	283,029	103.750%	\$8.09	365	\$2,954.28	projected, subject to adjustment for actual CPI of prior year, assume 3.5% annual CPI increase	
1/1/2022	CPI adjust projected	\$25,498	292,935	103.750%	\$8.09	365	\$2,954.28	projected, subject to adjustment for actual CPI of prior year, assume 3.5% annual CPI increase	
1/1/2023	CPI adjust projected	\$26,454	303,187	103.750%	\$8.09	365	\$2,954.28	projected, subject to adjustment for actual CPI of prior year, assume 3.5% annual CPI increase	
1/1/2024	CPI adjust projected	\$27,446	313,799	103.750%	\$8.09	365	\$2,954.28	projected, subject to adjustment for actual CPI of prior year, assume 3.5% annual CPI increase	
1/1/2025	CPI adjust projected	\$28,475	324,782	103.750%	\$8.09	365	\$2,954.28	projected, subject to adjustment for actual CPI of prior year, assume 3.5% annual CPI increase	
1/1/2026	CPI adjust projected	\$29,543	336,149	103.750%	\$8.09	244	\$1,974.92	projected, subject to adjustment for actual CPI of prior year, assume 3.5% annual CPI increase	
	Total						\$29,550.89	Projected total disposal fee paid to county	

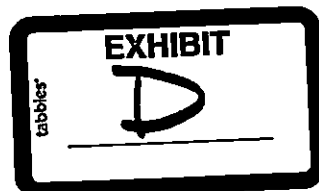




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06/20/2017 11:10:40 AM Jean Alberico
30 of 31 Rec Fee:\$0.00 Doc Fee:0.00 GARFIELD COUNTY CO

FEDERAL LEASE REQUIREMENTS

1. The BOCC reserves the right to further develop or improve the landing area of the Airport as it sees fit, without interference or hindrance by the Lessee.
2. The BOCC reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in regard to the landing area and other publicly owned facilities.
3. Lessee agrees to comply with the notification and review requirements covered in Part 77 of Federal Aviation Regulations with respect to improvements on the Leased Premises.
4. It is understood and agreed that nothing contained in this Agreement shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958, as amended.
5. There is hereby reserved to the BOCC, for the use and benefit of the public, a right of flight for the passage of aircraft of the airspace above the surface of the Leased Premises, together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft using said airspace or landing at, taking off from, or operating on the Airport.
6. Lessee shall not erect or permit the erection of any structure or object, nor permit the growth of any tree, on the Leased Premises above the elevation established by the Lessor, in compliance with Federal Aviation Administration Regulations. In the event this covenant is breached, the BOCC reserves the right to enter upon the Leased Premises and remove the offending structure or object and cut the offending tree, at the expense of the Lessee.
7. Lessee shall not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard to air operations. In the event this covenant is breached, the BOCC reserves the right, without notice, to enter upon the Leased Premises and cause the abatement of such interference, at the expense of the Lessee.
8. The United States Department of Transportation Federal Aviation Agency and Lessor are hereby granted the right and privilege by Lessee to place on or around the Leased Premises, without cost, whatever instruments and equipment they desire during the terms of this Agreement, so long as said instruments or equipment do not interfere with the intended use of the Leased Premises by the Lessee.
9. The Lessee, as part of the consideration hereof, does hereby covenant and agree, as a "covenant running with the land" that:



- a. No person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, creed, color, national origin, sex, age, or handicap in the use of the Leased Premises;
- b. No person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, creed, color, national origin, sex, age, or handicap in the construction of improvements and the furnishing of services on the Leased Premises; and
- c. Lessee shall maintain the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Part 21, *Non-discrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964*, 42 U.S.C. 2000(d) et seq., as amended.