

**VANCE BRAND MUNICIPAL AIRPORT  
HANGAR PARCEL 11SD LEASE**

**THIS LEASE** ("Lease") is made and entered into effective as of the 1<sup>st</sup> day of October, 2015 (the "Effective Date"), between the City of Longmont, Colorado, a municipal corporation, whose mailing address is 350 Kimbark Street, Longmont, Colorado 80501, hereinafter called the "City", and Mile-Hi Aviation Center, LLC., whose mailing address is 229 Airport Road, Hangar 34G, hereinafter called the "Lessee."

**THE PARTIES' RECITALS ARE AS FOLLOWS:**

The parties entered into the Vance Brand Municipal Airport South Parcel 11SD Lease dated as of October 2, 2007, consisting of approximately 180,723 square feet and known as South Parcel 11SD (the "Existing Lease"); and

Lessee intended to construct new facilities for its skydiving operations on South Parcel 11SD, but Lessee has determined that it will not construct new facilities at this time and desires to terminate the Existing Lease and replace it with a smaller lease parcel to accommodate its existing structure on South Parcel 11SD; and

The City is willing to terminate the Existing Lease and replace it with this Lease, under the terms and conditions set forth herein.

**NOW, THEREFORE, IN CONSIDERATION** of the recitals, mutual promises, terms and conditions herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties covenant and agree as follows:

1. Land Parcel

1.1. The City leases unto the Lessee for the term, use, and under the conditions herein, the real property on the Airport described in Exhibit A, attached hereto and made a part hereof, and hereinafter called the "Premises," consisting of 12,780 square feet, more or less, and known as South Parcel 11SD.

2. Term

2.1. The term of the Lease shall be twelve (12) years, commencing on the Effective Date. The Lessee shall have the option to negotiate with the City for renewal of the Lease for an additional twenty (20) year period. The Lessee shall notify the City not less than sixty (60) days before the expiration of the Lease if the Lessee desires to exercise the option. If the parties do not agree upon terms and conditions for renewal thirty (30) days before the expiration of the Lease, the option to negotiate shall expire without further notice. The Lessee shall remove all structures from the Premises before expiration of the Lease, except for any structure the City may purchase according to Section 2.4.

2.2. Beginning one year after the Effective Date, Lessee may terminate this Lease upon sixty (60) days' prior written notice to the City. However, in such event, and in lieu of an early termination fee, Lessee shall not be due any refund for the Lease Rate paid for that year.

2.3. The Existing Lease shall terminate upon the Effective Date.

2.4. The City shall have the option of purchasing any or all of the structures the Lessee may construct on the Premises, on expiration of the Lease, at fair market value. The parties shall determine the fair market value by the average amount of two appraisals. Each party shall obtain an appraisal by a qualified land appraiser at the party's own expense. The parties may waive the appraisals if they can otherwise agree upon the purchase price.

### 3. Lease Rate and Other Fees

3.1. Lease Rate. The Lessee shall pay the City for use and occupancy of the Premises the annual sum of \$4,507.51, payable in advance, and hereinafter called the "Base Annual Lease Payment." The initial calculation of the Base Annual Lease Payment shall be the gross square footage of the Premises, as established in Article 1 above, multiplied by a rate of \$0.3527 per square foot. The first Base Annual Lease Payment shall be prorated from the Effective Date until March 31<sup>st</sup>. The Base Annual Lease Payment for the next year and all subsequent years (April 1<sup>st</sup> to March 31<sup>st</sup>) shall be paid annually, in advance, by April 1<sup>st</sup> of each year. The Base Annual Lease Payment shall increase each year on the anniversary date of the Lease by adding an inflationary adjustment which shall be equal to the inflation increase as defined by the Consumers Price Index for All Urban Consumers for the Denver-Boulder-Greeley Metropolitan Area, as published by the U.S. Department of Labor, Bureau of Labor Statistics or its successor (CPI). If publication of the CPI is discontinued, any similar index published for the Longmont area and recognized by the financial community, as a substitute for the CPI, shall be used in its place. In no event shall the Lease Rate be less than the Base Annual Lease Payment.

3.2. Utility Services. The Lessee shall be responsible for and pay all costs for utility services.

3.3. Other Fees. The Lessee shall pay all fees and assessments by the City charged to Hangar Operators on airport uses or aeronautical activities.

3.4. Late Payment. Subject to Section 17.1.1, any payment not paid when due will be a default of the terms of the Lease. If the City starts collection procedures or incurs any costs in collecting a payment, the Lessee agrees to pay all the City's expenses therewith, including reasonable attorneys' fees.

3.5. Place and Manner of Payments. All payments by the Lessee to the City shall be made at the City of Longmont, Department of Finance, 350 Kimbark Street, Longmont, Colorado 80501, or at such other place as the City may designate by notice in writing to the Lessee. Any check received by the City shall be subject to collection. The Lessee agrees to pay all bank charges incurred by the City for the collection of any check.

4. Authorized Use

4.1. The Lessee shall occupy the Premises, and improvements constructed thereon, as a Specialty Based Operator providing commercial services as set forth on the attached Exhibit B and permitted by the City's Site Plan process. With prior written approval of the Airport Manager or the City Manager's designee, the Lessee may store limited quantities of non-aviation related items as long as the principal use of the structure is for commercial services for aviation activity. Determination of the appropriateness of the items to be in storage shall be the sole responsibility and in the sole discretion of the Airport Manager or the City Manager's designee. The Lessee shall have no right to use the Premises, or any improvements thereon, other than as specifically allowed under this paragraph. The Lessee shall perform all activities on the Premises according to federal aviation regulations and the Vance Brand Airport Rules and Regulations, as adopted or amended from time to time.

4.2. The Lessee shall not use the Premises as an aviation Fixed Base Operator (FBO). Determination of whether the Lessee's use constitutes an FBO shall be within the sole discretion of the Airport Manager or the City Manager's designee.

4.3. The Lessee shall not park or leave aircraft on the taxiways or the Premises in a manner that interferes with or obstructs access to adjacent hangars or the runway. Parking for automobiles shall be permitted only in City designated parking areas or within the structure.

5. Construction of Improvements

5.1. The Lessee shall construct any future improvements only as delineated and described in a City approved Site Plan, and with respect to such future improvements, agrees to the following terms and conditions:

5.1.1. To comply with all applicable provisions of the Longmont Municipal Code, including the Longmont Public Improvement Design Standards and Construction Specifications and the Electric Utility Rates and Regulations;

5.1.2. To construct all on and off-site public improvements the City determines in its discretion are necessary to serve the Premises;

5.1.3. To submit plans for all public and private improvements for review according to the City's Development Review Procedures;

5.1.4. To construct all improvements in a good and workmanlike manner according to the applicable codes, rules, and regulations of the Airport and the City, as adopted or amended from time to time;

5.1.5. To construct all soil improvements, including septic or similar systems, pursuant to permits as may be required and issued by the County of Boulder and/or the City;

5.1.6. To complete all improvements and occupy the same within twelve (12) months of issuance of a building permit in the event that Lessee replaces, modifies, or alters the structure existing on the Premises as of the Effective Date:

5.1.7. To furnish the City with a financial guarantee in a form and issued by a corporate surety or bank acceptable to the City before commencing construction in an amount equal to 50 % of the total cost of construction of the improvements. The City shall have the right to use the financial guarantee for removal of improvements if the Lessee does not complete or abandons construction within twelve (12) months of issuance of a building permit, as set forth in the preceding paragraph.

5.2. The Lessee shall, in addition to all payments under the Lease, be responsible for all costs to extend utility lines to the Premises, including all costs associated with community investment fees, connection fees, tap fees, meter fees, and any other applicable fees that are charged by the City or utility companies. This paragraph shall not require the Lessee to connect to utilities not required by the Longmont Municipal Code.

## 6. Maintenance Obligations

6.1. The Lessee, at the Lessee's expense, shall maintain the public and private improvements delineated and described on the site plan for the Premises, and keep them in a safe, sanitary, orderly, and sightly condition and in good repair.

6.2. The Lessee shall be responsible for the cost of mitigating and cleaning up any environmental contamination of the Premises or improvements thereon caused by the Lessee, the Lessee's contractors, subcontractors, agents, members, stockholders, employees, invitees, subtenants or successors.

## 7. Signs

7.1. The Lessee shall not erect, paint or maintain any signs on the Premises without securing the prior written consent of the City.

## 8. Indemnification

8.1. The Lessee assumes the risk of loss or damage to any improvements on the Premises whether from windstorm, fire, earthquake, snow, water run-off, soil conditions, or any other causes whatsoever.

8.2. The Lessee warrants, covenants and agrees that it shall indemnify and save harmless the City, during and after the term of the Lease, from all demands, claims, costs, causes of action or judgments, and from all expenses and attorneys' fees that the City may incur in investigating or resisting the same, arising from or out of any negligence or nonperformance of a term, condition, warranty, covenant, or work by the Lessee, or the Lessee's contractors, subcontractors, agents, members, stockholders, employees, invitees, subtenants, or successors.

8.3. Nothing in this Lease shall be construed as a waiver by the City of any rights, immunities, privileges, monetary limitations to judgments or defenses available to the City under common law or the Colorado Governmental Immunity Act, § 24-10-101, et seq., C.R.S.

## 9. Insurance

9.1. Within ten (10) days of the date stated in the preamble, the Lessee shall provide all certificates of insurance and endorsements to the Airport Manager.

9.2. The Lessee shall purchase and maintain for the full period of the Lease, including any additional option period, at the Lessee's sole expense, insurance policies providing minimum coverage as follows:

9.2.1. Commercial general liability insurance with occurrence form coverage for personal injury, bodily injury, and property damage from liability arising out of ownership, use, occupancy, or maintenance of the Premises, and all areas appurtenant thereto, with minimum coverage of not less than \$1,000,000 in any single occurrence; and

9.2.2. All risk property and casualty insurance with occurrence form coverage against loss or damage to improvements on the Premises by fire, lightning, windstorm, hail, explosion, riot, aircraft, vehicles, smoke, and other risks commonly included in extensive coverage policies, with limits equal to the replacement cost value of all improvements; and

9.2.3. Comprehensive automobile liability insurance with minimum coverage of not less than \$1,000,000 for commercial automobiles used in conjunction with Lessees commercial activities.

9.2.4. All other forms of insurance imposed by state law or customarily maintained by lessees of similar property and improvements.

9.3. For the full period of construction of any improvements on the Premises, including any warranty period, the Lessee or the Lessee's contractor shall purchase and maintain, at no expense to the City, insurance policies providing coverage as follows:

9.3.1. Commercial general liability insurance with occurrence form coverage for personal injury, bodily injury, and property damage--which shall include explosion and collapse, underground hazard, products/completed operation, contractual liability, broad form property

damage, and owner's/contractor's protective coverage--with minimum coverage of not less than \$1,000,000 in any single occurrence; and

9.3.2. Comprehensive automobile liability insurance with minimum coverage of not less than \$1,000,000 in any single occurrence; and

9.3.3. Workers' compensation insurance as required by law.

9.4. All liability insurance policies shall contain an endorsement naming the City of Longmont, Colorado, a municipal corporation, its Council members, officers, agents, employees, and volunteers as additional insured parties with respect to all activities the Lessee may perform under the Lease. All insurance policies shall be primary coverage, non-contributory by the City.

9.5. Only insurance companies with authority to issue policies in Colorado shall provide insurance coverage under the Lease.

9.6. For the term of the Lease, the Lessee shall not cancel, materially change, or fail to renew the insurance coverage and agrees to notify the Airport Manager of any material reduction or exhaustion of aggregate policy limits.

9.7. Subject to Section 10.1, if the improvements on the Premises are damaged or destroyed during the term of the Lease, the Lessee will, as soon as practical after the casualty, restore the improvements as nearly as possible to the condition which existed immediately before the damage or destruction. The Lessee will not receive any offset or abatement of any payments or extension of the term of the Lease as a result of deprivation or limitation of use of the improvements. The Lessee will apply all insurance proceeds to the costs of full restoration of the improvements with any balance of insurance proceeds paid to the Lessee.

9.8. Nothing in this Article shall limit the extent of the Lessee's responsibility for payment of claims, liabilities, damages, fines, penalties, and costs resulting from the Lessee's performance or nonperformance under the Lease.

## 10. Removal of Improvements

10.1. The Lessee shall own any structure it constructs and have the right at any time during the term of the Lease, when not in default, to remove said structure from the Premises, along with all personal property within the structure.

## 11. Inconvenience During Construction

11.1. The Lessee recognizes that, from time to time during the term of the Lease, it may be necessary for the City to initiate and carry forward extensive programs of construction, reconstruction, expansion, maintenance, and repair for the Airport to be suitable for air traffic and flight activity. The Lessee agrees that no liability shall attach to the City, its officers, agents, employees, contractors, subcontractors, and representatives by reason of such temporary

inconvenience or interruption, and waives any right to claim damages or other consideration thereof. This waiver shall not extend to, nor be construed to be a waiver of, any claim for physical damage to property resulting from negligent misconduct by the City.

12. State of Colorado Stormwater Permit

12.1. The Lessee agrees to comply with the rules and regulations of the Colorado Discharge Permit System (CDPS) general permit for discharge of stormwater from the Airport. The Lessee shall adhere to all CDPS general permit requirements as well as comply with the Stormwater Management Plan (SWMP) developed by the Airport Manager.

12.2. The Lessee shall follow the good housekeeping practices prescribed in the SWMP, comply with the spill prevention and response plan, implement the best management practices prescribed in the SWMP, adhere to any other reporting and monitoring requirements outlined in the SWMP, and follow any future promulgations by the Colorado Department of Health.

13. Rules, Regulations and Reservations

13.1. The Lessee shall comply with the Vance Brand Airport Rules and Regulations and all applicable rules and regulations of the City, as adopted or amended from time to time, including, but not limited to, the Airport's noise abatement procedures.

13.2. The Lessee shall require all employees, subtenants, sublessees, invitees, and those doing business with the Lessee, while on the Premises, to comply with the Vance Brand Airport Rules and Regulations, and all applicable rules and regulations of the City, as adopted or amended from time to time.

13.3. The Lessee shall obey all pertinent Federal Aviation Administration Regulations, as adopted or amended from time to time.

13.4. The City reserves its rights under the Lease to:

13.4.1. Develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance; and

13.4.2. Maintain and keep in repair, without obligation to the Lessee, the Airport landing area and public facilities, together with the right to direct and control all activities of the Lessee in this regard; and

13.4.3. Maintain for the use and benefit of the public, the right of flight for the passage of aircraft in the airspace above the surface of the Premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation or flight in the air, using said airspace for landing at, taking off from, or operating on the Airport; and

13.4.4. For its officers, employees, and representatives to enter and inspect or protect the Premises during reasonable business hours upon not less than 24 hours advance written notice to Lessee, and at any time there is an emergency; and

13.4.5. Use any portion of the Premises outside a structure for public utilities and as ingress and egress for public use and rights-of-way; and

13.4.6. Use, repair, install, replace, and maintain public utilities and rights-of-way on, over, or under the Premises. The City will repair, in good and workmanlike manner, any damage done to the Premises and improvements as the result of public utility work done hereunder.

14. Federal Aviation Administration

14.1. The Lease shall be subordinate to the provisions of any existing or future agreements between the City and the United States regarding operation or maintenance of the Airport.

14.2. The Lessee shall obey the notification and review requirements covered in Part 77 of the Federal Aviation Administration Regulations if it constructs any future structure, or modifies or alters any present or future improvement on the Premises.

14.3. Nothing in the Lease shall grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act.

14.4. The Lessee covenants and agrees not to use the Premises in a manner which might interfere with the landing or taking off of aircraft from the Airport or otherwise constitute a hazard to aviation. The City shall have the right to enter upon the Premises and cause the abatement of such interference at the expense of the Lessee.

14.5. If the United States, or an agency thereof, shall take over control of the entire Airport, both the City and the Lessee shall be released from the terms and conditions of the Lease during the period of such governmental action.

14.6. During war or national emergency, the City shall have the right to lease the landing area or any part thereof to the United States for military use. If the City executes such a lease, the provisions of the Lease shall be suspended in so far as they are inconsistent with the lease to the United States.

14.7. The Lease is subject and subordinate to all existing or future terms, reservations, regulations, restrictions, provisions, conditions, and statutes of the United States, and any existing or future agreements between the City and the United States relative to the operation, use, or maintenance of the Airport and its appurtenant facilities.

14.8. In all operations it conducts under the Lease or on the Airport, the Lessee agrees to not discriminate or permit discrimination against any person or class of persons by reason of race,

color, creed or national origin, in any manner prohibited by Part 15 of the Federal Aviation Administration Regulations, as amended.

14.9. The Lessee shall make its accommodations and services available on a fair, equal, and not unjustly discriminatory basis to all users of the Airport.

14.10. The City and the United States shall have the right to enforce the provisions of Sections 14.8 and 14.9.

14.11. The Lessee shall insert provisions 14.8, 14.9, and 14.10 in any contract or agreement in which it grants a right or privilege to any person, firm, corporation, or other entity to render accommodations or services to the public on the Premises.

14.12. The City retains full authority to act in the public interest in exercising its municipal police powers. Nothing in this Agreement shall limit, in any way, use by the City of its municipal police powers.

15. Assignments and Subletting

15.1. This Lease may not be assigned by Lessee.

15.2. This Lease may be sublet by the Lessee upon the prior written consent of the City which shall not be unreasonably withheld. The City Manager or designee may consent on behalf of the City.

16. Surrender and Holding Over

16.1. The Lessee covenants and warrants that on expiration, termination, or cancellation of the Lease, the Lessee will quit and surrender the Premises in a good state and condition, reasonable wear and tear excepted. The Lessee further covenants and warrants that all improvements--other than any structure the Lessee constructs and the Lessee's personal property--installed, erected, attached, or placed by the Lessee in, on, or about the Premises under the terms of the Lease shall remain on the Premises as property of the City.

16.2. Should the Lessee hold over or continue to occupy the Premises after expiration, termination or cancellation of the Lease, such holding over may, at the City's option, be deemed merely a tenancy for successive monthly terms upon the same conditions as otherwise provided in the Lease.

17. Breach or Abandonment

17.1. At the City's option, each of the following shall be a material breach and default under the Lease:

17.1.1. The Lessee fails to make a payment when due and said failure continues

for ten (10) days after the City gives Lessee written notice of the late payment.

17.1.2. Lessee breaches or fails to comply with any other provision of this Lease and such breach or failure continues for thirty (30) days after the City gives Lessee written notice requiring compliance with the provision; provided that if the breach or failure cannot reasonably be cured within such thirty (30) day period, if Lessee in good faith commences to cure such breach or failure within such period and then diligently pursues the cure to completion, such period shall be extended accordingly.

17.1.3. The Lessee's interest under the Lease or Premises is assigned or conveyed to any other party, except as expressly authorized in this Lease.

17.1.4. The Lessee files a petition for bankruptcy or insolvency, or for reorganization or arrangement under any bankruptcy or insolvency laws, or voluntarily takes advantage of any such laws by answer or otherwise, or dissolves or makes an assignment for the benefit of creditors, or involuntary proceedings under any such laws or for the dissolution of the Lessee are instituted against the Lessee, or a receiver or trustee is appointed for the Premises or for all or substantially all of the Lessee's property, and such proceedings are not dismissed or such receivership or trusteeship vacated within sixty (60) days after such institution or appointment.

17.1.5. The Lessee's interest under this Lease or in the Premises is taken upon execution or by other process of law directed against the Lessee, or is subject to any attachment by any creditor or claimant against the Lessee and such attachment is not discharged or disposed of within fifteen (15) days after levy.

17.1.6. The Lessee abandons the Premises.

17.2. Upon default, the City may resort to all legal and equitable remedies provided by law and may recover all damages resulting from the breach including, without limitation, the following:

17.2.1. The City may, at the City's option but without obligation to do so, and without releasing Lessee from any obligations under this Lease, make any payment or take any action as the City deems necessary or desirable to cure any default in such manner and to such extent as the City deems necessary or desirable. The City may do so without additional demand on or additional written notice to the Lessee and without giving the Lessee an additional opportunity to cure such default. Lessee covenants and agrees to pay the City, upon demand, all advances, costs and expenses of the City in connection with making any such payment or taking any such action, including reasonable attorneys' fees, together with interest at 8%, from the date of payment of any such advances, costs, and expenses by the City.

17.2.2. The City may terminate this Lease, upon written notice to the Lessee, and demand (and, if such demand is refused, recover) possession of the Premises from the Lessee. The Lessee will remain liable to the City for damages in an amount equal to the rent which would have been owed by the Lessee for the balance of the Lease term had this Lease not been terminated, less the net proceeds, if any, of any reletting of the Premises by the City subsequent to such termination,

after deducting all of the City's expenses in connection with such recovery of possession or reletting. The City will be entitled to collect and receive such damages from the Lessee on the days on which the rent would have been payable if this Lease had not been terminated. Alternatively, at the City's option, the City will be entitled to recover from the Lessee, as damages for loss of the bargain and not as a penalty, an aggregate sum equal to (i) all unpaid rent for any period prior to the termination date of this Lease (including interest from the due date to the date of the award at 8%), plus any other sum of money and damages owed by Lessee to the City for events or actions occurring prior to the termination date; plus (ii) the present value at the time of termination (calculated at the rate commonly called the discount rate in effect at the Federal Reserve Bank of New York on the termination date) of the amount, if any, by which (A) the aggregate of the rent payable by the Lessee under this Lease that would have accrued for the balance of the Lease term after termination exceeds (B) the amount of such rent which the City will receive for the remainder of the Lease term from any reletting of the Premises occurring prior to the date of the award, or if the Premises have not been relet prior to the date of the award, the amount, if any, of such rent which could reasonably be recovered by reletting the Premises for the remainder of the term at the then-current fair rental value, in either case taking into consideration loss of rent while finding a new lessee, lessee improvements and rent abatements necessary to secure a new lessee, and other costs which the City has incurred or might incur in leasing the Premises to a new lessee; plus (iii) interest on the amount described in (ii) above from the termination date to the date of the award at 8%.

17.2.3. The City may also, at its sole option, repossess the Premises, expel the Lessee, and remove the Lessee's improvements, all without liability for trespass or for damage or loss to the improvements or the Lessee's operations, and without prejudice to any other remedies available to the City. No such reentry or taking possession of the Premises by the City will be construed as an election by the City to terminate this Lease unless a written notice of such intention is given to the Lessee. No notice from the City or notice given under a forcible entry and detainer statute or similar laws will constitute an election by the City to terminate this Lease unless such notice specifically so states. The City reserves the right, following any reentry or reletting, to exercise its right to terminate this Lease by giving the Lessee such written notice, in which event the Lease will terminate as specified in such notice.

17.2.4. Nothing contained in this Lease will limit or prejudice the City's right to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization, or dissolution proceeding an amount equal to the maximum allowable by any laws governing such proceeding in effect at the time when such damages are to be proved, whether or not such amount be greater, equal, or less than the amounts recoverable, either as damages or rent, under this Lease.

17.2.5 Time is of the essence. All of the City's remedies are cumulative and not exclusive of one another. The City may exercise any one or more of its remedies and exercise of any such remedy will not prevent the concurrent or subsequent exercise of any other remedy provided in this Lease or otherwise available to the City at law or in equity.

17.2.6 Upon default, the Lessee shall be liable for and pay to the City all of the City's costs and reasonable attorneys' fees incurred as a result of the default.

18. Hazardous Materials

18.1. For the purposes of this Lease, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any federal, state, political subdivision, or local government entity or agency. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under Colorado law; (ii) petroleum; (iii) asbestos; (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1321); (v) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 U.S.C. § 6903); (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601); or (vii) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 U.S.C. § 6991).

18.2. The Lessee shall not cause or permit the use, storage, placement, or release of any Hazardous Material on or about the Premises by the Lessee, the Lessee's agents, employees, contractors, subcontractors, subtenants, sublessees, or invitees without the prior written consent of the City's Fire Chief, or designee, and the Airport Manager. If the Lessee breaches an obligation of the preceding sentence, then the Lessee shall indemnify, defend, and hold the City harmless from all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of the Premises or of any amenity of the Premises, sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees) which arise during or after the Lease term as a result of such contamination. This indemnification of the City by the Lessee includes, without limitation, all costs the City incurs with any investigation of site conditions or any cleanup, remedial, removal, or restoration work any federal, state, political subdivision, or local government entity or agency requires because of Hazardous Material present in the soil or groundwater on or under the Premises. Without limiting the above, if the Lessee permits the presence of any Hazardous Material that results in any contamination of the Premises, the Lessee shall promptly take all actions, at the Lessee's sole expense, necessary to return the Premises to the condition existing before the introduction of any such Hazardous Material.

19. Notice

19.1. Any notice to be given under the Lease shall be personally delivered to the Lessee or served by either party by certified mail, return receipt requested, and directed to the other party at the address in the preamble. When given by certified mail, the date of notice shall be effective from the date of the mailing receipt. The Lessee shall be responsible for notifying the City of any change of address.

20. Status of Lessee

20.1. The Lessee shall operate under the Lease as an independent contractor and not as an employee, agent, or joint venturer of the City. The Lessee's operations will not be supervised by any employee or official of the City, nor will the Lessee exercise supervision over any employee or

official of the City. The Lessee shall not represent that Lessee is an employee, agent, or joint venturer of the City. The Lessee shall supply all personnel, equipment, and materials at the Lessee's sole expense. **The Lessee is not entitled to Workers' Compensation benefits from the City and is obligated to pay federal and state income tax on money earned pursuant to the Lease.**

21. Miscellaneous

21.1. No waiver of default by the City of any of the terms, covenants, warranties or conditions hereof to be performed, kept or observed by the Lessee shall be construed as, or operate as, a waiver by the City of any of the terms, covenants, warranties or conditions herein contained, to be performed, kept or observed by the Lessee.

21.2. The Lessee is leasing the Premises in an as is condition. The City makes no covenants or warranties as to the present or future condition, or suitability for a particular use, of the Airport or the Premises. The City shall be under no obligation to maintain the Airport in a particular location or condition. The parties agree that if the Airport shall permanently close or relocate, the use restrictions stated in Article 4 shall not apply, and the Lessee may use the Premises for any lawful use or purpose allowed by the then existing Longmont Municipal Code.

21.3. Article and section headings shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of the Lease.

21.4. The provisions of the Lease shall be construed as to their fair meaning, and not for or against any party based upon any attributes to such party of the source of the language in question.

21.5. The Lessee shall perform all terms and conditions of the Lease in strict compliance with all applicable laws, rules, charters, ordinances and regulations, as now exist or are later enacted or amended, of the City, except any future ordinances or regulations adjusting or establishing lease rates, and all county, state and federal entities having jurisdiction over the Airport, the Premises, or the Lessee's operations.

21.6. No representations, warranties or certifications, express or implied, shall exist as between the parties, except as specifically stated in the Lease.

21.7. None of the terms, conditions or covenants in the Lease shall give or allow any claim, benefit, or right of action by any third person not a party hereto. Any person other than the City or the Lessee receiving services or benefits under the Lease shall be only an incidental beneficiary.

21.8. The Lease is an integration of the entire understanding of the parties with respect to the matters stated herein. The parties shall only amend the Lease in writing with the proper official signatures attached thereto.

21.9. Invalidation of any specific provision of the Lease shall not affect the validity of any other provision of the Lease.

21.10. The Lease shall be governed and construed according to the laws of the State of Colorado.

21.11. The Lease shall extend to and be binding upon the heirs, successors, and assigns of the parties.

21.12. This Lease may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Lease. Facsimile signatures shall be acceptable and binding upon the parties.

**EXECUTED** the day and year first above written.

**CITY OF LONGMONT, a municipal corporation:**

---

MAYOR

APPROVED AS TO FORM:

---

ASSISTANT CITY ATTORNEY

---

PROOFREAD

APPROVED AS TO FORM AND SUBSTANCE:

---

ORIGINATING DEPARTMENT

APPROVED AS TO INSURANCE PROVISIONS:

---

RISK MANAGEMENT

VANCE BRAND MUNICIPAL AIRPORT  
HANGAR LEASE

State of Colorado     )  
                                  ) ss.  
County of Boulder    )

I attest that the foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ as the Mayor of the City of Longmont.

Witness my hand and official seal.

\_\_\_\_\_  
City Clerk, Notary Public

My commission expires: \_\_\_\_\_.

VANCE BRAND MUNICIPAL AIRPORT  
HANGAR LEASE

**LESSEE:**

Mile-Hi Aviation Center, LLC

By: \_\_\_\_\_  
Frank Casares

State of \_\_\_\_\_ )  
 ) ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me by \_\_\_\_\_,  
(Name of party signing)

a member/partner/manager/limited partner/agent (select one) on behalf of \_\_\_\_\_

\_\_\_\_\_,  
(Name of limited liability company)

a limited liability company, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_.

CA File : 9899

EXHIBIT A  
(Property Description/Map)



| Pt Number | Coordinate Location | Latitude    | Longitude    |
|-----------|---------------------|-------------|--------------|
| 100       | North East Corner   | 40.16254414 | -105.1628557 |
| 101       | North West Corner   | 40.16266747 | -105.1631074 |
| 102       | South West Corner   | 40.16231478 | -105.1634042 |
| 103       | South East Corner   | 40.16219256 | -105.1631485 |

Path:\a12\apps\planning-cadd\Projects\PW0518 Airport\Map\Map000518\_2015\_8.5x11\_Lease\_Area.mxd

|                                     |
|-------------------------------------|
| Print Date: 10/13/2015              |
| Name: 000518_2015_8.5x11_Lease Area |
| Revisions:                          |
| Vert. Scale: As Noted               |
| Horiz. Scale: 1 inch = 50 feet      |



**Mile Hi Sky Diving  
Lease Area**

**CITY of LONGMONT**

385 Kimbark Street  
Longmont, Co. 80501  
Phone: 303-651-8304 FAX: 303-651-8352

**PUBLIC WORKS & NATURAL RESOURCES DEPT.**



|                                   |               |
|-----------------------------------|---------------|
| Project No.<br>PW0518             | Year<br>2015  |
| Designer:<br>Detailer: H. Lassner |               |
| Subset Sheet:                     |               |
| Sheet Number:                     | <b>1 of 1</b> |

**EXHIBIT B**  
(Authorized Use)

Parachute packing tent and associated skydiving operations.