AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Airline License Agreement & Lease

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: Gunnison County and G2 Secure Staff

Term Begins: 3/1/2020 **Term Ends:** 2/28/2022 **Grant Contract #:**

Summary:

New agreement with G2 Secure Staff after they won the bid to operate as a ground handler for both United Airlines and American Airlines. When compared with past agreements, changes have been made to the license fee and rent. They have the option to renew for a one (1) year additional term.

Fiscal Impact: 3% fee paid to the airport monthly of total monthly revenue invoiced to the air carriers; $4,000.00 winter season rental fee

Submitted by: Stephanie Williams **Submitter's Email Address:** swilliams@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No concerns, ln.

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 4/9/2020

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 4/10/20

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 4/10/2020 Certificate of Insurance Required Yes (●) No ( )

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 4/17/2020

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 0

Agenda Date: 4/21/2020

Revised April 2015

AIRLINE GROUND HANDLING LICENSE AGREEMENT AND LEASE

This Airline Ground Handling License Agreement and Lease (the "Agreement"), dated as of _____, 2020, is between the **COUNTY OF COUNTY COMMISSIONERS OF GUNNISION COUNTY, COLORADO** (the "County"), having an address of 200 East Virginia, Gunnison, Colorado 81230, and **G2 SECURE STAFF** ("G2"), company authorized to do business in the State of Colorado, with an address of 5010 Riverside Drive, Suite 300 Irving, Texas 75039.

R E C I T A L S

A. The County is a political subdivision of the State of Colorado, and owns and operates the Gunnison-Crested Butte Regional Airport located within and adjacent to the City of Gunnison, Colorado;

B. Any entities conducting a commercial business or service on or from the Airport may do so only pursuant to a written license agreement with the County;

C. Airline ground handling services provided to air carriers at the Airport is a distinct class of business at the Airport;

D. The County has found it to be in the public interest to maintain certain standards and enforce reasonable safety and security operating rules as related to this class of business;

E. G2 has requested a non-exclusive license to provide airline ground handling services at the Airport, the County is willing to grant such license subject to the terms and conditions set forth in this Agreement, and G2 is willing to agree to those terms and conditions; and

F. The fees and charges set forth in this Agreement are reasonable related to burdens imposed upon the County and the rights granted to G2 under the Agreement.

TERMS AND CONDITIONS

1. Definitions Throughout this Agreement, the following words shall have the meanings set forth following them, unless the context clearly shall appear otherwise.

1.1 "License" means the right granted by the County hereunder to provide counter, baggage and aircraft ramp servicing operations to Airlines and others in any specified area of the Airport.

1.2 "Airport" means the Gunnison-Crested Butte Regional Airport as it exists or may from time to time be modified, augmented or otherwise changed to accommodate aeronautical and other users.

1.3 "Airport Rules" means rules, regulations, directives, resolutions or statutes adopted, or that may be hereafter adopted, by the County or issued by the Airport Manager, for the

operation, maintenance and administration of the facilities and business conducted at the Airport.

1.4 "Airport Manager" means the Airport Manager of the Airport, as appointed from time to time by the County or his/her authorized representative.

1.5 "FAA" means the Federal Aviation Administration of the United States, or any federal agency succeeding to its jurisdiction or function.

1.6 "Airline/Air Carrier" means a certificated air carrier which has executed a Lease of Airport Facilities with the County.

1.7 "Gross Revenues and/or Annual Gross Revenues" shall mean the aggregate gross sales price received by Operator, or which Operator is entitled to receive by virtue of its provision of airline ground handling services at the Airport.

1.7.1 Gross revenues to the Operator shall be deemed received at the time the transaction occurs giving rise to Operator's right to collect said monies, regardless of whether said transaction was conducted in person, by telephone, by wire (FAX, telex, etc.), by mail or by any other method of information transmission, whether the transaction was for cash or credit.

1.7.2 Gross revenues shall not include: (1) federal, state or municipal sales taxes separately stated and collected from customers; or (2) amounts Operator receives, or is entitled to receive, for charges for insurance coverage.

1.8 "Term" shall be as set forth in Section 2 ("Term of Agreement").

1.9 "Leased Premises" or "Premises" refers to the Terminal premises described in paragraph 3.3 of this Agreement.

1.10 "Terminal" is the existing Passenger Terminal Building at the Airport, together with any additions/upgrades thereto.

2. <u>Term of Agreement</u>

2.1 This Agreement shall be for a period of **two years**, the "Initial Term", beginning on **March 1st, 2020**, and unless sooner terminated as hereinafter provided, expiring on **February 28, 2022**.

2.2 The term of this Lease may be renewed at the sole discretion of the County **one** additional term (1) year commencing **March 1st, 2022 through February 28, 2023** upon the same terms and conditions as the Initial Term (except as otherwise provided herein).

3. Lease and License

3.1 Airline Ground Handling License. The County hereby grants to G2 a non-exclusive License to conduct scheduled air carrier ground handling services at the Airport under the provisions of this Agreement. Holding over or failure to vacate the Premises at the end of the term shall not be construed to be the granting or exercise of an additional term, but shall create only a month to month tenancy, under the other terms and conditions of this Lease, which may be terminated by either party upon 30-days notice to the other.

3.2 Area of Service.

3.2.1 G2 shall have the non-exclusive right to provide airline ground handling services for air carriers operating at the airport in those areas designated by the County for use for emplanement and deplanement of the aircraft of the airlines, as well as counter and baggage services in those areas of the Airport Terminal Building leased to Airlines, as G2 may be authorized to use in a separate agreement with an Airline. G2 shall perform such services in strict conformity with the operational requirements of the County and this Agreement.

3.2.2 At the sole discretion of the County, G2 shall also have the non-exclusive right to provide ground handling services and equipment for the general public at the Airport in areas other than those designated by the County for use for enplanement and deplanement by the Airlines, in conformity with the operational requirements of the County and this Agreement. G2 must charge reasonable and non-discriminatory prices for such services and equipment.

3.3 Equipment Storage Space. G2 is also granted exclusive use of the Premises identified in **Exhibit A** as warm equipment storage consisting of approximately 660 square feet.

3.4 Acceptance by Lessee. G2 has inspected the Airport, Terminal and Premises and is fully aware of the equipment, location and condition thereof. G2 acknowledges that the Airport, Terminal and Premises are fit for G2's use and enjoyment of the rights granted hereunder, and accepts the same in their present condition.

4. Obligations of G2

4.1 Airline Ground Handling Vehicles and Equipment.

4.1.1 Ground handling vehicles used by G2 hereunder must be appropriately marked, lighted and equipped with customary safety equipment in accordance with the current Airport Rules.

4.1.2 G2 shall comply with all prevailing security provisions contained in the Airport's Security Plan (the "AASP"); and shall, at G2's sole cost and expense, submit for review and approval, individual checks for each of G2's employees who is to have access to the Airport's Security Identification Area (the "SIDA") as required by

Airport Rules and applicable federal statute, regulation or policy.

4.1.3 G2 may bring on to use and store at the Airport only such type and number of vehicles and equipment as may be permitted by leases entered into between an Airline and the County, and as are normally and usually used in the conduct of a first class Airline ground handling operation. G2 shall promptly remove from the Airport any of its vehicles or equipment which is no longer actively used in providing services hereunder, or otherwise at the direction of the Airport Manager.

4.1.4 G2 staff who are authorized to operate jet boarding bridges must at all times, while operating such jet boarding bridges, post safety monitoring staff to ensure that the limits of jet bridge wheeled undercarriage are not exceeded.

4.2 Supplies and Equipment Storage.

4.2.1 G2's equipment may be located at the Airport only in an area or areas designated by the Airport Manager.

4.2.2 If required by the Airport Manager, G2 shall maintain and certify that G2 has developed a Hazardous Materials Spill Control and Recovery Plan for its operation at the Airport which meets the requirements of federal, state and local environmental laws, rules and regulations now in effect or hereinafter enacted and shall provide said written plan to the Airport Manager for approval prior to the commencement of operations at the Airport.

4.2.3 G2 shall maintain environmental quality control standards, and employee training program for such; and provide said written standards/program to the Airport Manager for approval prior to the commencement of operations.

4.3 Pricing.

G2 shall furnish its services under this Agreement on a reasonable, and not unjustly discriminatory, basis to all users of those services and shall charge reasonable, and not unjustly discriminatory, prices for each unit or service; provided, however, that G2 may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions based upon the volume of services provided. To comply with this provision, G2 hereby agrees that it will not charges prices for services and equipment in excess of MAGSA rates.

4.4 Solicitation.

G2 shall restrict its operations to providing airline ground handling services; and is strictly prohibited from soliciting customers in any aircraft movement area, or directing customers or enticing customers to its operation.

4.5 Terms and Conditions of Service.

G2 at all times shall observe and comply strictly with Airport Rules and Regulations of the County and of FAA with respect to the use of the Airport and the servicing of aircraft thereon. G2 at all times shall maintain a high standard of service which is in all respects consistent with first-class airline ground handling services located at other airports. G2's agents, representatives and employees shall be trained personnel, and at all times shall be dressed neatly and cleanly; in a distinctive and readily identifiable manner.

4.6 Operations and Maintenance Manuals.

Upon request by the Airport Manager, G2 shall develop a Preventive Maintenance Manual and Ramp Operations Safety Manual, and shall provide a copy of said written manuals to the Airport Manager for approval.

4.7 Maintenance of Premises.

4.7.1 G2 shall furnish, install, operate and maintain the Premises and the furniture, fixtures and equipment installed therein and thereon, all in good and clean order, condition and repair. Within the Premises, the G2 shall be responsible for taking actions and making alterations or installations necessary to comply with the Americans With Disabilities Act of 1990, as amended, and regulations adopted pursuant thereto. Upon expiration or sooner termination of this Agreement, G2 shall deliver up the Premises to the County in good and clean order, condition and repair, reasonable wear and tear excepted. If G2 has altered the Premises, then at the option of the County, it shall restore the same to its original condition to the extent reasonably practicable. Provided, however, that G2 shall not be required to make repairs which were not occasioned by damage caused by G2 or its Employees, invitees, contractors or customers.

4.7.2 G2 shall ensure that trash generated by its operations is immediately placed in covered containers, no fugitive trash is generated, the Premises are policed for trash on a daily basis, and trash and other wastes are disposed of lawfully and promptly. G2 shall not use or store hazardous materials on the Airport except in strict compliance with federal, state and local laws and regulations.

4.8 Improvements to Premises.

Construction plans, specifications, budgets and schedules for any proposed improvements by G2 to the Premises, shall be submitted by G2 and subject to County approval. The County may reject submissions that are not in accordance with applicable codes, rules, regulations, ordinances and statutes, which are incompatible with Airport conditions or inconsistent with Airport architectural style and design or with uses typically made of public use airports.

4.9 Liens.

G2 shall immediately cause to be removed, or shall cause a bond to be posted for the

benefit of County to secure the payment of any and all liens or encumbrances of any nature arising out of or imposed because of any improvements or repairs performed by G2 or its contractors or subcontractors upon the Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use on the Premises.

5. Payments to the County

5.1 License Fee. For the rights granted hereunder, G2 shall pay to the County

A license fee **equal to 3% (three percent)** of the total monthly revenue invoiced to the air carriers for services rendered.

The 3% Fee will be paid not more than 30 days after the month it was collected and annually will be reconciled with the operator's statement of Annual Gross Revenues on receipt.

5.2 Premises Rentals.

G2 agrees to pay the County for use of the Premises identified in Paragraph 3.3 above, a rental fee of **$4,000 per winter season** the first of which is payable on execution of this Agreement. Subsequence payments are due and payable at the beginning of each term which is November 1st of each year.

5.3 Security Fees.

G2 shall pay to the County a charge, as may be established from time to time by the Airport Manager, to cover the County's costs of processing applications for and preparing Airport Security Credentials for all such credentials requested by G2 pursuant to **Section 4.1.2** above. G2 shall reimburse the County, promptly upon demand, for any civil or other penalty assessed by the FAA against the County, directly or indirectly resulting from G2's actions or negligence.

5.4 Place of Payments and Delinquencies.

5.4.1 Payments shall be made to the Gunnison County Finance Office, 200 East Virginia, Gunnison, Colorado 81230, and shall be made payable to the "Gunnison County Treasurer." Any check or other order shall be accepted subject to collection and the Airline agrees to pay any bank charges made for the collection of any such check.

5.4.2 All payments to be made pursuant to this Agreement shall be considered delinquent if not received by the last day of the month in which the payment became due. In addition to such delinquent payment, a late charge of $500.00 (Five Hundred) will be assessed on each delinquent payment and interest will accrue on the delinquent payment at a rate of fifteen percent (10%) per month on all delinquent balances.

5.5 Provision of Information and Audit.

5.5.1 Annually, within ninety (90) days after the end of every year of the term of this Agreement, at the expiration of the Operator's term and upon assignment of Operator's rights hereunder, Operator shall file a statement of Annual Gross Revenues reportable under this Agreement, which report shall be prepared, signed and certified as correct by an officer of Operator.

5.5.2 Operator shall maintain true, full and accurate books of account and records from which "Gross Revenue" as defined herein, the amount and nature of all business transacted on or through the Airport and the amount of percentage rental owed the County hereunder, particularly as it relates to all revenues or receipts attributable to Operator's business conducted at the Airport, can be determined and verified, according to standard and accepted accounting and auditing practices. The books of account and records that Operator must maintain, must include, but need not be limited to, legible, true and accurate copies of all written and electronic records and reports kept in the normal course of Operator's business including, without limitation, sales slips, cash register tapes, credit card invoices, monthly sales tax returns, sales and disbursement journals, general ledgers, bank statements, bank books, bank deposit slips, annual federal income tax returns, state sales tax returns and all Airport-related revenue reports submitted by Operator to its franchiser, if any. These books and records shall be maintained on a current basis and shall be stored at a location in Gunnison County for a period of at least thirty-six (36) months from the end of each monthly period, or for such longer period of time as County reasonably may direct in writing.

5.5.3 The County reserves the right to conduct audits of Operator's books of account and records, which audits may be conducted upon reasonable notice to Operator and during Operator's normal weekday business hours. In performing said audits, County shall be entitled to review, and Operator shall be obligated to provide the County, all of the books of account and records that Operator obligated to maintain pursuant hereto, as well as other documents and files in Operator's possession, custody or control at the time County advises Operator of its desire to audit Operator's records, that the County, or its auditor, believe, in their sole discretion, are useful, relevant or necessary to determine or verify the correct amount of gross revenues enjoyed by Operator, and the correct amount of percentage rental owed by Operator to the County, for the period involved. Should Operator fail to maintain the books of account and records required to be maintained pursuant hereto, or should Operator fail to permit County or its auditor to review Operator's books and records, and other documents and files, as required by this subparagraph, said default is agreed by the parties to be a material breach of this Agreement and Operator agrees to pay, as liquidated damages for such breach, an additional amount equal to fifty (50%) percent of the verifiable costs, fees and charges due from Operator hereunder for the period

in question. If any audit shows percentage rentals and other charges that should have been paid to the County by the Operator pursuant to this Agreement were understated or underpaid for any period involved, Operator shall, within thirty (30) days notice of any such deficiency, pay to the County the full amount underpaid, plus twenty eight percent (28%) interest, on such underpayment from the time said underpayment should have been paid to the time said underpayment is fully paid. In addition, if the amount of underpayment exceeds exactly one (1.0%) percent of the total annual percentage rental that was owed by Operator to the County for the audit period involved, Operator, in addition to paying the County the underpayment owed and interest accrued thereon, shall within thirty (30) days' notice reimburse the County for the cost of the audit. If the audit discloses overpayment of the percentage rentals paid to the County by Operator, the County shall refund the amount of overpayment to Operator within thirty (30) days of said audit. The County shall hold all information obtained from any such audit in confidence, except as may be necessary to enforce the County's rights under this Agreement, except with respect to tax proceedings, and except with respect to any legal requirements or Court Order to disclose said information.

6. Government Regulations and Nondiscrimination

6.1 Compliance with Law and Regulations.

G2 will comply promptly with all laws, statutes, regulations, ordinances and rulings of the United States of America, the State of Colorado, the County, and other governmental bodies and agencies having jurisdiction over the Airport and applicable to G2's license and operations at the Airport as they now exist or as they may be hereafter amended. Without limiting the generality of the foregoing, G2 at all times shall access and use Airport facilities and the Airport in strict accordance with any and all rules and regulations that may be imposed by the FAA or other authority with respect to the Airport or the operations thereof. G2 further agrees that it will comply promptly with appropriate procedures or actions of all other statutes, ordinances, laws, judgments, decrees, regulations, directions or requirements of any governmental authority now or hereafter applicable to or having jurisdiction over the Airport, including without limitation, the rules, regulations and directions of general applicability of the County and the Airport Manager.

6.2 Licenses and Permits.

G2 at all times shall procure and observe and keep in full force and effect from all governmental authorities having jurisdiction over the operations of G2 hereunder, all licenses, franchise, certificates, permits or other authorizations which may be necessary for the conduct of G2's business and operations.

6.3 Airport Rules and Regulations.

G2 covenants and agrees to observe and obey (and to compel its officers, directors, employees, agents, representatives, contractors, customers, guests, invitees, and those doing business with it at the Airport to observe and obey) the general and special rules and regulations, including amendments and supplements thereto, of the County governing the conduct and operation of the Airport, together with such further rules and regulations as from time to time during the Term hereof may be promulgated by the County, for reasons of safety or health or preservation of property or for the maintenance of a good and orderly appearance of the Airport and the operations thereof. The County hereby agrees that the County, except in cases of emergency, will give notice to G2 of every such further rule or regulation adopted by it at least ten (10) days before G2 shall be required to comply therewith.

6.4 Nondiscrimination.

G2 for itself, its successors in interest, and assigns, as a part of the consideration hereof, does covenant and agree hereby, as a covenant running with the use of the Airport, that (a) no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the license on the grounds of age, race, sex, color, creed, disability, or national origin, (b) in the furnishing of services hereunder, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the license, on the grounds of age, race, sex, color, creed, disability, or national origin, and (c) G2 shall use the license granted in this Agreement in compliance with any applicable requirements imposed by or pursuant to Title 49 CFR Part 21, Nondiscrimination in Federally-Assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, as said regulations may be amended.

6.4.1 G2 assures that it will undertake, to the extent applicable to its operation, a program as required by 14 CFR Part 152, Subpart E, to ensure that, on the grounds of race, creed, color, national origin or sex, no person shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. G2 assures that it will require that its covered suborganizations, if any exist, provide assurances to the County that they similarly will undertake such a program and that they will require assurances from their covered suborganizations as required by 14 CFR Part 152, Subpart E to this same effect.

6.4.2 G2 shall indemnify and hold harmless the County from any losses, claims and demands of third persons, including the United States of America, resulting from G2's noncompliance with any of the provisions of this Section 6 and G2 shall reimburse the County for any loss or expense incurred by reason of such non-compliance.

7. Indemnity and Insurance

7.1 Indemnification of the County.

G2 agrees to indemnify the County against all liability for injuries to persons or damage to property caused by G2's intentional and/or negligent operations at or upon, or use or occupancy of the Airport premises, except to the extent that such injuries or damage are caused by the negligence or misconduct of the County.

7.2 Insurance.

G2 shall secure and maintain for the term of its contractual relationship with County such insurance policies, from companies licensed in the State of Colorado, as will protect itself, the County (with the County named as additional insured to the extent permitted by law), and others as specified, from claims for bodily injuries, death, personal injury or property damage, which may arise out of or result from the G2's intentional or negligent acts, errors or omissions. The following insurance coverage, at or above the limits indicated and including such endorsements as are indicated by an "X," are required:

7.2.1 Statutory Workman's Compensation: Colorado Statutory Minimums

7.2.2 Commercial General Liability Policy Limits: Bodily Injury/Property Damage Combined Single Limit of $5,000,000;
Deductible: No greater than $1,000;
Endorsements:

- X Comprehensive Form (all risks)
- X Premises/Operations
- X Products/Completed Operations
- X Contractual Liability (Hold Harmless Coverage)
- X Independent Contractors and Sub-Contractors
- X Broad Form Property Damage
- X Personal Injury

7.2.3 To provide evidence of the required insurance coverages, copies of Certificates of Insurance in a form acceptable to the County shall be filed with the County (through the Airport Manager) no later than ten (10) calendar days prior to commencement of operations at the Airport. Failure to file or maintain acceptable Certificates of Insurance with the County is agreed to be a material breach of this Agreement and grounds for termination. Certificates of Insurance shall contain a provision that coverage afforded under the policies will not be canceled or materially altered unless at least thirty (30) calendar days prior written notice by certified mail, return receipt requested (effective upon proper mailing), has been sent to the County (through the Airport Manager). For purposes of this provision, "materially altered" shall include, without limitation, a change to policy limits as set out in the then-current policy declarations page. Simultaneously with the Certificates, G2 shall file and update as necessary a certified statement as to claims pending against required coverages, reserves established on account of such claims, defense costs expended and amounts remaining in policy limits.

7.2.4 In addition, such Certificates of Insurance shall contain the following clauses:

7.2.4.1 The clause "other insurance provisions" in a policy in which the County is named as an insured, shall not apply to the County.

7.2.4.2 The insurance companies issuing the policy or policies shall have no recourse against the County for payment of any premiums or for assessments under any form of policy.

7.2.4.3 Any and all deductibles in the above-described insurance policies shall be assumed by and be for the amount of, and at the sole risk of the G2.

7.2.4.4 Location of operations shall be: "all operations and locations on the Gunnison/Crested Butte Regional Airport conducted by or occupied by G2."

8. Default and Remedies

8.1 G2's Events of Default.

The following shall constitute Events of Default with respect to G2 hereunder:

8.1.1 The failure to pay the fees due hereunder, or any other monies owed under this Agreement, or under any other agreement between the County and G2 when due;

8.1.2 Any other failure by G2 to perform any covenant or obligation required by this Agreement (other than the payment of fees or other monies due hereunder), or by any other agreement between the County and G2, and the failure to cure said default within a period of fifteen (15) days following written notice of said default;

8.1.3 Any attempted assignment of this Agreement by G2 without the written consent of the County;

8.1.4 The appointment of a trustee or receiver for, or the attachment, levy, execution other of any portion of the G2's equipment used at the Airport which is not released, expunged; discharged or dismissed prior to the earlier of (1) twenty (20) days after such attachment, levy, execution or seizure; or (2) the sale of the assets affected thereby;

8.1.5 G2's filing of a petition for relief under the Bankruptcy Reform Act of 1978, as amended or recodified, or under any other present or future federal or state law regarding bankruptcy, reorganization or other relief to debtors, or G2's insolvency or inability to pay its debts as they mature, or G2's making a general assignment for the benefit of its creditors, or G2's applying for a receiver, trustee, custodian or liquidator for G2 or any of its property, or the filing by or against G2 of a petition or the commencement of any other procedure to liquidate or dissolve G2;

8.1.6 G2's failure to effect a full dismissal of any involuntary petition under the Bankruptcy Reform Act of 1978, as amended or recodified, or under any other present or future federal or state law regarding bankruptcy, reorganization or other relief to debtor that is filed against G2 or that in any way restrains or limits G2 or the County regarding this Agreement or G2's operations at the Airport in accordance with this Agreement prior to the earlier of (1) the entry of any order granting relief sought in the involuntary petition; or (2) thirty (30) days after the date of filing of the petition, or G2's filing of any pleading in any such involuntary proceeding which admits the jurisdiction of the court or the petitioners material allegations regarding G2's insolvency;

8.1.7 The failure of G2 to comply with (1) Department of Transportation Regulations concerning Non-Discrimination (Title 49 C.F.R. Parts 21 and 27), (2) Title VI of the Civil Rights Act of 1964, or (3) the Americans with Disabilities Act; or

8.1.8 Abandonment of G2's operations, which shall be defined as G2's failure to conduct operations at the Airport in accordance with the requirements of this Agreement for one (1) consecutive months.

8.2 The County's Events of Default.

The following shall be Events of Default with respect to the County hereunder:

8.2.1 The failure of the County to permit G2's operations at the Airport in accordance with this Agreement; or

8.2.2 The breach of any promise or covenant of the County made herein other than as set forth in Section 8.2.1 above, which shall continue and not be cured within thirty (30) days after G2 has given written notice to the County of such breach.

8.3 Remedies.

8.3.1 Upon the occurrence of an Event of Default with respect to G2, the County may at its election terminate this Agreement by written notice to G2 of such election. In addition, the County may pursue any and all legal and equitable remedies for any breach by G2 as may be provided by applicable law.

8.3.2 Upon the occurrence of an Event of Default with respect to the County, G2 may at its election terminate this Agreement by written notice to the County of such election. In addition, G2 may pursue such legal and equitable remedies for any breach by the County as may be provided by applicable law, provided however, that any monetary damages shall be limited to return of all or a part of the fee actually paid by G2 pursuant to Section 5.1 above.

8.4 Surrender of Possession.

8.4.1 On the expiration or other termination of this Agreement, G2's rights to use of the Premises, facilities and services described herein shall cease, and G2 shall promptly vacate the Premises.

8.4.2 Except as otherwise provided in this Agreement, all fixtures, improvements, equipment and other property bought, installed, erected or placed by G2 in, on or about the Airport shall be deemed to be person property and shall remain the property of G2. G2 shall have the right at any time during the term of this Agreement, or any renewal or extension hereof, and for an additional period of ten (10) days after the expiration or sooner termination of this Agreement, to remove any or all of such property from the Airport, subject, however, to G2's obligation to repair all damage, if any, resulting from such removal, reasonable wear and tear excluded. Any and all property not removed by G2 prior to the expiration of the aforesaid period shall be deemed abandoned thereupon become a part of the land on which it is located and title thereto shall vest in the County. The County may, however, require and accomplish the removal of said property at its option and at the expense of G2. Neither the County, nor its officers or employees shall have any liability to G2 with respect to such abandoned property.

8.5 Damage or Destruction of Premises.

8.5.1 If the Premises are partially damaged by fire, the elements, the public enemy or other casualty, and the damage is so extensive as to render the Premises untenantable, but said damage is capable of being repaired in 60 days or prior to the termination date hereof, whichever date first occurs, the Premises shall be repaired with due diligence by the County at its own cost and expense, and the rent payable hereunder with respect to that portion damaged, if any, shall be proportionately paid up to the time of such damage and shall thenceforth abate in the ratio the space rendered unusable bears to the total space leased until such time as the Premises shall be fully restored. If the Premises are completely destroyed or are so damaged that they will remain untenantable for more than 60 days or beyond the termination date hereof, whichever date first occurs, either party may, at its option, cancel so much of this Agreement as relates to the untenantable space, such cancellation to be effective as of the date the Premises were damaged or destroyed. In such event, County shall make reasonable efforts to provide G2 with substitute space, to the extent the same is reasonably available.

8.5.2 Except as provided in subparagraph 8.2 above, destruction of all or part of the Premises shall not affect the obligation of G2 to pay the charges set forth under Section 5. above.

8.5.3 In the event that the Premises are rendered untenantable for reasons other than those set forth above, there shall be a reasonable and proportionate abatement of the rentals, fees and charges provided for herein during the period that the same are so untenantable or unusable.

8.5.4 Notwithstanding any of the foregoing, in the event any damage or destruction to the Airport is caused by a negligent act or omission by G2, its authorized sub-lessees or Employees, G2 shall reimburse the County for its actual costs incurred in repairing such damage. Nothing herein shall be construed as a waiver of the right of the County to recover damages from G2 arising out of the fault or negligence of G2.

8.5.5 In the application of this Paragraph 8.5, the County's obligations shall be limited to repair or reconstruction of the Premises to the extent and of equal quality as obtained at the commencement of operations hereunder, and the County shall not be responsible for any consequential damages. Re-decoration or replacement of G2's furniture, equipment and supplies shall be the responsibility of G2, unless damage thereto is caused solely by a negligent act or omission of the County, its agents or employees, in which event the County shall be responsible for such re-decoration and replacement. Any such redecoration or refurnishing shall be of equivalent quality to that originally existing at the commencement of the Agreement.

9. Assignment or Subcontracting

9.1 No Assignment or Subcontracting by G2.

G2 shall not assign or subcontract any of its rights under this Agreement or any interest herein without the written consent of the County, which will not be unreasonably withheld.

9.2 Assignment by the County.

The rights and obligations of the County under this Agreement may be assigned by the County at its option, without necessity for the concurrence of G2.

10. Other

10.1 Non-Waiver.

The waiver by the County of any breach by G2 of any term, covenant, provision or condition hereof shall not operate as a waiver of any subsequent breach of the same or a waiver of any breach of any other covenant, term, provision or condition hereof. Nor shall any forbearance by the County to seek a remedy for any breach by G2 be a waiver by the County of its rights and remedies with respect to any other breach.

10.2 Non-Exclusive Right.

Nothing herein shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended. The County reserves the right to grant to others the privilege and right of conducting the services described herein, including but not limited to, the airlines themselves, and fixed base

operators at the Airport, under separate forms of agreement and subject to differing terms and conditions.

10.3 Notices.

Any notice given pursuant to this Agreement other than which is specifically permitted to be given in some other fashion shall be in writing and shall be delivered by hand, by overnight courier or by registered or certified mail, postage prepaid, return receipt requested and addressed as follows:

If to the County:

Gunnison County Manager
200 E. Virginia Ave
Gunnison, Colorado
Fax Number 970-641-8559

If to G2:

G2 Secure Services.
5010 Riverside Drive, Suite 300
Irving, Texas 75039
Fax Number 972.915.1296

Notice shall be deemed given when delivered if hand-delivered by courier or two days after the date indicated on the postmark if sent by U.S. Mail. Either party may change its address to which notices shall be delivered or mailed by giving notice of such change as provided above.

10.4 Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon the County, G2 and their respective successors and assigns, if such assignment shall have been made in conformity with the provisions of this Agreement.

10.5 Severability.

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, unless such holding shall affect materially the rights of either party as set forth herein.

10.6 Entire Agreement: Modification Hereof.

This Agreement expresses the entire understanding of the County and G2 concerning the license for airline ground handling service being granted to G2. Neither the County nor G2

has made or shall be bound by any agreement or any representation to the other concerning the License or the subject matter hereof which is not expressly set forth in this Agreement. This Agreement may be modified only by written agreement of subsequent date hereto signed by the County and G2.

10.7 No Partnership.

This Agreement shall not be deemed or construed to create any relationship of joint venture or partnership between the parties.

10.8 Execution of Counterparts.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

10.9 Effect of Sundays and Legal Holidays.

Whenever this Agreement requires any action to be taken on a Sunday or a legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Agreement, the time within which any action is required to be taken, or within which any right will lapse or expire (excepting expiration of the License or termination of this Agreement) shall terminate on Sunday or a legal holiday, such time shall continue to run until 11:59 p.m. on the next succeeding business day.

10.10 Descriptive Headings: Table of Contents.

The descriptive headings of the sections of this Agreement are inserted for convenience of reference only, do not constitute a part of this Agreement and shall not affect the meaning, construction, interpretation or effect of this Agreement.

10.11 Attorney's Fees.

In the event either party to this Agreement brings suit to enforce or interpret any portion of this Agreement, the party prevailing in such action shall be entitled to recover all costs incurred in such action, including without limitation, reasonable attorney's fees.

10.12. Choice of Law and Venue.

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Colorado without reference to choice of laws rules. The parties hereby agree that venue and jurisdiction for all actions taken with respect to this Agreement shall be in the United States District Court for the District of Colorado or in the Gunnison County District Court.

10.13 Limitation of Benefit.

This Agreement does not create in or bestow upon any person or entity not a party to this Agreement any right, privilege or benefit unless expressly provided herein. This Agreement does not in any way represent, nor should it be deemed to imply, any standard of conduct to which the parties expect to conform their operations in relation to any person or entity not a party.

10.14 No Personal Liability.

No director, officer or employee of either party shall be held personally liable under the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

BOARD OF COUNTY COMMISSIONERS OF GUNNISON COUNTY, COLORADO

By:_____
Jonathan Houck, Chairperson

By:_____
John Messner, Commissioner

By:_____
Roland Mason, Commissioner

ATTEST :_____

G2 SECURE STAFF

By:_____

Title: CFO

ATTEST:

Lauren Taylor

Exhibit A - Terminal Area and Leased Premises
Exhibit B - Airport Rules and Regulations