



GREAT HALL PROJECT CONSTRUCTION UPDATE

March 2020

COVID-19 Update From DEN CEO Kim Day



Much like other industries, in a matter of days, circumstances at DEN have dramatically and historically changed because of the worldwide COVID-19 pandemic. What we in aviation are experiencing has no precedent and no clear timetable. I want to personally thank you, all our partners and the thousands of workers who have continued to ensure that those who travel are safe and well served.

What we know of this virus and its effect on the airport is fluid and changes frequently. However, as we go through this together, I want to share what information we have at this moment.

The health and safety of our workforce and travelers remains our top priority. As an integral part of the National Airspace System, we have an obligation to keep DEN running safely and efficiently, and I am grateful to the thousands of employees who are keeping us operating and serving those who must fly.

We continue to work closely with our partners at state and local health departments and follow their guidance with respect to our employees and passengers. We are acutely aware the virus has spread faster than testing can keep up, which is why we are focused on best practices to try and keep everyone healthy. To help protect the safety of both travelers and employees we are working as hard as we can to keep DEN clean and germ free, implementing processes and adding tools including:

- Installing sanitary wipes in jet bridges to allow passengers to sanitize their seat on the plane,
- Adding hand sanitizing stations for passengers and employees including the TSA security lines and information booths,
- Increasing the frequency and intensity of efforts to disinfect washrooms and other public areas with cleaning agents intended to kill germs,
- Sanitizing the trains to the gates daily with an even stronger focus to kill germs, and
- Disabling all air hand dryers in restrooms to reduce the spread of germs.

In addition, we are working hard to ensure and promote social distancing by:

- Reconfiguring our security checkpoint lanes to provide more space between passengers,
- Adding signage to remind passengers to space out six feet from one another,
- Encouraging our concessions to transition to a takeout of grab-and-go model, and
- Decreasing seating in concessions where tables and seats were in close quarters.

Most of our concessions remain open. The directives from both Governor Polis and Mayor Hancock to close bars and restaurants exempt airports. We have an obligation to serve the traveling public; we know that passengers and employees are still in need of food and other essentials. Still, some restaurants have opted to close, others have reduced their hours, and some are focusing on takeout options only. We continue to work on thoughtful and safe ways to ensure travelers' and employees' needs are met. We also recognize that the situation is changing rapidly, and we are adapting as well.

What we are facing as an aviation industry is sobering. The decline in traffic we are seeing is dramatic and will surely have lasting impacts. Flights to Europe, including the United Kingdom and Ireland, have been suspended, airlines are making deep service cuts, and we as an airport are feeling the effects.

Although DEN holds more than a year's operating budget of cash on hand for extraordinary situations like this one, we are already instituting cost cutting measures and working on reprioritizing the timing and delivery of capital projects. We are also reaching out to DEN's largest contractors, asking for their help in identifying ideas for cost savings, scope reductions or rate changes that could help reduce their costs to us. We have a lot of balls in the air and it will take us some time to put all the pieces together.

Most important to our key tenants, we have proactively implemented policies to give them relief. We are allowing airlines to defer their rent for April, May and June until later this year. For the next three months we are changing the payment owed to DEN by concessionaires from a minimum annual guarantee (MAG) to a percentage rent as outlined in their leases, and we are similarly changing our rental car companies from a MAG to a percentage rent for this same period and allowed them, too, to defer three months of rent, until later this year.

These measures will help all of them, and for some this may make the difference as to whether they can continue to operate at DEN. We want them all to stay solvent, as that is vital to maintain all the workers they employ. We are especially concerned for our minority, women-owned and small businesses, and we are working with our partners downtown to connect them to small business loans and grants.

These events swept over us quickly, and its breadth and depth remain unclear. We just don't have all the answers now, so we will be reporting out regular updates to keep you informed.

While this is an uncertain and unprecedented time, I am sure of this: the aviation community is strong and proud. We have been tested before, and as many of us witnessed in the aftermath of

September 11, we are up to the test. We are doing everything necessary today to protect the airport for the long term and will emerge from this healthy and ready for the next wave of growth when this passes.

Thank you for your support and partnership.

Kim Day
DEN CEO

DEN Resumes Construction of the Great Hall Project



With the Phase I general contractor, Hensel Phelps, officially under contract, DEN has resumed construction of the Great Hall Project. The primary focus of the project is to enhance safety and security by moving the security screening checkpoints up one level to Level 6 and implementing new screening technology that will make the process more efficient. To do this, the project must consolidate airline ticket counters and will make other passenger-focused improvements.

Hensel Phelps is resuming work on Phase I of the project and will complete the work in the center third of the Terminal, including:

- Completing demolition in that area
- Constructing new airline ticket counters Level 6 of that zone
- Widening the balconies for the future Level 6 TSA checkpoints

- Adding two new restrooms
- Upgrading the existing mechanical, electrical and plumbing infrastructure

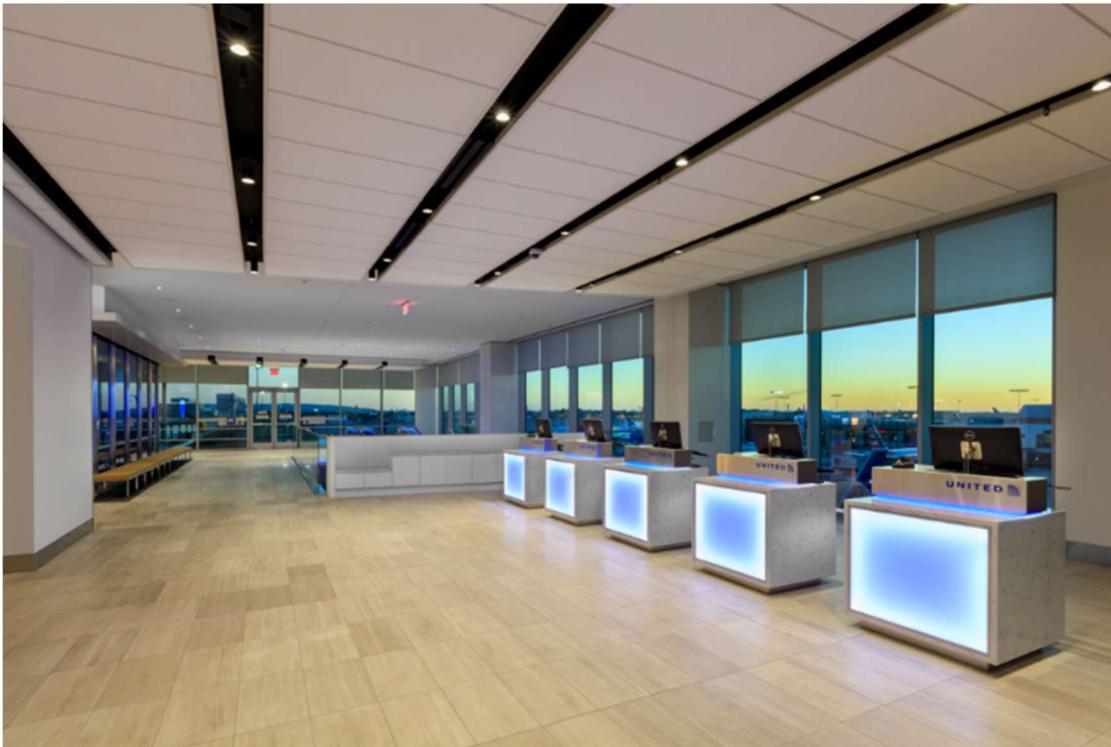
To kick-off the work, crews will mainly be working in the overnight hours, from 1 a.m. to 7 a.m. During this time there will be delivery of materials and cranes, which may result in minor traffic impacts on Level 4 east side passenger pick-up between doors 407 and 411.

Additionally, passengers will begin seeing higher construction walls on the north and south bridges in order to enhance safety. These construction walls will have windows so passengers can view the construction as it progresses. New construction walls on the arrival platform for the train to the gates will also be installed. As demolition activities resume, passengers can expect some noise. Noise levels will be monitored to ensure no disruptions to airport operations.

The Hensel Phelps contract for this phase is \$195 million and, at this time, DEN estimates it will be completed by late 2021. However, the COVID-19 situation is evolving quickly and we will continue to analyze our projects and programs to ensure that DEN remains financially healthy.

We will continue to provide updates about the project in the coming months.

Who is Hensel Phelps?



LAX Terminal 7. Photo credit: Hensel Phelps

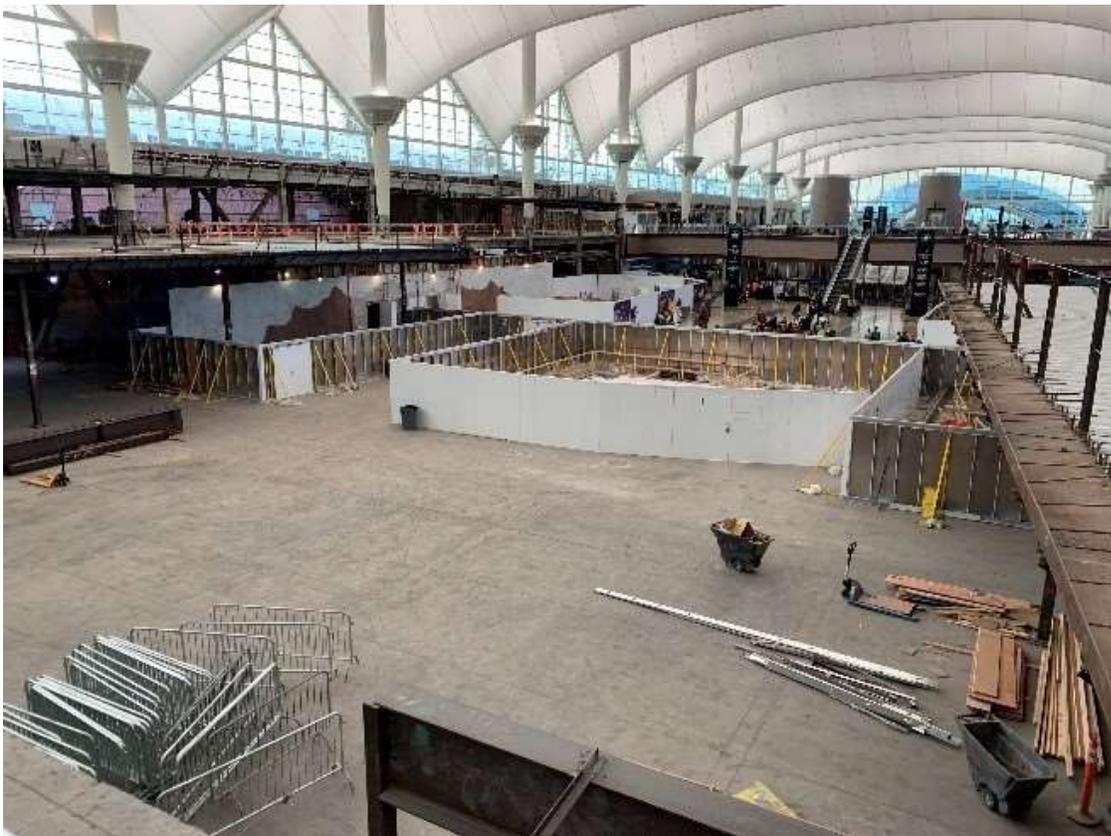
Now that construction has resumed, you may be asking, who is the general contractor conducting the work and what experience do they have? DEN is delighted to be partnering with local contractor Hensel Phelps on this critical project for airport. Hensel Phelps has 80 years of experience and has successfully executed many large-scale public projects, including airports.

Hensel Phelps is a Greeley-based company founded in 1937 by Abel Hensel Phelps. At the time, the company focused on residential building and remodeling, but by 1945, Hensel Phelps built its first commercial project, wood grain silos. In 1964, the company expanded its work into the aviation industry by constructing the first phase of the terminal building at Stapleton International Airport. It was the first of many jobs Hensel Phelps completed for Stapleton International Airport.

Hensel Phelps' aviation experience continued to grow over the years to include multiple projects at LAX including the redevelopment of Terminals 2 and 7. They also worked on the Dallas Love Field Modernization project as well as multiple projects at DEN including baggage modification, the Concourse B regional jet facility and the current central utility plant replacement project.

Hensel Phelps is a responsible firm, who believes in mentoring and has mentored Sky Blue Builders since 2012. In 2016, Hensel Phelps and Sky Blue entered into a Mentor Protégé Agreement through the City's Mentor Protégé Pilot Program, which continues to this day. Hensel Phelps has been collaborating with Sky Blue consistently on everything from business strategy, to systems and processes. Hensel Phelps has helped Sky Blue grow, by providing guidance and support, and opportunities to expand their experience and client portfolio.

DEN Makes Final Contract Termination Payment for Great Hall Project



As part of the termination of its contract for the renovation of the Great Hall, DEN has finalized all remaining payments to its former developer, Great Hall Partners, in the total amount of \$55.5 million.

Following termination, DEN was obligated to reimburse Great Hall Partners for its equity investment, work done to date and work performed during the transition of the project to DEN. Paying these types of transition and contract breakage costs are typical when a construction contract is terminated for convenience and the Development Agreement between DEN and Great Hall Partners required these payments. DEN did not pay any termination penalties.

This \$55.5 million also settles the \$290 million in claims filed by Great Hall Partners. This amount is in addition to the \$128.1 million previously paid by DEN to Great Hall Partners announced in December 2019.

DEN has reimbursed Great Hall Partners a total of \$183.6 million, which is within the range of \$170 million to \$210 million DEN announced following termination. All obligations and disputes (financial and otherwise) with the former developer are now resolved.