

April 3, 2018

Update on the Spaceport Colorado License Effort

Last April we changed the Horizontal Launch Vehicle focus of the Spaceport Colorado license to the Concept X, dual propulsion type vehicle. We determined in an April meeting with the FAA that the Concept Y vehicle was proving to be too challenging for the FAA to complete airspace analysis on and, with the FAA's very strong support, agreed to change to the Concept X. The FAA has taken the lead on helping us to make the necessary changes to the

Environmental Assessment (EA) and conducted the airspace analysis for the new spacecraft type. The FAA held an Environmental Assessment Scoping Meeting on June 13, 2017 at Front Range Airport that was a very positive success. The focus of the meeting was to make sure that stakeholders and members of the public who might be impacted by the change had an opportunity to hear about the EA and ask

questions. In the stakeholder portion that was held in the morning we had representatives from all of the interested FAA lines of business as well as United Airlines, Buckley AFB, and DEN. There was excellent discussion including questions on the specifics of operations from United and DEN and I was very encouraged to see the problem solving approach taken by all of the participants. In the evening public event the FAA gave an in-depth presentation of the changes and the EA and there were no questions from those in attendance, only positive supporting comments. We continued to move forward on the Application and LOA changes as well and have regular



2. Example of Concept X Vehicle

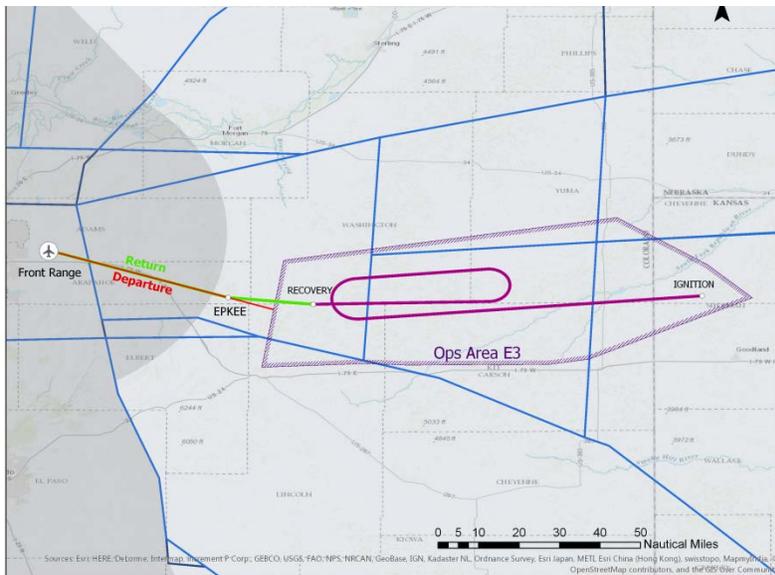


1 Example of Concept X Vehicle

conference calls with the FAA that include, the Office of Commercial Space, ATC, other FAA lines of business as appropriate concerning the progress on the airspace analysis and the ATC LOA.

We have settled on a special use airspace area that has been designated by ATC for the purpose of the application and their evaluation of the impact on enroute traffic indicates that they are comfortable with the airspace and have proposed preferred times of

the day for its operations. We had a WebEx on December 15, 2017 that focused on the Air Traffic Control process for designating the special use airspace for the Spaceport. The audience included representatives from many of the air traffic control organizations, the Office of Commercial Space, and Airports Division. There were also two Airline representatives and several operations people from Denver International Airport. The ATC presenter laid out how they had developed the special use airspace and spoke about what the vehicle routing would look like. Some of the ATC Representatives had additional questions about impacts of the airline rerouting but it seemed that it was pretty clear to the Airlines and to Denver International that the impacts on them were minimal. Denver Center has indicated that the LOA should be approved in the next few weeks and that as soon as it is signed they will communicate with Denver International to brief them on the procedures established for Spaceport operations and ATC's approval of these prospective operations.



We have completed the analysis of the designated areas for noise, sonic boom, and hazard impact, have completed the changes to the application, and we submitted the updated application to the FAA the last week of December. The Office of Commercial Space reviewed the submission and provided us with a “complete enough” determination.

3. Notional Designated Operations Airspace for Spaceport Colorado Launch

We received that designation from the FAA on February 20, 2018. The EA is still on track to be accepted in April or early next month and released for public review. The FAA has begun its 180-day review period for Spaceport Colorado's Launch Site Operator License effective February 20, 2018. This means that the County will have a license determination from the FAA by August 19th. We continue to work closely with the FAA through this process and there is still very strong support and momentum from and within the FAA.

Once licensed, Spaceport Colorado will be a horizontal launch facility and a hub for commercial space transportation, research, and development as part of a global suborbital transportation network. Future suborbital flights will dramatically reduce flight times and make destinations such as Europe, Asia, and South America more accessible from Colorado.

Thanks for your continued support and interest in Spaceport Colorado.