

1 AIRPORT BUSINESS PARK BUILDING AND GROUND LEASE

2
3 THIS LEASE, made and entered into this ____ day of _____ 20 __,

4 by and between the following:

5
6 CITY OF BILLINGS, MONTANA, hereinafter designated
"Lessor"

7 and

8 STATE OF MONTANA, DEPARTMENT OF NATURAL RESOURCES
9 AND CONSERVATION, hereinafter called "Lessee"

10 WITNESSETH

11 RECITALS

12 WHEREAS, Lessor owns and operates BILLINGS LOGAN INTERNATIONAL
13 AIRPORT (hereinafter designated Airport) situated in the City of Billings, Montana, and

14
15 WHEREAS, Lessor deems it advantageous to itself and the operation of the Airport
16 to lease to the Lessee a certain parcel of land together with appurtenances hereinafter described
17 together with certain privileges, rights, uses, and interests, and

18 WHEREAS, Lessee is a State of Montana Agency wishing to engage in land
19 management administration, and proposes to lease on a net basis from Lessor said parcel of real
20 property and improvements thereon on the terms and conditions hereinafter stated.

21 NOW THEREFORE, in consideration of the letting and the rentals to be paid and
22 the conditions and provisions hereof, the parties hereto covenant and agree as follows:
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1 ARTICLE I

2 PREMISES AND PRIVILEGES

3 A. Description of the Premises. Lessor hereby leases to Lessee and Lessee
4 hereby leases from Lessor that certain parcel of real property, together with improvements
5 (hereinafter called the premises), for its use, specifically described as follows:

6 In Airport Business Park Building IP-9
7 Address: 1371 Rimtop Drive

8 First Floor

9 3,133.36 square feet of office space in the west wing
10 107.01 square feet of elevator lobby in the west wing
11 101.84 square feet of restroom space in the west wing
12 1,822.70 square feet of office space in the southwest wing – right
13 193.75 square feet of storage area in the southwest wing – right
14 1,244.11 square feet of office space in the southwest wing – left
15 178.90 square feet of restroom space in the east wing
16 1,511.10 square feet of shop space in the southeast wing

17 Second Floor

18 3,124.58 square feet of office space in the east wing
19 107.01 square feet of elevator lobby in the west wing

20 Basement

21 976.34 square feet of storage area in the east wing

22 Ground Space

23 22,680 square feet of ground space for a fenced in vehicle storage area with
24 a metal shed

25 Said premises containing 12,500.70 square feet of building space and
26 22,680 square feet of ground space. The location and dimension of these premises are more
27 specifically set forth on Exhibit A attached hereto and by said reference made a part hereof.

28 B. General Privileges, Uses, and Rights. Lessor hereby grants to Lessee the
29 following general privileges, uses, and rights, all of which shall be subject to the terms, conditions
30 and covenants herein set forth. Said rights shall be subject to such Federal, State, or Local laws,
31 ordinances, rules and regulations as now or may hereafter have application at the Airport.

1 1) The general unrestricted use of all public Airport facilities and
2 improvements which are now or may hereafter be connected with or appurtenant to
3 said Airport, except as hereinafter provided, to be used by Lessee and its sublessees
4 for activity as herein defined. For the purpose of this Lease, public Airport
5 facilities shall include all necessary areas including but not limited to automobile
6 parking areas, roadways, sidewalks, terminal facilities, or other public facilities
7 appurtenant to said Airport.
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9 2) The right of ingress to and egress from the premises over and across
10 public roadways serving the Airport for Lessee, Lessee's agents, employees,
11 patrons and invitees, suppliers of service and furnishers of material.

12 C. Specific Privileges, Uses, and Rights. In addition to the general privileges,
13 uses, and rights described above and without limiting the generality thereof, Lessor hereby grants
14 to Lessee and sublessees the right to engage in State land management activities on the premises
15 as set forth in sub-paragraphs 1 thru 5 below, subject to the conditions and covenants hereafter set
16 out:

- 17
- 18 1) The maintenance of offices in the leased premises.
 - 19 2) The storage of State vehicles and equipment in the fenced-in parking
20 area and metal shed.
 - 21 3) The storage of records and equipment in the premises.
 - 22 4) The use of the parking areas adjacent to Building IP-9. Said parking
23 areas are to be used jointly with other Airport Business Park tenants.
 - 24 5) The repair and maintenance of State vehicles as allowed by Building
25 Code, Local Ordinance, and State and Federal laws.

1 D. Concessions, Services, and Uses Excluded. The following concessions,
2 services, uses, and the establishment thereof, shall be specifically excluded from this Lease:

- 3 1) Ground and air transportation for hire.
- 4 2) Auto rental services.
- 5 3) Food sales (except the sale of confections and refreshments through
6 coin-operated vending machines).
- 7 4) Fuel sales (aircraft or vehicle).
- 8 5) On site fuel storage.
- 9 6) Storage of personal vehicles, campers, boats, trailers, motor homes,
10 or other recreational vehicles, or parts for such.
- 11 7) Storage of any household items.
- 12 8) Use of the premises in a residential capacity of any nature, whether
13 temporary or otherwise.
- 14 9) Improper storage of any chemicals, solutions, solvents, or any
15 potentially hazardous, explosive, or flammable materials or substances.
- 16 10) Storage of any items outside of leased premises.

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19 E. Reservation of Right-of-way. Lessor hereby reserves a right-of-way
20 easement over said leasehold for access purposes. Said reserved right-of-way may be used by
21 Lessor and all of Lessor's tenants, agents, employees of said tenants, and persons or entities
22 servicing said tenants.
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1 \$9.60 per square foot per annum (PSFPA). Monthly rental for this area will be
2 \$2,590.23.

3 Note: The rental cost of shared elevator lobby and shared restroom
4 space is shared equally between the Lessee and the State of Montana Department of
5 Environmental Quality.

6
7 2) Building IP-9 – First Floor Office and Storage Space – Southwest
8 Wing – Right: \$18,360.12 annually for 1,822.70 square feet of office space at \$9.60
9 per square foot per annum (PSFPA) and 193.75 square feet of storage space at
10 \$4.45 per square foot per annum (PSFPA). Monthly rental for this area will be
11 \$1,530.01.

12 3) Building IP-9 – First Floor Office Space – Southwest Wing – Left:
13 \$11,943.48 annually for 1,244.11 square feet at \$9.60 per square foot per annum
14 (PSFPA). Monthly rental for this area will be \$995.29.

15 4) Building IP-9 – First Floor Shared Restroom Space – East Wing
16 (Shared 50/50): \$858.72, which is fifty percent (50%) of the annual rental of
17 \$1,717.44 for 178.90 square feet at \$9.60 per square foot per annum (PSFPA).
18 Monthly rental for this area will be \$71.56.

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20 Note: The remaining fifty percent (50%) rental is to be paid by the
21 State of Montana Department of Environmental Quality.

22 5) Building IP-9 – Shop Space – Southeast Wing: \$6,346.68 annually
23 for 1,511.10 square feet at \$4.20 per square foot per annum (PSFPA). Monthly
24 rental for this area will be \$528.89.

1 6) Building IP-9 – Second Floor Office Space – East Wing: \$29,995.92
2 annually for 3,124.58 square feet at \$9.60 per square foot per annum (PSFPA).
3 Monthly rental for this area will be \$2,499.66.

4 7) Building IP-9 – Second Floor Elevator Lobby Space – West Wing
5 (Shared 50/50): \$513.72, which is fifty percent (50%) of the annual rental of
6 \$1,027.44 of 107.01 square feet at \$9.60 per square foot per annum (PSFPA).
7 Monthly rental for this area will be \$42.81.

8 Note: The remaining fifty percent (50%) rental is to be paid by the
9 State of Montana Department of Environmental Quality.

10 8) Building IP-9 – Basement Storage Space – East Wing: \$4,344.72
11 annually for 976.34 square feet at \$4.45 per square foot per annum (PSFPA).
12 Monthly rental for this area will be \$362.06.

13 9) Fenced Ground Area and Shed (Shared 75/25): \$4,762.80, which is
14 seventy-five percent (75%) of the annual rental of \$6,350.40 or 22,680 square feet
15 at \$0.28 per square foot per annum (PSFPA). Monthly rental for this area will be
16 \$396.90.

17 Note: The remaining twenty-five percent (25%) rental is to be paid
18 by the State of Montana Department of Environmental Quality.

19 The description and rentals of these premises are more specifically set forth
20 on Exhibit B attached hereto and by said reference made a part hereof.

21 B. Annual Readjustment of Rental. During the term of the Lease, the rental
22 rates stated hereinabove shall remain in effect without adjustment for the entire term of this Lease,
23 said term as identified in Article II, Paragraph A.
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ARTICLE IV

OBLIGATIONS OF LESSOR

A. Lessor Warranties. Lessor warrants all things have happened and have been done to make its granting of said Lease effective and that Lessee shall have peaceful possession and quiet enjoyment of the leased premises during the term hereof, upon performance of Lessee's covenants herein.

B. Operation as Public Airport. Lessor shall during the term hereof, operate and maintain the Airport and its public facilities, as defined hereinabove, as a public airport consistent with and pursuant to the sponsor's assurances given by Lessor to the United States Government under the Federal Airport Act.

C. Condition and Maintenance of Premises. Lessor shall, at its own cost and expense, keep and maintain in good working order and repair during the term of this Lease or any extension thereof, the exterior of the premises including the roof, all fixtures in the building except those owned by the Lessee, and all plumbing, heating, ventilation, air conditioning, electrical circuits, and elevators.

The Lessee shall notify the Lessor in writing immediately of any damage or need for repair. Lessor shall make or cause to be made the necessary repairs as soon as possible after receiving notice. The Lessee shall be financially responsible in all cases where damages result from the Lessee's negligence or that of its employees, agents, or clients.

Lessor shall maintain all existing roads on the Airport giving access to the leased premises in good and adequate condition for use by cars and trucks. Lessor shall remove snow from the access roads as Lessor's resources permit.

1 present condition, and will repair and maintain any installations thereon except as provided in
2 Article IV, Paragraphs C. – D., and will remove or cause to be removed any debris to the extent
3 required for its continuing use thereof.

4 Damage to the premises caused by Lessee, sublessees, Lessee's employees,
5 agents, or contractors, will be the sole responsibility of Lessee. Said damage shall be immediately
6 repaired at Lessee's expense. Should Lessor identify damage at the premises, Lessor will give written
7 notice to Lessee to repair said damage, and Lessee shall make the repairs to identified damage within
8 thirty (30) days of receiving the written notice. If damage is found and Lessor is required to make the
9 repairs, for whatever reason, all costs and charges associated with the repairs will be billed to Lessee
10 and will be paid within fifteen (15) days of receipt.

12 B. Improvements. Lessee shall have the right to and shall provide for the
13 construction, alteration, expansion, and maintenance of its own improvements, in any lawful
14 manner, upon or in the premises, for the purpose of carrying out any of the activities provided for
15 herein, but shall first obtain the prior written approval of Lessor for any such activities.

17 C. Maintenance. Lessee shall, at its sole cost and expense, maintain the
18 premises and the buildings, improvements and appurtenances thereto in a presentable condition,
19 clean and free of refuse and debris consistent with good business practice and acceptable to
20 Lessor. Lessee shall promptly remove any unused, inactive, nonfunctional, and obsolete
21 equipment and furnishings from the leased premises. The basement hallways and entryways shall
22 not be used for storage of obsolete equipment or furnishings. Lessee's maintenance responsibility
23 shall also include snow removal on the leased premises.

24 D. Trash, Garbage, Etc. Lessee shall provide at Lessee's cost and expense, a
25 complete and proper arrangement for the adequate sanitary handling and disposal of all trash,

1 garbage, and other refuse occurring as a result of the Lessee's occupancy of the premises. Lessee
2 shall provide and use Lessor approved receptacles for all garbage, trash and other refuse and shall
3 place them on the premises in a location acceptable to the Lessor for their removal. Piling of
4 boxes, cartons, barrels, pallets, unused or obsolete equipment, or other similar items in an
5 unsightly or unsafe manner and stored on or about the premises is forbidden.

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7 E. Signs. Lessee shall not maintain on the premises any billboards or
8 advertising signs; provided, however, that Lessee may maintain on the outside of the leased
9 building its name(s) or signs, the size, site and design of which shall be subject to prior written
10 approval of Lessor. If Lessee desires other signage, written approval of Lessor shall also be
11 required, and will be at Lessee's sole cost and expense.

12 F. Hazardous Substances. Lessee assumes full responsibility for the proper
13 and legal use, handling, storage, and disposal of any hazardous substances used or consumed in
14 the conduct of its business. "Hazardous substance" shall be interpreted broadly to mean any
15 substance or toxic material, hazardous or toxic or radioactive substance, or other similar term by
16 any Federal, State or Local environmental law, regulation or rule presently in effect or
17 promulgated in the future, as such laws, regulations or rules may be amended from time to time;
18 and it shall be interpreted to include, but not be limited to, any substance which after release into
19 the environment will or may reasonably be anticipated to cause sickness, death or disease. Lessee
20 will hold Lessor harmless from and indemnify Lessor against and from any damage, loss,
21 expenses or liability resulting from any breach of these representations and warranty including all
22 attorneys' fees and costs incurred as a result thereof.

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24 G. Restrooms. With the exception of the restroom located in the southwest
25 wing of the Building IP-9, it is agreed that the Lessee will, on Lessee's own initiative, arrange with

1 subsequent fiscal periods, the Lessee may cancel this Lease by giving thirty (30) days written
2 notice to the Lessor.

3 The Lessee shall not be liable to the Lessor for any rental amount which
4 would have been payable had the Lease not been terminated under this provision. The Lessee
5 shall be liable to the Lessor only for the rental amount and other fees incurred, or prorated portion
6 of that rental amount and other fees incurred, owed to the Lessor under Article III, Paragraph A,
7 up to the date the Lessee's termination takes effect.
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9 Upon termination, Lessee shall have the right to remove all movable
10 furniture, fixtures, machinery and equipment, and all other personal property installed by Lessee
11 on the premises and owned by the State of Montana, and all expenses connected with such
12 removal shall be borne by the Lessee. Said property shall be removed within thirty (30) days after
13 termination of the Lease. In the event the Lessee elects not to remove their personal property upon
14 termination of the Lease, the title to said property shall transfer to the City and disposition of the
15 personal property shall be at the sole discretion of the Lessor. Removal of personal property by
16 Lessor because of failure of Lessee to do so shall be at Lessee's expense.
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18 This right to remove personal property does not extend to buildings and
19 structures, pavement, water lines, sewer lines, electrical lines, utility poles, fencing, exterior light
20 poles, which improvements shall remain the property of the Lessor and shall not be removed.

21 At the expiration or termination of this Lease or any extension of it, the
22 Lessee will vacate and surrender the premises to the Lessor in as good condition and repair as
23 when it took possession, reasonable wear and tear excepted, and in a condition acceptable to
24 Lessor.
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1 B. Cancellation by Lessee. This Lease shall be subject to cancellation by
2 Lessee after the happening of one or more of the following events:

3 1) The permanent abandonment of the Airport as an Air Terminal.

4 2) The lawful assumption of the United States Government or any
5 other authorized agency thereof, of the operation, control or use of the Airport, or
6 any substantial part or parts thereof, in such a manner that substantially restricts
7 Lessee for a period of at least ninety (90) days from operating in a normal manner.

8 3) Issuance by any court of competent jurisdiction of an injunction in
9 any way preventing or restraining the use of the Airport, and the remaining in force
10 of such injunction for a period of at least ninety (90) days.

11 4) The default by Lessor in the performance of any covenant or
12 agreement herein required to be performed by Lessor and the failure of Lessor to
13 remedy such default for a period of ninety (90) days after receipt from Lessee of
14 written notice to remedy same.

15 Lessee may exercise such right of termination by written notice to Lessor at
16 any time after the lapse of the above applicable periods of time and this Lease shall terminate as of
17 that date. Rental due hereunder shall be payable only to the date of the happening of the event
18 which results in said termination. Upon termination under the provisions of this paragraph, Lessee
19 shall have the same rights as described in Article VII, Paragraph A., above.

20 C. Cancellation by Lessor.

21 1) This Lease shall be subject to cancellation by Lessor in the event
22 Lessee shall:
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1 a) Be in arrears in the payment of the whole or any part of the
2 amounts agreed upon hereunder for a period of fifteen (15) days after such
3 payments become due.

4 b) Default in the performance of any of the covenants and
5 conditions required herein (except rental payments) to be kept and
6 performed by Lessee, and such default continues for a period of thirty (30)
7 days after written notice from Lessor of said default.

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9 2) In the event of termination because of the happening of any of the
10 aforesaid events, Lessor may take immediate possession of the premises and
11 remove Lessee's effects, forcibly if necessary, without being deemed guilty of
12 trespassing. Upon said entry, this Lease shall terminate.

13 3) It is agreed that failure of Lessor to declare this Lease terminated or
14 to re-enter and take possession upon the default of Lessee for any of the reasons set
15 out shall not operate to bar or destroy the right of Lessor to declare this Lease null
16 and void by reason of any subsequent violation of the terms of this Lease.

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18 D. Suspension of Lease. During the time of war or declared national
19 emergency, Lessor shall have the right to lease the landing area or any part of leased premises to
20 the United States Government for military use. If any such lease is executed, any provisions of
21 this instrument that are inconsistent with the provisions of the lease to the Government shall be
22 suspended, provided that the term of this Lease shall be automatically extended by the amount of
23 the period of suspension.

24 E. Subleasing and Transferring. The Lessee shall have the right to sublease,
25 assign, or transfer all or any part of the premises for the same purpose established in Article I,

1 Paragraph C., provided that prior written approval of the Lessor is obtained. Lessor reserves the
2 right to alter the existing Lease as deemed necessary as a condition of approval. Any sublease,
3 assignment, or transfer shall be subject to the same conditions, obligations and terms as set forth
4 herein and as may be subsequently amended. Lessee shall be responsible for the observance by its
5 tenants and sublessees for the terms and covenants of this Lease, and any subsequent lease
6 amendments.
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8 ARTICLE VIII

9 NONDISCRIMINATION

10 A. General. In the use and occupation of the Airport, Lessee and Lessor shall
11 not discriminate against any person or class of persons by reason of race, color, religion, sex,
12 national origin or ancestry, age, or disability. Additionally, for the services provided during the
13 use and occupation of the Airport, Lessee and Lessor shall furnish said services on a reasonable
14 and not unjustly discriminatory basis to all users thereof and charge reasonable and not unjustly
15 discriminatory prices for each unit of service, provided that the Lessee and Lessor may be allowed
16 to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price
17 reductions to volume purchasers.
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19 B. Civil/Human Rights Laws. In the operation and use of the Airport, Lessee
20 and Lessor shall not, on the grounds of race, color, religion, sex, national origin or ancestry, age,
21 or disability, discriminate or permit discrimination against any person or group of persons in any
22 manner prohibited by Part 21 of Title 49, Code of Federal Regulations, the Civil Rights Act of
23 1964, as amended, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, and such other
24 Federal, State, or Local laws as may be applicable.
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1 Without limiting the generality of the foregoing, Lessee and Lessor agree to
2 not discriminate against any employee or applicant for employment because of race, color,
3 religion, sex, national origin or ancestry, age, or disability. Lessee and Lessor agree to take
4 affirmative action to ensure that applicants are employed, and that employees are treated during
5 employment, without regard to their race, color, religion, sex, national origin or ancestry, age, or
6 disability. Such action shall include, but not be limited to, employment, upgrading, demotion, or
7 transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms
8 of compensation; selection for training; and disciplinary actions and grievances. Lessee and
9 Lessor agree to post, in conspicuous places available to employees and applicants for employment,
10 notices to be provided setting forth the provisions of this nondiscrimination clause.
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12 C. Lessee and Lessor, for themselves, their heirs, personal representatives,
13 successors in interest, and assignees, as part of the consideration of this Lease, do hereby covenant
14 and agree as a covenant running with the land that, in the event improvements are constructed,
15 maintained, or otherwise operated on the Airport for a purpose for which a United States
16 Department of Transportation program or activity is extended or for another purpose involving the
17 provision of similar services or benefits, Lessee and Lessor shall maintain and operate such
18 improvements and services in compliance with all other requirements imposed pursuant to 49 CFR
19 Part 21 (Nondiscrimination in Federally Assisted Programs of the Department of Transportation),
20 as said regulations may be amended.
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22 D. Lessee and Lessor, for themselves, their heirs, personal representatives,
23 successors in interest, and assignees, as a part of the consideration of this Lease, do hereby
24 covenant and agree as a covenant running with the land that:
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1 1) No person on the grounds of race, color, religion, sex, national
2 origin or ancestry, age, or disability shall be excluded from participation in, denied
3 the benefits of, or otherwise be subjected to discrimination in the use of said
4 improvements.

5 2) No person on the grounds of race, color, religion, sex, national
6 origin or ancestry, age, or disability shall be excluded from participation in, denied
7 the benefits of, or otherwise be subjected to discrimination in the construction of
8 any improvements on, over, or under such land and the furnishing of services
9 thereon.

10 3) Lessee and Lessor shall use the facilities in compliance with all
11 other requirements imposed by, or pursuant to 49 CFR Part 21 (Nondiscrimination
12 in Federally Assisted Programs of the Department of Transportation), as said
13 regulations may be amended.

14 Lessee and Lessor assure that they will undertake an affirmative action
15 program as required by 14 CFR Part 152, Subpart E, to ensure that no person on the grounds of
16 race, color, religion, sex, national origin or ancestry, age, or disability shall be excluded from
17 participating in any employment activities covered in 14 CFR Part 152, Subpart E, or such
18 employment activities covered in any applicable State or Local law. Lessee and Lessor assure that
19 no person shall be excluded on these grounds from participating in or receiving the services or
20 benefits of any program or activity covered by this Article VIII.

21 E. During the performance of this Lease, the Lessee and Lessor, for
22 themselves, their assignees, and successors in interest, agrees to comply with the following
23 nondiscrimination statutes and authorities, including, but not limited to:
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1 1) Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*,
2 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

3 2) 49 CFR Part 21 (Nondiscrimination in Federally Assisted Programs
4 of the Department of Transportation – Effectuation of Title VI of The Civil Rights
5 Act of 1964);

6 3) The Uniform Relocation Assistance and Real Property Acquisition
7 Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons
8 displaced or whose property has been acquired because of Federal or Federal aid
9 programs and projects);

10 4) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794
11 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49
12 CFR Part 27;

13 5) The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101
14 *et seq.*) (prohibits discrimination on the basis of age);

15 6) Airport and Airway Improvement Act of 1982 (49 U.S.C. § 471,
16 § 47123) as amended (prohibits discrimination based on race, creed, color, national
17 origin, or sex);

18 7) The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened
19 the scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964,
20 the Age Discrimination Act of 1975, and § 504 of the Rehabilitation Act of 1973,
21 by expanding the definition of the terms "programs or activities" to include all of
22 the programs or activities of the Federal aid recipients, sub-recipients, and
23 contractors, whether such programs or activities are Federally funded or not);
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1 8) Titles II and III of the Americans with Disabilities Act of 1990,
2 which prohibit discrimination on the basis of disability in the operation of public
3 entities, public and private transportation systems, places of public accommodation,
4 and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by
5 Department of Transportation regulations at 49 CFR Parts 37 and 38;

6 9) The Federal Aviation Administration's Nondiscrimination statute
7 (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national
8 origin, and sex);

9 10) Executive Order 12898, Federal Actions to Address Environmental
10 Justice in Minority Populations and Low Income Populations, which ensures non-
11 discrimination against minority populations by discouraging programs, policies,
12 and activities with disproportionately high and adverse human health or
13 environmental effects on minority and low income populations;

14 11) Executive Order 13166, Improving Access to Services for Persons
15 with Limited English Proficiency (LEP), and resulting agency guidance, national
16 origin discrimination includes discrimination because of LEP. To ensure
17 compliance with Title VI, you must take reasonable steps to ensure that LEP
18 persons have meaningful access to your programs (70 Federal Regulations at
19 74087 – 74100);

20 12) Title IX of the Education Amendments of 1972, as amended, which
21 prohibits you from discriminating because of sex in education programs or
22 activities (20 U.S.C. 1681 *et seq.*).

1 B. Compliance with Federal, State, and Local Regulations. Lessee and Lessor
2 acknowledge that the right to use said Airport facilities in common with others authorized to do so
3 shall be exercised subject to and in accordance with the laws of the United States of America, the
4 State of Montana, and the City of Billings. All rules, regulations, and ordinances of Lessor now in
5 force or hereafter prescribed or promulgated by authority or by law shall be closely observed
6 during the full term of this Lease.

7 Lessor and Lessee shall comply with the Montana Occupational Safety and
8 Health Act (MCA 50-71-111 et seq.) an all rules adopted thereunder, the Montana Human Rights
9 Act, the Patient Protection and Affordable Care Act (P.L. 111-48, 124 Stat. 119), if applicable,
10 and 18-5-401, MCA et seq. concerning the Blind Enterprise Program's vending facility rules.

11 C. Attorney's Fees. Should either party employ an attorney or attorneys, or
12 utilize the services of in-house attorneys to enforce any of the provisions hereof or to protect its
13 interest in any manner arising under this Lease, the nonprevailing party in any action pursued in a
14 court of competent jurisdiction agrees to pay to the prevailing party all reasonable costs, damages,
15 expenses, and attorney's fees, including fees for in-house attorneys, expended or incurred in
16 connection therewith.

17 D. Governing Law. This Lease and all disputes arising hereunder shall be
18 construed and enforced by the laws of the State of Montana. Venue in any proceedings held
19 hereunder shall be in the State of Montana Thirteenth Judicial District Court, Yellowstone County,
20 Montana.
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22 E. Taxes. Lessee shall pay any taxes or assessments, which may be lawfully
23 levied against Lessee's occupancy or use of the premises or any improvements placed thereon as a
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1 result of Lessee's occupancy, but Lessee as independent contractor reserves the right to contest the
2 levy of any tax or assessment, which it feels is unjust.

3 F. Subordination of Lease. This Lease is subject and subordinate to the
4 provisions of any existing or future agreements heretofore or hereafter made between Lessor and
5 the United States relative to the administration, operation or maintenance of the Airport, the
6 execution of which has been required as a condition precedent to the transfer of Federal rights or
7 property to Lessor for Airport purposes, or to the expenditure of Federal funds for the
8 improvement or development of the Airport, including the expenditure of Federal funds for the
9 development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958,
10 as it has been amended from time to time.

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12 G. Paragraph Headings. The paragraph headings contained herein are for
13 convenience in reference and are not intended to define or limit the scope of any provisions of this
14 Lease or the particular paragraph.

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16 H. Modification and Amendments. Changes or modifications to this Lease
17 shall be in the form of a written lease amendment to be mutually agreed upon, and signed by both
18 Lessee and Lessor.

19 I. Right to Inspect. Lessor shall have the right to enter premises to inspect for
20 compliance with the terms and conditions of this Lease.

21 J. Effect of Invalid Provision. If any term or provision of this Lease or the
22 application thereof to any person or circumstance shall to any extent be invalid or unenforceable,
23 the remainder of this Lease, or the application of such terms or provisions to persons or
24 circumstances other than those to which it is invalid or unenforceable, shall not be affected hereby,
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1 and each term and provision of this Lease shall be valid and be enforced to the fullest extent
2 permitted by law.

3 K. Notices. Notices to Lessor provided for herein shall be sufficient if sent by
4 certified mail, postage prepaid, addressed to:

5 Director of Aviation and Transit
6 Billings Logan International Airport
7 1901 Terminal Circle, Room 216
8 Billings, Montana 59105

9 and notices to Lessee, if sent by certified mail, postage prepaid, addressed to:

10 State of Montana
11 Department of Natural Resources and Conservation
12 1539 11th Avenue
13 Helena, Montana 59620-1601
14 Local Contact: Matt Wolcott, Regional Manager
15 Phone: (406) 247-4401
16 E-mail: mwolcott@mt.gov

17 or to such other addresses as the parties may designate to each other in writing from time to time.

18 L. Successors and Assigns. All of the terms, covenants, and agreements herein
19 contained shall be binding upon and shall inure to the benefit of successors, assignees, and
20 sublessees of the respective parties hereto.
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IN WITNESS WHEREOF, the parties have hereunto set their hands on the dates

stated below.

LESSOR:

ATTEST:

CITY OF BILLINGS

BY _____
CITY CLERK

BY _____
MAYOR

APPROVED AS TO FORM

DATE _____

BY _____
CITY ATTORNEY

LESSEE:

BY _____
JOHN TUBBS, DIRECTOR
MONTANA DEPARTMENT OF NATURAL
RESOURCES & CONSERVATION

DATE _____

APPROVED BY:

BY _____
GARETT M. BACON, LEASING OFFICER
DEPARTMENT OF ADMINISTRATION
GENERAL SERVICES DIVISION

DATE _____

BY _____
MIKE MANION, CHIEF LEGAL COUNSEL
DEPARTMENT OF ADMINISTRATION

DATE _____

BY _____
TOM LIVERS
OBPP DIRECTOR/DESIGNEE

DATE _____

BY _____
JOHN LEWIS, DIRECTOR
DEPARTMENT OF ADMINISTRATION

DATE _____

AIRPORT BUSINESS PARK – BUILDING IP-9 1ST FLOOR



DNRC LEASE

CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT
AVIATION AND TRANSIT DEPARTMENT



March 2019

AIRPORT BUSINESS PARK – BUILDING IP-9
1ST FLOOR – WEST WING
(Includes East Wing Shared Spaces)

<u>ID#</u>	<u>DESCRIPTION</u>	<u>DIMENSIONS (FEET)</u>				<u>SQUARE FEET</u>
WEST WING						
A	OFFICE	16.83	X	12.21	=	205.49
B	RECEPTION	11.75	X	4.25	=	49.94
C	ENTRYWAY	5.46	X	4.63	=	25.28
C1	HALLWAY	5.46	X	12.00	=	65.52
C2	HALLWAY	2.00	X	13.29	=	26.58
C3	HALLWAY	5.46	X	68.10	=	371.83
C4	ELEVATOR LOBBY*	9.58	x	11.17	=	107.01
D	OFFICE/CONFERENCE	16.83	X	24.67	=	415.20
D1	OFFICE/CONFERENCE	3.92	X	6.40	=	25.09
D1	OFFICE/CONFERENCE	3.44	X	6.40	=	22.02
D2	OFFICE/CONFERENCE	3.92	X	6.04	=	23.68
E	OFFICE	5.83	X	6.25	=	36.44
E	OFFICE	3.35	X	6.25	=	20.94
E1	OFFICE	12.54	X	5.83	=	73.11
F	OFFICE	16.83	X	12.08	=	203.31
G	OFFICE	16.83	X	12.08	=	203.31
H	OFFICE	16.83	X	12.08	=	203.31
I	OFFICE	16.83	X	12.08	=	203.31
J	OFFICE	16.83	X	12.08	=	203.31
K	OFFICE/CONF	16.83	X	24.62	=	414.35
L	RESTROOM*	5.36	X	9.50	=	50.92
L1	RESTROOM*	5.36	X	9.50	=	50.92
L2	JANITOR ROOM	10.63	X	5.83	=	61.97
M	BREAK AREA	17.21	X	7.17	=	123.40
M1	BREAK AREA	9.04	X	2.67	=	24.14
M2	BREAK AREA	4.29	X	2.67	=	11.45
N	MAIN ENTRY	9.63	X	9.67	=	93.12
N1	MAIN ENTRY	10.21	X	2.67	=	27.26
						3,342.21
EAST WING						
M	RESTROOM*	16.83	X	10.63	=	178.90
						178.90
TOTAL SQUARE FEET						3,521.11

* Rental shared equally between DNRC and DEQ

DNRC LEASE

**CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT
 AVIATION AND TRANSIT DEPARTMENT**



March 2019

**AIRPORT BUSINESS PARK – BUILDING IP-9
1ST FLOOR – SOUTHWEST WING – RIGHT**

<u>ID#</u>	<u>DESCRIPTION</u>	<u>DIMENSIONS (FEET)</u>			<u>SQUARE FEET</u>
A	MAIN OFFICE AREA	20.17	X	39.50	= 796.72
A1	MAIN OFFICE AREA	—	X	—	= —
A2	MAIN OFFICE AREA	—	X	—	= —
A3	MAIN OFFICE AREA	—	X	—	= —
A4	MAIN OFFICE AREA	—	X	—	= —
A5	MAIN OFFICE AREA	—	X	—	= —
B	CONFERENCE	13.83	X	14.63	= 202.33
C	RESTROOM	5.04	X	11.83	= 59.62
D	STORAGE	7.40	X	7.58	= 56.09
E	STORAGE	7.40	X	7.58	= 56.09
F	CORRIDOR	6.58	X	20.08	= 132.13
G	CORRIDOR	6.17	X	7.42	= 45.78
H	TRAINING (LESS JOG "Q")	24.58	X	24.58	= 586.12
I	STORAGE	7.33	X	4.08	= 29.91
J	STORAGE	7.33	X	4.08	= 29.91
K	STORAGE	5.33	X	4.08	= 21.75
TOTAL SQUARE FEET					<u>2,016.45</u>

Office Space Total Square Feet: 1,822.70
Storage Space Total Square Feet: 193.74

DNRC LEASE

**CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT
AVIATION AND TRANSIT DEPARTMENT**



March 2019

**AIRPORT BUSINESS PARK – BUILDING IP-9
1ST FLOOR – SOUTHWEST WING – LEFT**

<u>ID#</u>	<u>DESCRIPTION</u>	<u>DIMENSIONS (FEET)</u>				<u>SQUARE FEET</u>
N	MAIN ENTRY	SEE FIRST FLOOR - WEST WING				
N1	MAIN ENTRY	SEE FIRST FLOOR - WEST WING				
O	OFFICE	10.67	X	9.00	=	96.03
O1	OFFICE	13.42	X	2.00	=	26.84
P	OFFICE	25.46	X	43.33	=	1,103.18
Q	OFFICE	7.00	X	2.58	=	18.06
TOTAL SQUARE FEET						<u>1,244.11</u>

DNRC LEASE

**CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT
AVIATION AND TRANSIT DEPARTMENT**



March 2019

**AIRPORT BUSINESS PARK – BUILDING IP-9
1ST FLOOR – SOUTHEAST WING (SHOP)**

<u>ID#</u>	<u>DESCRIPTION</u>	<u>DIMENSIONS (FEET)</u>			<u>SQUARE FEET</u>
A	SHOP	39.33	X	30.75	= 1,209.40
B	FOYER	8.17	X	8.08	= 66.01
C	BREAK AREA	12.00	X	8.08	= 96.96
D	RESTROOM	5.00	X	8.08	= 40.40
E	OFFICE	12.17	X	8.08	= 98.33
	TOTAL SQUARE FEET				<u>1,511.10</u>

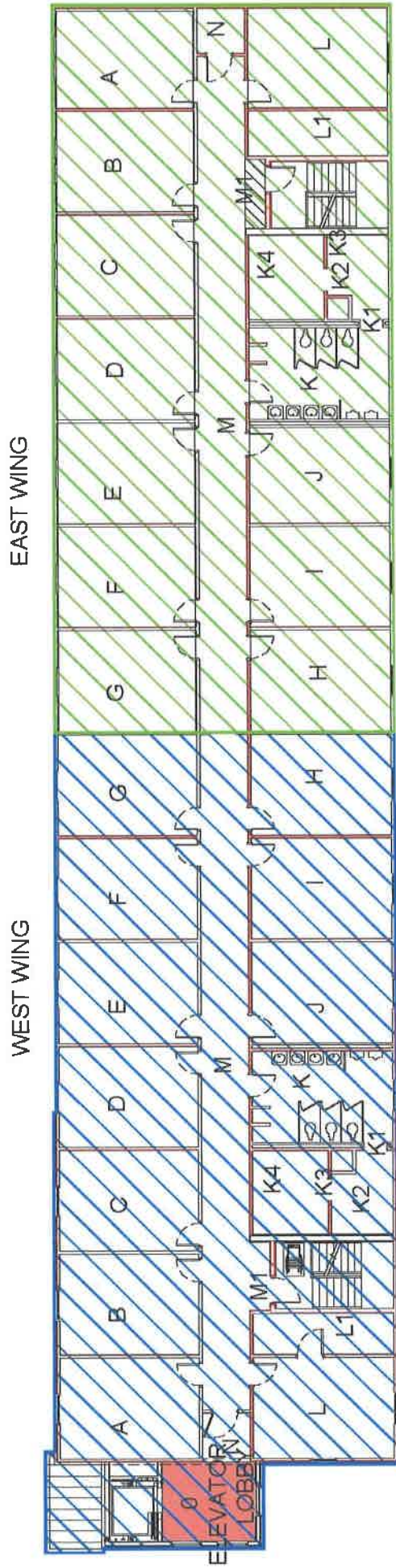
DNRC LEASE

**CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT
AVIATION AND TRANSIT DEPARTMENT**



March 2019

**AIRPORT BUSINESS PARK – BUILDING IP-9
2ND FLOOR**



LEGEND



DNRC LEASE

**CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT
AVIATION AND TRANSIT DEPARTMENT**



March 2019

**AIRPORT BUSINESS PARK – BUILDING IP-9
2ND FLOOR – EAST WING**

<u>ID#</u>	<u>DESCRIPTION</u>	<u>DIMENSIONS (FEET)</u>				<u>SQUARE FEET</u>
<u>EAST WING</u>						
A	OFFICE	16.83	X	12.08	=	203.31
B	OFFICE	16.83	X	12.08	=	203.31
C	OFFICE	16.83	X	12.08	=	203.31
D	OFFICE	16.83	X	12.08	=	203.31
E	OFFICE	16.83	X	12.08	=	203.31
F	OFFICE	16.83	X	12.08	=	203.31
G	OFFICE	16.83	X	12.08	=	203.31
H	OFFICE	16.83	X	12.08	=	203.31
I	OFFICE	16.83	X	12.08	=	203.31
J	OFFICE	16.83	X	12.08	=	203.31
K	OFFICE	16.83	X	10.58	=	178.06
K1	RESTROOM	2.25	X	1.17	=	2.63
K2	RESTROOM	4.42	X	6.87	=	30.37
K3	TOWEL AREA	2.79	X	6.87	=	19.17
K4	TOWEL AREA	9.00	X	9.67	=	87.03
L	OFFICE	16.83	X	12.21	=	205.49
L1	OFFICE/MISC	15.08	X	5.00	=	75.40
M	HALLWAY	5.46	X	81.80	=	446.63
M1	HALLWAY	2.08	X	8.33	=	17.33
N	OFFICE/MISC	5.46	X	5.38	=	29.37
						3,124.58
<u>WEST WING</u>						
O	ELEVATOR LOBBY*	9.58	X	11.17	=	107.01
						107.01
TOTAL SQUARE FEET						3,231.59

* Rental shared equally between DNRC and DEQ

DNRC LEASE

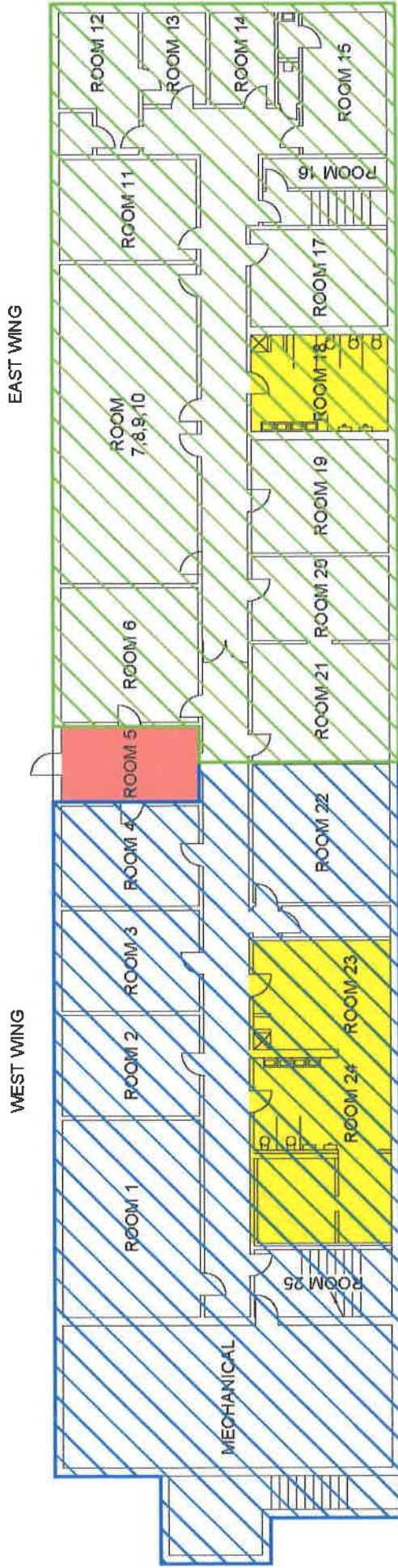
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AVIATION AND TRANSIT DEPARTMENT**



March 2019

EXHIBIT A Page 7 of 11

AIRPORT BUSINESS PARK – BUILDING IP-9 BASEMENT



LEGEND

- CLOSED
- SHARED ENTRY

DNRC LEASE

**CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT
AVIATION AND TRANSIT DEPARTMENT**



March 2019

**AIRPORT BUSINESS PARK – BUILDING IP-9
BASEMENT – EAST WING**

<u>ID#</u>	<u>DESCRIPTION</u>	<u>DIMENSIONS (FEET)</u>			<u>SQUARE FEET</u>
A	STORAGE ROOM #7-10	16.17	X	38.25	= 618.50
B	STORAGE ROOM #11	16.17	X	11.88	= 192.10
C	STORAGE ROOM #17	16.17	X	10.25	= 165.74
TOTAL SQUARE FEET					976.34

DNRC LEASE

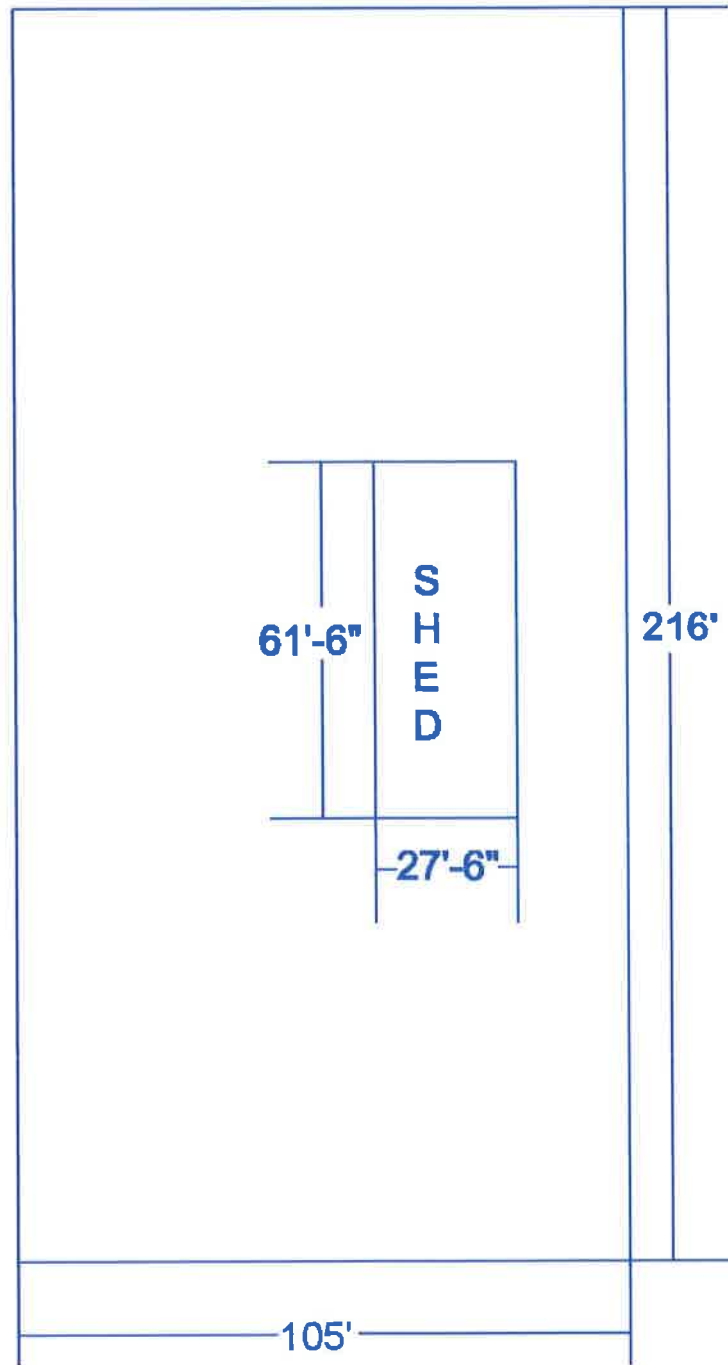
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AVIATION AND TRANSIT DEPARTMENT**



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EXHIBIT A Page 9 of 11

**AIRPORT BUSINESS PARK – BUILDING IP-10
FENCED GROUND AREA AND SHED**



22,680 SF GROUND

1,691 SQ FT SHED

DNRC LEASE

**CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT
AVIATION AND TRANSIT DEPARTMENT**



March 2019

SUMMARY OF LEASED SPACE

FIRST FLOOR							MONTHLY BREAKDOWN		
DESCRIPTION		SF (MAPS)	ALLOCATED SF	COST/SF	ANNUAL	MONTHLY	PAYEE	WR	SL/F
WEST WING	Office	3,133.36	3,133.36	\$9.60	\$30,080.28	\$2,506.69	DNRC SL/F		\$2,506.69
Elevator*	C4	107.01	107.01/2	53.51					
Restrooms*	L, L1	101.84	101.84/2	50.92	104.43	\$9.60	\$1,002.48	\$83.54	
		3,342.21	3,237.79						
SW WING - RIGHT	Office	1,822.70	1,822.70	\$9.60	\$17,497.92	\$1,458.16	DNRC SL/F		\$1,458.16
	Storage	193.75	193.75	\$4.45	\$862.20	\$71.85	DNRC SL/F		\$71.85
		2,016.45	2,016.45						
SW WING - LEFT	Office	1,244.11	1,244.11	\$9.60	\$11,943.48	\$995.29	DNRC SL/F		\$995.29
EAST WING									
Restroom*	M	178.90	178.90/2	89.45	\$9.60	\$858.72	\$71.56	1/2 WR - 1/2 SL/F	\$35.78
SE WING - SHOP SPACE		1,511.10	1,511.10	\$4.20	\$6,346.68	\$528.89	DNRC SL/F		\$528.89
*Shared 50/50 with DEQ									
SECOND FLOOR									
DESCRIPTION		SF (MAPS)	ALLOCATED SF	COST/SF	ANNUAL	MONTHLY			
EAST WING	Office	3,124.58	3,124.58	\$9.60	\$29,995.92	\$2,499.66	DNRC WR	\$2,499.66	
WEST WING									
Elevator*	O	107.01	107.01/2	53.51	\$9.60	\$513.72	\$42.81	1/2 WR - 1/2 SL/F	\$21.40
*Shared 50/50 with DEQ									
BASEMENT									
DESCRIPTION		SF (MAPS)	ALLOCATED SF	COST/SF	ANNUAL	MONTHLY			
EAST WING									
Storage Room #7-10	Storage	618.50	618.50	\$4.45	\$2,752.32	\$229.36	DNRC SL/F		\$229.36
Storage Room #11	Storage	192.10	192.10	\$4.45	\$854.88	\$71.24	DNRC WR	\$71.24	
Storage Room #17	Storage	165.74	165.74	357.84	\$737.52	\$61.46	DNRC WR	\$61.46	
		976.34	976.34						
TOTAL BUILDING SF		12,500.70	12,253.33						
FENCED GROUND AREA									
DESCRIPTION		SF (MAPS)	ALLOCATED SF	COST/SF	ANNUAL	MONTHLY			
GROUND AREA**		22,680.00	22,680 x 75%	17,010.00	\$0.28	\$4,762.80	\$396.90	1/2 WR - 1/2 SL/F	\$198.45
No Charge Shed**		1,691.25	17,010.00						
**Ground space rental is shared with DEQ - 25%, DNRC - 75%									
NOTE: Allocation on ground area was changed in 2019									
TOTAL LEASED SF (Bldg & Ground)		35,180.70	ALLOCATED SF 29,263.32		\$108,208.92	\$9,017.41		\$2,929.76	\$6,087.65

NOTE: DNRC has two separate agency payees - (1) Water Resources (WR) & (2) State Lands/Fire (SL/F)

SQUARE FOOTAGE CATEGORIES

Office	9,819.51
Storage	1,170.09
Shop	1,511.10
Ground	<u>22,680.00</u>
TOTAL	35,180.70

DNRC LEASE

**CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT
AVIATION AND TRANSIT DEPARTMENT**



March 2019