

LIMITED COMMERCIAL AVIATION BUILDING AND GROUND LEASE

THIS LEASE, made and entered into on _____, by and between
the following:

CITY OF BILLINGS, MONTANA, hereinafter
designated "Lessor"

and

ALPINE AIR EXPRESS, INC., hereinafter
designated "Lessee"

W I T N E S S E T H

RECITALS

- 1) Lessor owns and operates BILLINGS LOGAN INTERNATIONAL AIRPORT (hereinafter called the Airport) situated in the City of Billings, Montana, and
- 2) Lessor deems it advantageous to itself and the operation of the Airport to lease to the Lessee one (1) aircraft hangar, and a certain parcel of land hereinafter described together with certain privileges, rights, uses, and interests, and
- 3) Lessee wishes to engage in certain limited commercial aviation activities, proposes to lease on a net basis from Lessor said aircraft hangar and a certain parcel of land, and to avail itself of the same privileges, rights, uses, and interests contemplated herein, and
- 4) Lessee has indicated a willingness and ability to properly keep, maintain, and improve said building and land in accordance with standards established by Lessor.

NOW THEREFORE, the parties hereto covenant and agree as follows:

ARTICLE I

PREMISES AND PRIVILEGES

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

Main Parcel – IP-5 – 501 North View Drive

Commencing at the Point of Beginning at the Southwest Corner of said parcel; thence N 21°06'08" E a distance of 271.00 feet; thence S 68°53'52" E a distance of 242.00 feet; thence S 21°06'08" W a distance of 271.00 feet; thence N 68°53'52" W a distance of 242.00 feet to the Point of Beginning.

The parcel of land to which the above description applies contains 65,582.00 square feet of ground space as set forth in Exhibit A, attached and made a part hereof.

IP-5 Building Space

8,648 square feet of hangar floor space; 1,755 square feet of office and storage area on the west side; 1,047 square feet of office and storage area on the east side; and 1,023 square feet of storage area on the east side of one (1) metal aircraft hangar referred to as Airport Business Park Hangar IP-5, for a total of 12,473 square feet as set forth on Exhibit A attached hereto and by this reference made a part hereof.

B. General Privileges, Uses, and Rights. Lessor hereby grants to Lessee the following general privileges, uses, and rights, all of which shall be subject to the terms, conditions, and covenants herein set forth. Said rights shall be subject to such Federal, State, or Local laws, ordinances, rules and regulations as now or may hereafter have application at the Airport. All use privileges granted herein can only be exercised in the event Lessee is the holder of the appropriate licenses for such limited commercial endeavors.

1) The general unrestricted use of all public Airport facilities and improvements, which are now or may hereafter be connected with or appurtenant to

said Airport, except as hereinafter provided, to be used by Lessee and its sublessees for limited commercial aviation activity as herein defined. For the purpose of this Lease, public airport facilities shall include all necessary landing area appurtenances including, but not limited to, approach areas, runways, taxiways, aprons, aircraft parking areas, roadways, sidewalks, navigational aids, lighting facilities, Terminal facilities, or other public facilities appurtenant to said Airport.

2) The right of ingress to and egress from the premises over and across public roadways serving the Airport for Lessee, Lessee's agents, employees, patrons and invitees, suppliers of service and furnishers of material.

C. Specific Privileges, Uses, and Rights. In addition to the general privileges, uses, and rights described above and without limiting the generality thereof, Lessor hereby grants to Lessee and sublessees the right to engage in limited commercial aviation activity on the premises as defined in subparagraphs 1 through 8 below, subject to the conditions and covenants hereafter set out:

1) The maintenance, storing, and servicing of aircraft, which shall include overhauling, maintenance, rebuilding, repairing, inspection, and licensing of same, and the purchase and sale of parts, equipment, and accessories therefore.

2) The right to use vehicles necessary for the servicing of aircraft.

3) The storage of aircraft not owned by the Lessee.

4) The inside storage of supplies, materials, equipment, and records.

5) The loading and unloading of aircraft in any lawful activity as incidental to the conduct of any services or operations outlined in this paragraph.

6) The operation of non-scheduled and charter transportation business for hauling passengers and freight by aircraft.

7) The maintenance of an office on the premises necessary for the conduct of the activities defined above.

8) The aforementioned rights shall apply to the persons, firms, or corporations having actual possession and occupancy of the premises described herein, and the agents, employees, and invitees of such persons, firms, or corporations.

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

- 1) Ground transportation for hire.
- 2) Equipment rental services.
- 3) Vehicle rental services.
- 4) Food sales (except the sale of confections, and refreshments through coin-operated vending machines).
- 5) Improper storage of all chemicals, solutions, solvents, or any potentially hazardous, explosive, or flammable materials or substances.
- 6) Fuel sales (aircraft or vehicle).
- 7) On-site fuel storage or fuel storage equipment.
- 8) Maintenance, repair, service, or storage of personal vehicles or equipment other than aircraft or aviation equipment.
- 9) The buying and selling of aircraft, parts, and accessories therefore, and aviation equipment of all descriptions either for retail, wholesale or as a dealer, except for use in Lessee's own aircraft or operations.
- 10) Flight schools and flight instruction, except that Lessee's Chief Pilot shall have the right to give private instructions to employees.

- 11) Aircraft repair and servicing except on Lessee's own aircraft.
- 12) Outside storage of oil or oil collection containers.
- 13) Outside storage of used, surplus, or discarded parts, equipment, vehicles, or portions thereof.
- 14) Storage of any personal vehicles, campers, boats, trailers, motor homes, other recreational vehicles, or parts for such.
- 15) Storage of any household items.
- 16) Off-premise parking.
- 17) Use of the premises in a residential capacity of any nature, whether temporary or otherwise.
- 18) On-premise use and storage of vehicles and ground equipment leaking fuel and oil without proper containment and cleanup
- 19) Any non-aviation or non-aeronautical activity.

E. Reservation of Right-of-Way. Lessor hereby reserves a right-of-way easement for access purposes over the above described leasehold, together with other necessary rights-of-way over said leasehold for access purposes. Said reserved right-of-way may be used by Lessor and all of Lessor's representatives, employees, agents, and tenants, employees of said tenants, and persons or entities serving said tenants.

ARTICLE II

TERM OF LEASE

- A. Term. The term of this Lease shall be for a period of five (5) years, commencing on the 1st day of November 2022, and terminating on the 31st day of October 2027.
- B. First Right of Refusal. At the end of the term hereof the Lessee shall have the

first right to accept a new lease of the premises at the same rates and charges that the premises may be offered to any other person or entity. Provided that the Lessor shall have the sole discretion as to the use of said premises and whether or not it will be relet at end of said term. Provided further, that sixty (60) days prior to the end of the term, Lessee shall give notice in writing to Lessor of intent to exercise the first right of refusal. Lessor, upon election to relet said premises, shall give Lessee notice in writing of its decision and the proposed terms. Lessee shall have thirty (30) days in which to give Lessor notice in writing of acceptance.

C. National Emergency. In the event the rights and privileges hereunder are suspended by reason of war or other national emergency, the term of this Lease shall be extended by the amount of the period of such suspension.

ARTICLE III

RENTAL AND FEES

A. Rental. For the premises described in Article I, Paragraph A, Lessee shall pay to Lessor \$4.45 per square foot per annum for the 12,473 square feet of building space in IP-5 for an annual rental of \$55,504.80. Said rental shall be payable monthly in advance without billing on the first day of each month in an amount equal to one-twelfth of the annual rental, or \$4,625.40.

B. Interest Penalty. Without waiving any other right or action available to the Lessor, in the event of default in the payment of Lease rentals herein, or any other rentals, fees, or charges owed Lessor, the amount due shall accrue interest at the rate of one and one-quarter percent (1.25%) per month from the date such rentals, fees, or charges were due and payable, until paid in full. Said interest shall not apply with respect to items being contested in good faith by Lessee and which are resolved in Lessee's favor.

C. Annual Readjustment of Ground Rental. During the term of the Lease, the

rental rate will be adjusted annually on the anniversary date of the Lease using the average of the monthly percentage increases of the previous calendar year, as determined by the Department of Labor Consumer Price Index for All Urban Consumers (CPI-U), published by the Bureau of Labor Statistics.

In no case shall the rates be less than the previous year. For the purposes of this Lease, the anniversary date shall be November of each year during the term of the Lease. The Lessor shall send Lessee a notice of the annual rental rate adjustment prior to each anniversary date of the Lease denoting the adjusted rental rates.

D. Rental Adjustments to Market Value. Beginning with the third anniversary of the Lease, and in the event the term is extended by amendment, every third year thereafter, Lessor may conduct an analysis of the then current lease rental rates for other on-Airport properties to determine the current market value of the property. Should the analysis identify that the then current Lease rental rate is below market value for other on-Airport properties, the Lessor will notify Lessee of an impending Lease rate increase.

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 repair any structural deficiencies in the building not caused by the Lessee and maintain all structural components of the building to include the roof, hangar door, exterior locks, windows, and the boiler and hot water heat components in the building. Lessor shall assume no other responsibility for the condition of the demised premises after delivery of premises to Lessee. 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 and taxiways as Lessor's resources permit.

Damage to the premises caused by Lessee, Lessee's employees, representatives, agents, or contractors, will be the sole responsibility of Lessee. Said damage shall be repaired immediately at Lessee's expense. Should Lessor identify damage to premises, Lessor shall give written notice to Lessee to repair said damage, and Lessee shall make the repairs to the identified damage, to Lessor's satisfaction, within fifteen (15) days of receiving the written notice. Should Lessee fail to correct the identified damage within the specified time following receipt of notice, Lessor may make the repairs to the damage and bill Lessee for all associated costs to make said repairs.

Damage requiring emergency repairs including, but not limited to, burst water lines, frozen water lines, natural gas leaks, or any other item that impacts the operations of other Airport tenants, or may result in additional damage to premises, may be immediately repaired by Lessor at Lessee's expense. Any repairs made to premises by Lessor and billed to Lessee, shall be paid by Lessee with fifteen (15) days of receipt of billing. Late payment will be subject to an interest penalty as prescribed in Article III, Paragraph B.

ARTICLE V

OBLIGATIONS OF LESSEE

A. Condition of Premises. It shall be the sole responsibility of the Lessee to develop, keep, maintain, and operate the entirety of the premises and all improvements and facilities placed thereon at Lessee's sole cost and expense. Lessee accepts the premises in its present condition and will repair and maintain any installations thereon except as provided in Article IV, Paragraphs B–C and will remove or cause to be removed any debris to the extent required for its continuing use thereof.

B. Improvements. Lessee shall have the right to and shall provide for future construction, alteration, expansion, and maintenance of its own improvements, in any lawful manner, upon or in the premises, for the purpose of carrying out any of the activities provided for herein. Lessee shall obtain the written approval of Lessor prior to beginning any such construction, alteration, or expansion, which approval shall not be unreasonably withheld.

C. Disability Access. Any disability access improvements desired by the Lessee, or required by some agency as a condition of conducting business in this building, will be at the sole cost of the Lessee. All such improvements to the premises must be approved in writing by the Lessor prior to construction of such improvements.

D. Maintenance. Lessee shall, at its sole cost and expense, maintain the premises, improvements, and appurtenances thereto in a presentable condition free of refuse and debris consistent with good business practice, and acceptable to the Lessor. Lessee's maintenance responsibilities shall include snow removal on the leased premises.

E. Utilities. Lessee shall assume and pay for all costs or charges for utility services furnished to Lessee during the term hereof. Lessor shall bill Lessee for natural gas, electrical, water

and sewer costs.

1) The Lessor shall bill the Lessee for electrical costs based on monthly metered electrical usage as billed by the utility provider for Lessee's premises.

2) The Lessor shall bill the Lessee for water and sewer costs based on monthly metered water usage and sewer as billed by the utility provider for Lessee's premises.

3) The Lessor shall bill the Lessee for natural gas costs based on the monthly metered natural gas usage as billed by the utility provider for Lessee's premises.

F. Trash, Garbage, Etc. Lessee shall provide, at Lessee's expense, a complete and proper arrangement for the adequate sanitary handling and disposal of all trash, garbage, and other refuse occurring as a result of Lessee's occupancy of the premises. Lessee shall provide and use Lessor approved receptacles for all garbage, trash, and other refuse, and shall place them on the premises in a location acceptable to the Lessor for their removal. Piling of boxes, cartons, barrels, pallets, crates, or other similar items in an unsightly or unsafe manner on or about the premises, is forbidden.

G. Signs. Lessee shall not maintain any billboards or advertising signs on the premises; provided, however, that Lessee may maintain on the outside of its building its name(s) or signs, the size, location, and design of which shall be subject to prior written approval of Lessor.

H. Federal, State, and Local Regulations. Lessee acknowledges that the right to use said Airport facilities in common with others authorized to do so shall be exercised subject to and in accordance with the laws, rules, regulations, and ordinances of the United States of America, the State of Montana, and the City of Billings, now in force or hereafter prescribed or promulgated by

authority or by law. Said laws, rules, regulations, and ordinances shall be closely observed during the full term of this Lease.

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

J. Ramp. Lessee shall ensure that Lessee's aircraft and all sublessee's aircraft are not permitted to block the public use ramp located in the front of the Lessee's premises.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

A. Indemnification. Lessor and Lessor's officers, directors, agents, representatives, and employees shall stand indemnified by Lessee as herein provided. It is expressly understood and agreed that Lessee is and shall be deemed an independent contractor and operator responsible to all parties for its respective acts or omissions and that Lessor shall in no way be responsible therefore. It is further agreed that in the use of the Airport, in the construction, alteration, or maintenance of any improvements thereon, and in the exercise or enjoyment of the privileges herein granted, Lessee shall

indemnify, save harmless, and defend the Lessor and Lessor's officers, directors, agents, representatives, and employees from any and all losses that may result to the Lessor and Lessor's officers, directors, agents, representatives, and employees because of any negligence, act, or omission on the part of the Lessee or Lessee's agents, representatives, and employees and shall indemnify Lessor against any and all mechanic's and materialmen's liens or any other types of liens imposed upon the premises.

Lessee expressly agrees that Lessor shall not be liable to Lessee, for personal injury, bodily injury, or for any loss or damage to real or personal property occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil disobedience or commotion, aircraft, smoke, vandalism, malicious mischief, or acts of civil authority, unless caused by the fault or negligence of Lessor, its officers, directors, agents, representatives, or employees.

B. Insurance. Lessee shall provide and keep in force for the entire term of this Agreement the insurance coverages identified below. Insurance coverage shall be maintained with insurance underwriters authorized to do business in the State of Montana, and that are satisfactory to the Lessor. At the time of execution of this Agreement, and annually thereafter, Lessee shall furnish a Certificate of Insurance along with all associated and required policy endorsements showing that required insurance is current and in force. Required evidence of insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days prior to expiration or termination of the existing policy. Lessee shall provide notice to Lessor of any changes to insurance or cancellation of any or all insurance at least thirty (30) calendar days in advance of such change or cancellation. The Certificate of Insurance must include the following reference: City of Billings Logan International Airport, 1901 Terminal Circle, Room 216, Billings, MT 59105. If, in the Lessor's opinion, the minimum limits of the insurance coverage herein required become inadequate during the

term of this Agreement, Lessee agrees that it will increase such minimum limits by reasonable amounts upon request of the Lessor.

1) Breach of Agreement. The continuous maintenance by Lessee of all types of required insurance under this Agreement is mandatory. Failure of the Lessee to maintain such insurance is a material breach of this Agreement, and does not amend this Agreement, nor release the Lessee from any other obligations in this Agreement.

2) Commercial General Liability Insurance. Commercial General Liability Insurance on a standard occurrence form, providing coverage for personal injury, bodily injury, death, and property damage, in amounts not less than \$1,500,000 per occurrence; \$3,000,000 General Aggregate; the General Aggregate shall apply separately to each location. The required limits may be provided by a combination of Commercial General Liability Insurance and Excess or Commercial Umbrella Liability Insurance. The commercial general liability policy shall be endorsed to name the City of Billings, and City's officers, directors, agents, representatives, and employees as a **PRIMARY ADDITIONAL INSURED**. The City of Billings' general liability policy will be excess and noncontributory. The policy shall be endorsed to include a written waiver of insurer's right to subrogate against the City.

3) Workers' Compensation and Employers' Liability Insurance. Workers' Compensation and Employers' Liability Insurance is required if Lessee has employees. Workers' Compensation insurance limits in accordance with the State of Montana and administered by the Montana Department of Labor and Industry. Required limits are \$1,000,000 each accident, \$1,000,000 each employee, and \$1,000,000 for bodily injury by disease.

4) Automobile Liability. Automobile Liability insurance will be required for all owned and non-owned vehicles in an amount not less than \$1,000,000 combined single limit. If Lessee is providing the coverage amount with an automobile policy that provides full coverage for all of the Lessee's vehicle uses, the policy shall be endorsed to include a written waiver of insurer's right to subrogate against the City.

ARTICLE VII

TERMINATION OF LEASE, CANCELLATION, AND TRANSFER

A. Termination. This Lease shall terminate at the end of the full term hereof without any notice by either party. A holding over by the Lessee, its assigns or sublessees beyond the expiration of the term shall not be permitted without the written consent of the Director of Aviation and Transit and then only on a month-to-month basis.

Upon termination, Lessee shall have the right to remove all moveable furniture, fixtures, machinery, and equipment, and all other personal property owned or installed by Lessee on the premises. All expenses connected with such removal shall be borne by the Lessee, and said property shall be removed within thirty (30) days after termination of this Lease. In the event the Lessee elects not to remove its personal property, fixtures, machinery, and equipment upon termination of this Lease, the disposition of the personal property, fixtures, machinery, and equipment will be left to the sole discretion of the Lessor. If the Lessor is required to remove Lessee's personal property, fixtures, machinery, and equipment because of failure of Lessee to do so, all costs associated with removal of the personal property, fixtures, machinery, and equipment shall be at Lessee's sole expense.

This right to remove personal property does not extend to buildings and structures, pavement, water lines, sewer lines, electrical lines, utility poles, fencing, exterior light

poles, which improvements shall remain the property of the Lessor and shall not be removed.

B. Cancellation by Lessee. This Lease shall be subject to cancellation by Lessee after the happening of one or more of the following events:

- 1) The permanent abandonment of the Airport as an Air Terminal.
- 2) The lawful assumption of the United States Government or any other authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner that substantially restricts Lessee for a period of at least ninety (90) days from operating in a normal manner.
- 3) Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, and the remaining in force of such injunction for a period of at least ninety (90) days.
- 4) The default by Lessor in the performance of any covenant or agreement herein required to be performed by Lessor and the failure of Lessor to remedy such default for a period of ninety (90) days after receipt from Lessee or written notice to remedy same.

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

C. Cancellation by Lessor.

- 1) This Lease shall be subject to cancellation by Lessor in the event Lessee shall:

a) Be in arrears in the payment of the whole or any part of the amounts agreed upon hereunder for a period of fifteen (15) days after payment is due.

b) File a voluntary petition of bankruptcy.

c) Make a general assignment for the benefit of creditors.

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

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

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

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

E. Subleasing, Assigning, and Transferring. The Lessee shall have the right to

sublease, assign, or transfer all or any part of the Lessee's leasehold interest in the premises for the same purpose established in Article I, Paragraph C, provided written approval of the Lessor is obtained prior to any sublease, assignment, or transfer. Lessor reserves the right to alter the existing Lease as deemed necessary as a condition of approval. Any sublease, assignment, or transfer shall be subject to the same conditions, obligations, and terms as set forth herein and as may be subsequently amended. Lessee shall also be responsible for the observance by its tenants and sublessees for the terms and covenants of this Lease, and any subsequent lease amendments.

ARTICLE VIII

NONDISCRIMINATION

A. General. In the use and occupation of the Airport, Lessee shall not discriminate against any person or class of persons by reason of race, color, religion, sex, national origin or ancestry, age, or disability. Additionally, for the services provided during the use and occupation of the Airport, Lessee shall furnish said services on a reasonable and not unjustly discriminatory basis to all users thereof and charge reasonable and not unjustly discriminatory prices for each unit of service, provided that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

B. Civil/Human Rights Laws. In the operation and use of the Airport, Lessee shall not, on the grounds of race, color, religion, sex, national origin or ancestry, age, or disability, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of Title 49, Code of Federal Regulations, the Civil Rights Act of 1964, as amended, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, and such other Federal, State, or Local laws as may be applicable.

Without limiting the generality of the foregoing, Lessee agrees to not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or ancestry, age, or disability. Lessee agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin or ancestry, age, or disability. Such action shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training; and disciplinary actions and grievances. Lessee agrees to post, in conspicuous places available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

C. Lessee, for itself, its heirs, personal representatives, successors in interest, and assignees, as part of the consideration of this Lease, does hereby covenant and agree as a covenant running with the land that, in the event improvements are constructed, maintained, or otherwise operated on the Airport for a purpose for which a United States Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such improvements and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21 (Nondiscrimination in Federally Assisted Programs of the Department of Transportation), as said regulations may be amended.

D. Lessee, for itself, its heirs, personal representatives, successors in interest, and assignees, as a part of the consideration of this Lease, does hereby covenant and agree as a covenant running with the land that:

1) No person on the grounds of race, color, religion, sex, national origin or ancestry, age, or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said improvements.

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

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

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

E. During the performance of this Lease, the Lessee, for itself, its assignees, and successors in interest, agrees to comply with the following nondiscrimination statutes and authorities, including, but not limited to:

1) Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

2) 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);

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

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

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

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

7) The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and § 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal aid recipients, sub-recipients, and contractors, whether such programs or activities are Federally funded or not);

8) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain

testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38;

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

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

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

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

ARTICLE IX

GENERAL PROVISIONS

A. Attorney's Fees. Should either party employ an attorney or attorneys or utilize the services of in-house attorneys to enforce any of the provisions hereof or to protect its interest in any manner arising under this Lease, the nonprevailing party in any action pursued in a court of

competent jurisdiction agrees to pay to the prevailing party all reasonable costs, damages, expenses, and attorney's fees, including fees for in-house attorneys, expended or incurred in connection therewith.

B. Governing Law. This Lease and all disputes arising hereunder shall be construed and enforced in accordance with the laws of the State of Montana. Venue in any proceedings held hereunder shall be in the State of Montana Thirteenth Judicial District Court, Yellowstone County, Montana.

C. Taxes. Lessee shall pay any taxes or assessments which may be lawfully levied against Lessee's occupancy or use of the premises or any improvements placed thereon as a result of Lessee's occupancy, but Lessee as independent contractor reserves the right to contest the levy of any tax or assessment which it feels is unjust.

D. Subordination of Lease.

1) This Lease shall be subordinate to the provisions of any existing or future agreements between Lessor and the United States relative to the administration, operation, or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.

2) Any mortgagee or beneficiary shall have the right to cure any default on the part of Lessee in the payment of rent hereunder and, in the event of default, to assume the Lessee's position under this Lease. Lessor, in no event, shall be liable for the payment of the sum secured by such mortgage or trust indenture, nor for any expenses in connection with the same. Furthermore, such mortgage or trust indenture shall expressly provide that the mortgagor or beneficiary will seek no monetary

judgment against Lessor. The mortgage or trust indenture shall also contain provisions requiring the holder of the indebtedness secured by such mortgage or trust indenture to mail to Lessor by certified mail a copy of each notice of breach of covenant, default, or foreclosure given by the holder or the trustee under such mortgage or deed of trust and a release when the indebtedness is satisfied.

E. Access/Inspection by Lessor. The Lessor, or any person designated by the Lessor, shall at all times have reasonable access to the premises for inspection purposes, and in the event of any emergency, the Lessor or its representatives shall have the right to take such action at the premises as they deem necessary for the protection of persons and property.

F. Modification and Amendments. Changes or modifications to this Lease shall be done in the form of a lease amendment prepared by the Lessor, to be agreed upon and signed by both Lessee and Lessor.

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

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

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

Director of Aviation and Transit
Billings Logan International Airport
1901 Terminal Circle, Room 216
Billings, MT 59105

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

Mr. Michael Dancy, CEO
Alpine Air Express, Inc.
1777 Alpine Air Way
Provo, UT 84601
Phone: (801) 373-1508
E-mail: reception@alpine-air.com

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

J. Successors and Assigns. All of the terms, covenants, and agreements herein contained shall be binding upon and shall inure to the benefit of successors, assignees and sublessees of the respective parties hereto.

IN WITNESS WHEREOF, this document has been duly executed by or on behalf of the parties hereto as of the date indicated below.

DATE: _____

ATTEST:

CITY OF BILLINGS

BY _____
CITY CLERK

BY _____
MAYOR

APPROVED AS TO FORM

ALPINE AIR EXPRESS, INC.

BY _____
CITY ATTORNEY

BY _____
MICHAEL DANCY, CEO