

1 WEST END HANGAR GROUND LEASE

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

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

7 and

8 BEACON AIR GROUP, LLC, hereinafter designated
9 "Lessee"

10 WITNESSETH

11 RECITALS

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

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

16 3) Lessee wishes to engage in certain non-commercial aviation activities, and
17 proposes to lease on a net basis from Lessor said parcel of land, and to avail itself of the same
18 privileges, rights, uses, and interests contemplated herein, and

19 4) Lessee has indicated a willingness and ability to properly keep, maintain, and
20 improve said land in accordance with standards established by Lessor.

21 NOW THEREFORE, 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 hereby
4 leases from Lessor that certain parcel of real property, together with improvements (hereinafter called
5 the premises) for its exclusive use, specifically described as follows:

6 Main Parcel – 2909 Overlook Drive – T/L D, Lot 4

7 Commencing at the Southwest Corner of Section 25, T. 1 N., R. 25 E. P.M.M.,
8 Yellowstone County, Montana; thence N 55°18'09" E a distance of 4003.98
9 feet to the Point of Beginning; thence N 20°59'27" E a distance of 85.00 feet;
10 thence S 69°00'33" E a distance of 95.22 feet; thence S 20°59'27" W a distance
11 of 85.00 feet; thence N 69°00'33" W a distance of 95.22 feet to the Point of
12 Beginning.

13 Said parcel containing 8,093.70 square feet.

14 Premises is further depicted on attached "Exhibit A," and by said reference
15 made a part hereof.

16 B. Construction of Improvements. Lessee may construct a 60' x 60' hangar
17 building on the aforementioned parcel of land pursuant to the submitted and approved plans, and by
18 reference specifically made a part of this Lease as "Exhibit B." Necessary ramps, parking, and hangar
19 entrance taxiways will be constructed by Lessee. The construction of the facilities shown on the
20 "Exhibit B" building plans will be completed within twelve (12) months of the signing of this Lease.
21 Failure to complete the structure during said period shall constitute a default. If this default occurs, the
22 Lease is canceled immediately and control of the property reverts to the Lessor.

23 C. General Privileges, Uses, and Rights. Lessor hereby grants to Lessee the
24 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 ordinances,

1 rules and regulations as now or may hereafter have application at the Airport.

2 1) The general unrestricted use of all public Airport facilities and
3 improvements which are now or may hereafter be connected with or appurtenant to
4 said Airport, except as hereinafter provided, to be used by Lessee and its sublessees for
5 non-commercial aviation activity as herein defined. For the purpose of this Lease,
6 public airport facilities shall include all necessary landing area appurtenances
7 including, but not limited to, approach areas, runways, taxiways, aprons, aircraft and
8 automobile parking areas, roadways, sidewalks, navigational aids, lighting facilities,
9 Terminal facilities, or other public facilities appurtenant to said Airport..

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

13 D. Specific Privileges, Uses, and Rights. In addition to the general privileges,
14 uses, and rights described above and without limiting the generality thereof, Lessor hereby grants to
15 Lessee and its sublessees the right to engage in non-commercial aviation activity on the premises as
16 defined in subparagraphs 1 through 4 below, subject to the conditions and covenants hereafter set out:

17 1) The maintenance, storing and servicing of aircraft, which shall include
18 minor repairs, inspection, and licensing of same, and the purchase of parts, equipment,
19 and accessories therefore.

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

21 3) The storage of non-commercial aircraft not owned by the Lessee.

22 4) The aforementioned rights shall apply to the persons, firms, or
23 corporations having actual possession, occupancy, and use of the leasehold structures
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1 described herein, and the agents, employees, and invitees of such persons, firms, or
2 corporations.

3 E. Concessions, Services, Activities, and Uses Excluded. The following
4 concessions, services, activities, uses, and the establishment thereof shall be specifically excluded
5 from this Lease:

- 6 1) Ground and air transportation for hire.
- 7 2) Vehicle or equipment rental services.
- 8 3) Food sales (except the sale of tobacco, confections, and refreshments
9 through coin-operated vending machines).
- 10 4) News and sundry sales.
- 11 5) Barber, valet, and personal services.
- 12 6) Fuel sales (aircraft or vehicle).
- 13 7) On-site fuel storage and fuel storage facilities, including fueling vehicle
14 parking.
- 15 8) The buying and selling of aircraft, parts, and accessories therefore, and
16 aviation equipment of all descriptions either for retail, wholesale, or as a dealer, except
17 for use in Lessee's own aircraft or operations.
- 18 9) Flight schools and flight instruction, except that Lessee or Lessee's
19 Chief Pilot shall have the right to give private instructions to Lessee's employees.
- 20 10) Aircraft repair and servicing except on Lessee's or sublessee's own
21 aircraft.
- 22 11) Storage of personal vehicles, campers, boats, trailers, motor homes,
23 other recreational vehicles, or parts and accessories for such.
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1 12) The maintenance, repairing, or restoring of motorized vehicles.

2 13) Storage of any household items.

3 14) Use of the premises in a residential capacity of any nature, whether
4 temporary or otherwise.

5 15) Improper storage of any chemicals, solutions, solvents, or any
6 potentially hazardous, explosive, or flammable materials or substances. Improper
7 storage includes storage in violation of any applicable Federal, State, or Local
8 environmental law, regulation or rule presently in effect or promulgated in the future,
9 as such laws, regulations or rules may be amended from time to time.

10 16) Off-premise parking.

11 17) Storage of any items outside of the hangar structure.

12 18) Any non-aviation or non-aeronautical activity.

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

18 G. Access/Inspection by Lessor. Lessee shall allow the Lessor's authorized
19 representatives access to the Premises at all reasonable hours, for the purpose of examining and
20 inspecting the same to determine Lessee's compliance with its obligations under this Lease and for
21 purposes necessary, incidental to or connected with the performance of the Lessor's obligations
22 hereunder, or in the exercise of the Lessor's governmental functions. In the event of any emergency,
23 the Lessor or its representatives shall have the right to take such action at the Premises as they deem
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1 necessary for the protection of persons or property.

2 ARTICLE II

3 TERM OF LEASE

4 A. Term. The term of this Lease shall be for a period of twenty (20) years,
5 commencing on the 1st day of March 2024, and terminating on the 29th day of February 2044.

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

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

17 ARTICLE III

18 RENTAL AND FEES

19 A. Ground Rental. For the land described in Article I, Paragraph A., Lessee shall
20 pay to Lessor \$0.28 per square foot per annum for all ground included in this Lease for an initial
21 annual rental of \$2,266.20. Said rental shall commence upon Lessor's approval of this Lease and shall
22 be payable either annually in full or monthly in advance, without billing, on the first day of each
23 month in an amount equal to one-twelfth of the annual rental, or initially \$188.85 per month.
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1 done to make its granting of said Lease effective and that Lessee shall have peaceful possession and
2 quiet enjoyment of the leased premises during the term hereof, upon performance of Lessee's
3 covenants herein.

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

8 C. Condition and Maintenance of Premises. Lessor shall assume no responsibility
9 for the condition of the demised premises after delivery of premises to Lessee. Lessor shall maintain
10 all existing roads on the Airport giving access to the leased premises and Lessor shall remove snow
11 from the access roads as Lessor's resources permit.

12 ARTICLE V

13 OBLIGATIONS OF LESSEE

14 A. Condition of Premises. It shall be the sole responsibility of the Lessee to
15 develop, keep, maintain, and operate the entirety of the premises and all improvements and facilities
16 placed thereon at Lessee's sole cost and expense. This Lease in every sense shall be without cost or
17 expense to the Lessor. Lessee accepts the premises in its present condition and will repair and
18 maintain any installations thereon, except as provided in Article IV, Paragraphs B.-C., and will remove
19 or cause to be removed any debris to the extent required for its continuing use thereof.

20 B. Improvements. Lessee shall have the right to and shall provide for the
21 construction, alteration, expansion, and maintenance of its own improvements, in any lawful manner,
22 upon or in the premises, for the purpose of carrying out any of the activities provided for herein, but
23 shall obtain the written approval of Lessor prior to beginning any such construction, alteration, or
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1 expansion.

2 C. Maintenance. Lessee shall, at its sole cost and expense, maintain the premises,
3 improvements, and appurtenances thereto in a presentable condition free of refuse and debris
4 consistent with good business practice, and acceptable to the Lessor. Repairs identified and required
5 by the Lessor, and sent to Lessee via a written notice, shall be completed within a reasonable time as
6 agreed to by both parties. Lessee's maintenance responsibilities shall include snow removal on the
7 premises, and maintenance of all ramps and access to the hangar.

8 D. Utilities. Lessee shall assume and pay for all costs or charges for utility services
9 furnished to Lessee during the term thereof; provided, however, that Lessee shall have the right to
10 connect to any available storm and sanitary sewers, water, electrical, or other utilities at Lessee's own
11 cost and expense; and Lessee shall pay for any/service charges incurred therefore. Lessee shall also
12 provide an external meter reading device in an external location of the leasehold structure; said meter
13 reading device type shall be specified by the Lessor. All utility services shall be installed
14 underground. In the event Lessee wishes to wash aircraft inside the leasehold structure, Lessee shall
15 provide and maintain a separate water collection system for the wash water and shall not discharge the
16 wash water into any available storm and sanitary sewers.

17 E. Trash, Garbage, Etc. Lessee shall provide, at Lessee's expense, a complete and
18 proper arrangement for the adequate sanitary handling and disposal of all trash, garbage and other
19 refuse occurring as a result of Lessee's occupancy and use of the premises. Lessee shall provide and
20 use Lessor-approved receptacles for all garbage, trash, and other refuse and shall place them on the
21 premises in a location acceptable to the Lessor for their removal. Piling of boxes, cartons, barrels,
22 pallets, crates, or other similar items in an unsightly or unsafe manner, or open storage of materials,
23 personal property, salvage, unused or surplus equipment, junk, or refuse on or about the premises, is
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1 forbidden. All disposal and removal costs shall be paid by the Lessee.

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

5 G. Federal, State, and Local Regulations. Lessee acknowledges that the right to
6 use said Airport facilities in common with others authorized to do so shall be exercised subject to and
7 in accordance with the laws, rules, regulations, and ordinances of the United States of America, the
8 State of Montana, and the City of Billings, now in force or hereafter prescribed or promulgated by
9 authority or by law and shall be closely observed during the full term of this Lease. Lessee specifically
10 agrees to comply with all the requirements of the Airport's Stormwater Pollution Prevention Plan
11 (SWPPP).

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

23 I. Taxiways/Taxilanes. Lessee shall ensure that Lessee's and/or sublessee's
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1 aircraft, vehicles, or other equipment do not block the public use taxiway/taxilane that passes the front
2 of Lessee's premises. Ramp area included in the premises shall not be used for the tie down of aircraft
3 for any extended period of time.

4 ARTICLE VI

5 INSURANCE AND INDEMNIFICATION

6 A. Indemnification. Lessor and Lessor's officers, directors, agents, representatives,
7 and employees shall stand indemnified by Lessee as herein provided. It is expressly understood and
8 agreed that Lessee is and shall be deemed an independent contractor and operator responsible to all
9 parties for its respective acts or omissions and that Lessor shall in no way be responsible therefore. It
10 is further agreed that in the use of the Airport, in the construction, alteration, or maintenance of any
11 improvements thereon, and in the exercise or enjoyment of the privileges herein granted, Lessee shall
12 indemnify, save harmless, and defend the Lessor and Lessor's officers, directors, agents,
13 representatives, and employees from any and all losses that may result to the Lessor and Lessor's
14 officers, directors, agents, representatives, and employees because of any negligence, act, or omission
15 on the part of the Lessee or Lessee's agents, representatives, and employees and shall indemnify Lessor
16 against any and all mechanic's and materialmen's liens or any other types of liens imposed upon the
17 premises.

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

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

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

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

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

12 ARTICLE VII

13 TERMINATION OF LEASE, CANCELLATION, AND TRANSFER

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

18 Lessee shall have the right to remove all moveable furniture, fixtures,
19 machinery and equipment and all other personal property owned or installed by Lessee on the
20 premises. All expenses connected with such removal shall be borne by the Lessee. Said property shall
21 be removed within thirty (30) calendar days after termination of Lease.

22 In addition, Lessee has the right to remove, at Lessee's expense, all buildings
23 and other structures owned by Lessee located upon the premises within thirty (30) calendar days upon
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1 the termination of this Lease. Lessee shall remove from the premises all debris resulting from the
2 removal of the building or structures, and Lessee shall generally leave the premises in a clean and
3 orderly condition acceptable to Lessor.

4 This right to remove personal property, buildings and structures does not extend
5 to pavement, water lines, sewer lines, electrical lines, utility poles, fencing, exterior light poles, which
6 improvements shall remain the property of the Lessor and shall not be removed.

7 In the event the Lessee elects not to remove the buildings and other structures,
8 personal property, fixtures, machinery and equipment, and other improvements upon termination of
9 the Lease, the disposition of the buildings and structures, personal property, fixtures, machinery and
10 equipment, and other improvements will be left to the sole discretion of the Lessor. If Lessor elects to
11 remove the buildings and structures, personal property, fixtures, machinery and equipment, and other
12 improvements because of failure of Lessee to do so, the cost of removal, demolition, and other related
13 actions shall be at Lessee's expense.

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

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

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

10 C. Cancellation by Lessor.

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

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

16 b) File a voluntary petition of bankruptcy.

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

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

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

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

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

12 E. Subleasing, Assigning, and Transferring. The Lessee shall have the right to
13 sublease, assign, or transfer all or any part of Lessee's leasehold interest in the premises for the same
14 purpose established in Article I, Paragraph D., provided that written approval of the Lessor is obtained
15 prior to any sublease, assignment, or transfer. As a condition of said approval, Lessor reserves the
16 right to alter this Lease in any manner deemed necessary by Lessor. Any sublease, assignment, or
17 transfer shall be subject to the same conditions, obligations and terms as set forth herein and as may be
18 subsequently amended, and Lessee shall be responsible for the observance by its tenants and
19 sublessees for the terms and covenants of this Lease and any subsequent lease amendments. Lessee
20 shall provide Lessor with a copy of any sublease or rental agreement it has on the Lessee's leasehold.

21 ARTICLE VIII

22 NONDISCRIMINATION

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

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

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

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

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

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

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

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

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

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

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

10 2) 49 CFR Part 21 (Nondiscrimination in Federally Assisted Programs of
11 the Department of Transportation – Effectuation of Title VI of The Civil Rights Act of
12 1964);

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

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

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

21 6) Airport and Airway Improvement Act of 1982 (49 U.S.C. § 471,
22 § 47123) as amended (prohibits discrimination based on race, creed, color, national
23 origin, or sex);
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1 7) The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the
2 scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, the Age
3 Discrimination Act of 1975, and § 504 of the Rehabilitation Act of 1973, by expanding
4 the definition of the terms "programs or activities" to include all of the programs or
5 activities of the Federal aid recipients, sub-recipients, and contractors, whether such
6 programs or activities are Federally funded or not);

7 8) Titles II and III of the Americans with Disabilities Act of 1990, which
8 prohibit discrimination on the basis of disability in the operation of public entities,
9 public and private transportation systems, places of public accommodation, and certain
10 testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of
11 Transportation regulations at 49 CFR Parts 37 and 38;

12 9) The Federal Aviation Administration's Nondiscrimination statute
13 (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national
14 origin, and sex);

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

20 11) Executive Order 13166, Improving Access to Services for Persons with
21 Limited English Proficiency (LEP), and resulting agency guidance, national origin
22 discrimination includes discrimination because of LEP. To ensure compliance with
23 Title VI, you must take reasonable steps to ensure that LEP persons have meaningful
24

1 access to your programs (70 Federal Regulations at 74087 – 74100);

2 12) Title IX of the Education Amendments of 1972, as amended, which
3 prohibits you from discriminating because of sex in education programs or activities
4 (20 U.S.C. 1681 *et seq.*).

5 ARTICLE IX

6 GENERAL PROVISIONS

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

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

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

20 D. Subordination of Lease.

21 1) This Lease shall be subordinate to the provisions of any existing or
22 future agreements between Lessor and the United States relative to the administration,
23 operation or maintenance of the Airport, the execution of which has been or may be
24

1 required as a condition precedent to the expenditure of Federal funds for the
2 development of the Airport.

3 2) Notwithstanding any other prohibition or limitation of Lessee's right to
4 sublease or assign its interest under this Lease, Lessor acknowledges and agrees that
5 Lessee shall have the right to grant a security interest in its rights and interest under
6 this Lease, only with Lessor's prior written consent. Any mortgagee or beneficiary
7 shall have the right to cure any default on the part of Lessee in the payment of rent
8 hereunder and, in the event of default, to assume the Lessee's position under this Lease.

9 Lessor in no event shall be liable for the payment of the sum secured by such
10 mortgage or trust indenture, nor for any expenses in connection with the same.
11 Furthermore, such mortgage or trust indenture shall expressly provide that the
12 mortgagor or beneficiary will seek no monetary judgment against Lessor. The
13 mortgage or trust indenture shall also contain provisions requiring the holder of the
14 indebtedness secured by such mortgage or trust indenture to mail to Lessor by certified
15 mail (a) a copy of each notice of: indebtedness, any breach of covenant, default, or
16 foreclosure given to the Lessee by the holder or the trustee under such mortgage or
17 deed of trust, and (b) a copy of a release of any mortgage or deed of trust upon
18 satisfaction of such.

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

21 F. Paragraph Headings. The paragraph headings contained herein are for
22 convenience in reference and are not intended to define or limit the scope of any provisions of this
23 Lease or the particular paragraphs.
24

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

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

8 Director of Aviation and Transit
9 Billings Logan International Airport
10 1901 Terminal Circle, Room 216
11 Billings, MT 59105

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

12 Joel Simmons and Kevin Button
13 Beacon Air Group, LLC
14 P.O. Box 1381
15 Dillon, MT 59725
16 Telephone: (307) 272-3224
17 Email: joel@beaconairgroup.com
18 Email: kevin@beaconairgroup.com

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

20 I. Successors and Assigns. All of the terms, covenants, and agreements herein
21 contained, or subsequently amended from time to time, shall be binding upon and shall inure to the
22 benefit of successors, assigns and sublessees of the respective parties hereto.

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

1 DATE: _____

2 ATTEST:

CITY OF BILLINGS

3
4 BY _____
5 CITY CLERK

BY _____
MAYOR

6 APPROVED AS TO FORM

BEACON AIR GROUP, LLC

7
8 BY _____
9 CITY ATTORNEY

BY _____
JOEL SIMMONS

10

BY _____
KEVIN BUTTON

11

12

13

14

15

16

17

18

19

20

21

22

23

24

TAXIWAY "H"

TURNIP, INC.

T/L "B"

RICHLAND AVIATION

RICHLAND AVIATION, INC.

JJ VENTURES, LLC

EAA

LARRY MAYER

JAMES LEMON

T/L "C"

SCOTT & DANA WINCHELL

COAL BLACK

DESIGN NORTH SUPPLY LLC

HORESHOE CREEK AVIATION LLC

ARTHUR & BONITA DANIEL

JULIA HOLDINGS

MICHAEL CRYDER

BEACON AIR GROUP LLC

BEACON AIR GROUP LLC

BEACON AIR GROUP LLC

MORLEDGE-HAMPTON FAMILY, LLC

WESCO RESOURCES

T/L "D"

PROPOSED LEASE

WEST TAXILANE

EAST TAXILANE

SCALE 1"=100'

V:\2447\000-MASTER LEASE\West_End_Hangars\TLD-LOT4-BAG.dwg

T/L "D" LOT 4
BEACON AIR GROUP, L.L.C.
AVIATION AND TRANSIT DEPARTMENT-CITY OF BILLINGS

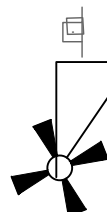
EXHIBIT A 1 of 3

Morrison
Maierle

315 N. 25th Street, Suite 102
Billings, MT 59101
Phone: 406.656.6000
Fax: 406.237.1201

ISSUE DATE: FEBRUARY 2024

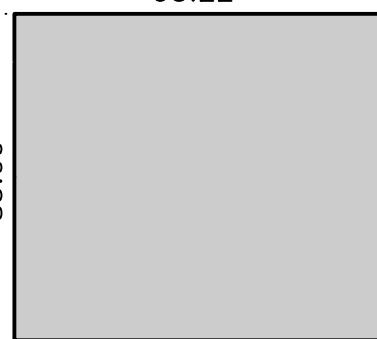
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SW CORNER
SECTION 25

N 55°18'09" E
4003.98'

N 20°59'27" E
85.00'



S 20°59'27" W
85.00'

N 69°00'33" W
95.22'

POINT OF BEGINNING

S 69°00'33" E
95.22'

T/L "D"



SCALE 1"=50'

T/L "D" LOT 4
BEACON AIR GROUP, L.L.C.

AVIATION AND TRANSIT DEPARTMENT-CITY OF BILLINGS

EXHIBIT A 2 of 3



315 N. 25th Street, Suite 102
Billings, MT 59101
Phone: 406.656.6000
Fax: 406.237.1201

ISSUE DATE: FEBRUARY 2024

DESCRIPTION

Main Parcel

Commencing at the Southwest Corner of Section 25, T. 1 N., R. 25 E. P.M.M., Yellowstone County, Montana; thence N 55°18'09" E a distance of 4003.98 feet to the Point of Beginning; thence N 20°59'27" E a distance of 85.00 feet; thence S 69°00'33" E a distance of 95.22 feet; thence S 20°59'27" W a distance of 85.00 feet; thence N 69°00'33" W a distance of 95.22 feet to the Point of Beginning.

Said Parcel containing 8,093.70 Square Feet.

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T/L "D" LOT 4
BEACON AIR GROUP, L.L.C.
AVIATION AND TRANSIT DEPARTMENT-CITY OF BILLINGS

EXHIBIT A 3 of 3

 Morrison
Maierle

315 N. 25th Street, Suite 102
Billings, MT 59101
Phone: 406.656.6000
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ISSUE DATE: FEBRUARY 2024