

****ATTENTION****

The City Council meeting will be held in a hybrid format that may include both in-person AND virtual attendance via Zoom. Unless they have cause to appear virtually, Councilmembers will attend the meeting in person in Council Chambers, second floor of City Hall, 220 N. 27th Street. In order to honor the Right of Participation and the Right to Know in Article II, Sections 8 and 9, of the Montana Constitution, the City of Billings and City Council are making every effort to meet the requirements of the open meeting laws.

Citizens are invited to:

- . Review the Agenda Packet on the City's website at: www.billingsmt.gov and click on "Your Government," "City Council," and "Agendas & Minutes".
- . View the meeting:
 - . On Community 7 TV - Channel 7 or Channel 507 -- Spectrum Cable. *(On evenings when there is a conflict with School District No. 2 Board meetings, the City Council meeting will be broadcast on Channel 8 - Spectrum Cable.)* Channel 7 or Channel 978 - TDS Fiber.
 - . Online at www.comm7tv.com and click on the "Watch Live" icon. Community 7 also has links to their Facebook page and YouTube channel.
 - . On the City's website at www.billingsmt.gov and click on "Watch Meetings Online" on the homepage.
 - . In-Person.

Citizens may submit public comment via the following methods:

- . Mail: City Clerk, P.O. Box 1178, Billings, MT 59103
- . Email: Council@billingsmt.gov.
 - . Emails received after 3:00 PM on the day of the meeting, may be posted on the Council's webpage the following day for public viewing.
- . Attend the meeting in person

Please contact Denise Bohlman, City Clerk, at bohlmand@billingsmt.gov, or at 406.657.8210, with any questions.



VISION STATEMENT:
"The Magic City: A diverse,
welcoming community
where people prosper and
business succeeds."

**WORK SESSION AGENDA
OCTOBER 21, 2024**

COUNCIL CHAMBERS

5:30 P.M.

CALL TO ORDER: Mayor Cole

PUBLIC COMMENT ON ALL ITEMS. This is the time to comment on any matter (Agenda or Non-Agenda) falling within the scope of the Billings City Council. There will also be time in conjunction with each agenda item for public comment relating to that item. You may only speak once for each item during the meeting.

Please note, the City Council cannot take action on any item of significant interest to the public that does not appear on the agenda. Comments are limited to three (3) minutes during each public comment period or as set by the Mayor. **Speaker sign-in required.** Please sign the roster at the cart located at the back of the Council chambers or at the podium.

1. Senior Services Update.

-Public Comment

2. City Owned Properties.

-Public Comment

HIGHLIGHT UPCOMING AGENDA ITEMS OF COUNCIL INTEREST:

COUNCIL DISCUSSION:

PUBLIC COMMENT on "NON-AGENDA ITEMS". Speaker Sign-in required. *(Restricted to ONLY items not on this printed agenda. Comments are limited to 3 minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium.)*

ADJOURN:

Note:

- This meeting is an "informal" meeting of the City Council. The content of the Agenda is subject to change at the meeting.
- In the event there is a Closed Executive Session, the sole purpose is to discuss litigation strategy. The other parties to the case(s) discussed are not public bodies or associations as described in Section 2-3-203(1) and (2), MCA. The meeting is closed, as allowed by Section 2-3-203(4) (a), MCA, "to discuss a strategy to be followed with respect to litigation when an open meeting would have a detrimental effect on the litigating position" of the City of Billings.

City Council Work Session

Date: 10/21/2024
Title: Senior Services Update
Presented by: Pigg Michael, Superintendent
Department: Parks/Rec/Public Lands
Presentation: Yes
Legal Review: Not Applicable
Project Number: N/A

RECOMMENDATION

The Parks and Recreation Department provides a vast number of services for seniors from the community. Staff will be presenting an update on all the services provided and a vision for the following year.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The Community/Senior Center was built in 1978 out of a strong community desire to build a senior center. Part of the funding for the construction came from CBDG resources. There are numerous seniors who utilize the facility daily, where they can participate in wellness programs, lunches and play games like BINGO. Additionally, classes are held at the center on painting, cooking for one and learning to fly fish, to name a few. In addition to the busy daily schedules for senior wellness programs, the Parks and Recreation Department utilizes the space for community recreational programming. The center is also used by outside groups from the community for meeting space. Events include the City of Billings Boards and Commissions Volunteer Appreciation Dinner.

The Parks and Recreation Department is housed at the Community center. Currently, 16.5 staff members have offices within the center. In the summer, that number increases with interns and AmeriCorp Vistas joining the team, bringing the total closer to 22. When the Department moves to the new City Hall building, with space for 13, 9 employees will still have offices in the center. Any space that is not being utilized as an office will be programed for recreation or educational activities.

The operating budget for the Community/Senior Center is \$281,917 for FY25. The Department receives \$50,000 from the Adult Resource Alliance and programs run from the center bring in an additional \$35,000. The remaining \$196,917 comes from the General Fund.

STAKEHOLDERS

The largest group benefiting from the existence of the Community/Senior Center are seniors 55 and older. The second-largest user of the facility is the Parks and Recreation Department, where up to 22 employees have office space. The community also utilizes the space to hold meetings and is where most register for activities and rent park space.

ALTERNATIVES

This is a presentation on senior programs and the community utilization of the Community/Senior Center. No action is required.

FISCAL EFFECTS

The operating budget for the Community/Senior Center is \$281,917 (FY25), but is partially offset by a contribution from the Adult Resource Alliance (\$50,000) and revenue (\$35,000) generated from program charges.

SUMMARY

The Community/Senior Center has become a hub for senior services. From wellness programs like Foot Care Clinic, nutrition classes and fitness classes. The center is an important part of many senior community members' day, being a place where they come for lunch and stay to play games or take exciting classes. The Community/Senior Center is also the office space for the Department. Even after a portion of the staff moves to the New City Hall, over 7 employees will still work at the center.

Attachments

Senior /Community Center
 Billings Community and Senior Center
 Senior Programs

10/3/2024

Billings Community and Senior Center

Historical Background Information

The City of Billings began its involvement in senior adult programs in 1969 with a \$21,000 grant to establish a senior center. In 1976, as part of a grant application under the Housing and Community Development Act, a survey revealed strong public support for building a senior center. A 23-member committee was formed to plan the center, which was intended primarily for seniors and as a community space. In 1977, County Commissioners supported the idea, approving tentative funding for maintenance. The Billings Community Center was built in 1978 at the former site of Roosevelt School.

Impact of Parks and Recreation Billings Community and Senior Center

Since 1969, the Recreation Division has provided life-long recreation opportunities for adults 55 years and older in Billings. Over the years, many of these programs have been held at our main facility, the Billings Community & Senior Center, since its doors opened in 1978.

Parks and Recreation Community and Senior Center Staff

- 12 full-time employees from Parks and Recreation work in office spaces.
- 3 full-time employees and 10 seasonal Recreation and Wellness instructors work on the Community and Senior side.
- 15 volunteers assist with facilitating games, programs, services and supporting our front desk.

Adult Resource Alliance Partnership

We are proud to have a formal partnership with the Adult Resource Alliance, which contributes 7% of our overall budget. The Billings Community and Senior Center serves as a congregate meal site, providing well-balanced, affordable lunches for seniors Monday through Friday. Beyond nutrition, these meals offer valuable social opportunities, helping participants connect with their peers. Due to rising grocery costs, participation in this program has grown, with a notable 23% increase in the number of seniors benefiting from these meals through our partnership.

- 2023 Meals Served – 2892
- 2024 Meals Served – 2317 (Jan-Aug Current numbers as of September 2024)

Over the past eight years, our partnership with the Adult Resource Alliance has grown stronger. In 2021, we expanded our recreation and wellness programming to both Alliance locations, broadening our community impact. Due to increasing demand, programming at the Heights location has tripled. For FY 2025, we secured additional funding to support further program expansion across the community and help offset rising costs of supplies and wages. Our ongoing collaboration with the Adult Resource Alliance ensures that seniors have access to vital programs right in their neighborhoods, improving accessibility and enhancing their overall quality of life.

10/3/2024

Recreation and Wellness Programming

Programming for Adults 55 and older focuses on providing 6 dimensions of wellness, physical, emotional, social, intellectual, spiritual and environmental wells to help maintain a balanced and fulfilling life as they age. These are essential to helping adults 55 and older to age in place with grace. We have increased program offerings for adults 55 by 200% over the last 6 years.

Billings Community and Senior Center Space – Room Schedules included

Rooms 1 and 2

This versatile space serves as the venue for staff meetings and our monthly Park Board meetings. It can be arranged as one large room or divided into two smaller rooms to accommodate various needs. In addition to meetings, the space is utilized for a variety of youth and adult recreation programs, such as Adult Keyboarding, Fly Fishing (which offers an intergenerational option), and other adult-focused activities.

Fitness Room

This room is outfitted with a variety of fitness equipment, including 3 treadmills, 1 standing elliptical, 2 seated ellipticals, a recumbent bike, free weights, and an upper body workout machine—offering seniors an affordable way to stay active and maintain their strength. Usage of this space has increased significantly, thanks in large part to our promotion through the Adult Resource Alliance's *Prime Connections*.

Computer Lab

The computer lab program has recently been reinstated after a temporary pause due to COVID-19. Seniors can now reserve 2-hour time slots to use the computers for a variety of activities, including sending emails, playing games, and connecting with family and friends online. In collaboration with the IT department, we are in the process of upgrading our outdated computers with refurbished models. Once the update is complete, we will also resume our popular computer classes, which are designed with adult learning styles in mind and focus on teaching senior's essential computer applications.

Yellowstone Genealogy Forum

The Billings Parks and Recreation Community and Senior Center has partnered with the Yellowstone Genealogy Forum, previously housed at the Billings Public Library. The Forum has relocated its extensive genealogy research collection and group forum to our center, conveniently situated near our Senior Computer Lab. A dedicated volunteer from the Forum will be available Monday through Friday from 1:00 to 3:00 PM to assist participants with their genealogy research. Please note that all research materials must remain on-site. In addition to providing research assistance, the Forum will collaborate

10/3/2024

with us to develop and lead enrichment programs, offering new opportunities for learning and exploration.

Main Room

The heart of our facility is the main room, which boasts a raised, joint-friendly wood floor, perfect for our congregate meal site and various recreational and wellness classes. This specialized flooring, commonly found in modern fitness centers, supports a diverse array of over 30 recreation, wellness, and engagement programs that take place here each week. From seated fitness classes to high-energy cardio line dancing, this versatile space accommodates it all. Additionally, we have a state-of-the-art electronic Bingo machine, newly upgraded in 2021, adding another layer of fun to our weekly activities.

Room 3

This room provides a range of recreational and wellness programs, including a senior foot care clinic, chair massages, and Scrabble and domino groups. It also functions as a meeting space and a welcoming area for seniors to play games and socialize. Starting in the fall of 2024, we will be introducing Fall Prevention Educational courses to further support senior health and safety.

Room 4

This room hosts a variety of enrichment classes, including watercolor, oil painting, and Beginner Bob Ross Oil Painting. We also offer cooking classes for both kids and adults, as well as specialized programs like Nutrition Education for Seniors and Cooking for 1 or 2. In addition to these activities, the room serves as a meeting space for the wood carving club and Women's Bible Study. During the summer, it transforms into a hub for camps, including Character Design, Kids in the Kitchen, and Rocket Camp.

Centennial Room

This room was recently renovated to enhance enrichment opportunities for seniors. We offer a variety of games and educational programs, with games scheduled every day of the week. Additionally, Healthy IS conducts monthly wellness checks for employees, including health coaching. In the summer, space hosts our popular youth keyboarding camp, fostering skill development in a fun and engaging environment.

Kitchen

The Adult Resource Alliance utilizes this space for the Senior Nutrition Program, operating Monday through Friday from 10 AM to 2 PM. This program is designed to combat hunger, food insecurity, and malnutrition, while also fostering social engagement and supporting the overall health and well-being of older Americans. With rising food costs, this initiative plays a vital role in helping our senior population stay healthy and strong.

10/3/2024

Additionally, the Kitchen is used on weekends and afternoons for Cooking Classes. Located next to Room 4, it is equipped with an industrial-sized oven, stove, and dishwasher, providing the ideal setting for culinary activities. We have also introduced intergenerational cooking classes, where caregivers, such as parents or grandparents, and youth can learn and cook together.

Storage Space for Recreational Programming

Our facility features 10 dedicated storage spaces for securely housing both office supplies and recreational equipment used for on-site and offsite classes and sports. These storage areas are vital to the success of our Youth and Adult Recreational Programming, which is offered in partnership with local schools. Equipment is stored at the Billings Community and Senior Center, and staff transport it to and from each event. These storage spaces are crucial to ensuring the smooth operation of our programs.

MSU Bozeman Nursing Students

We offer monthly senior wellness checks conducted by local nursing students, providing essential health services to our community. Since 2022, our Recreation and Wellness Specialist has also been overseeing nursing students during their Health Promotion Clinicals. Each year, we provide 8–10 nursing students with the opportunity to learn about preventative health care for the aging population. For many students, this experience demonstrates that seniors can begin their health journey at any stage of life, and that falling, or health decline doesn't have to be an inevitable part of aging. With the growing demand for clinical placements, we have been able to provide nursing students with the necessary clinical hours to complete their courses and move toward graduation. Our partnership ensures these students gain valuable hands-on experience while contributing to the well-being of our senior community.

Occupational Therapy Students

Local Occupational Therapy students have completed their clinical rounds and practicum under the guidance of our Recreation and Wellness Specialist. These students have developed impactful programs for our senior population, including a Fall Prevention program and a support program for caregivers of seniors with cognitive decline. We continue to supervise students based on requests and placement needs, fostering valuable learning experiences while enhancing the services we offer to our community.

Special Events

We proudly host a variety of City of Billings community events, including the annual volunteer appreciation dinner, community safety events, public forums, and large staff meetings upon request. Additionally, our seasonal staff orientations and training are held on the main floor at the start of each season, providing a central space for important gatherings and activities.

MAIN ROOM WEEKLY SCHEDULE

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	Friday	Saturday	
8:00 AM							
8:30 AM	BARRE 8:30-9:00		Cardio Walking 8:30-9:00		Cardio Walking 8:30-9:00		
9:00 AM	STRONG & FIT 9:15-10:15 MWF	STRONG & FIT 9-9:45 TTH	STRONG & FIT 9:15-10:15 MWF	STRONG & FIT 9-9:45 TTH	STRONG & FIT 9:15-10:15 MWF		Cardio Fit 9-9:45 Seasonal
10:00 AM		Fit by Design 10-11 TTH		Fit by Design 10-11 TTH			Kettlebells 10-10:45 Seasonal
10:30 AM	SAIL Fall Prevention Fitness Class		SAIL Fall Prevention Fitness Class		Begin Drummer Seasonal 10:30-11:30 F		
11:00 AM		30 Min Abs for Seniors T 11:15-11:45					
11:30 AM	ARA Meal Site Mon-Frid 11:45-12:30	ARA Meal Site Mon-Frid 11:45-12:30	ARA Meal Site Mon-Frid 11:45-12:30	ARA Meal Site Mon-Frid 11:45-12:30	ARA Meal Site Mon-Frid 11:45-12:30		
12:00 PM		Sit & Fit 12:30-1 TTH		Sit & Fit 12:30-1 TTH			
1:00 PM	Chair Yoga 1-1:45 M	Gentle Yoga 1-1:45 T	Bingo 1-3:30 W				
1:30 PM				Pinochle 1-3:30	Pinochle 1-3:30		
2:00 PM	Cardio Line Dancing 2-2:45 M	Beg Tai Chi T 2-3 Free Community Class	Wood Carving Group 1pm until done Wed				
2:30 PM		Tai Chi T 3-4 Free Community Class					
3:00 PM							
3:30 PM							
4:00 PM			Intro to Diabetes Seasonally 4-5 W				
4:30 PM							
5:00 PM							
5:30 PM	Intro to Yoga Seasonal 5:30-6:30 M	Intro to Martial Arts Seasonal 5:30-6:30 T					
6:00 PM			Toddler Talk Seasonal 6-7 W				
6:30 PM							



ROOM 3 WEEKLY SCHEDULE

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	Friday	
8:00 AM			Foot Care Clinic Richard Footcare Provider 8-4 W			
8:30 AM						
9:00 AM					Stepping On Fall Prevention Class	Open play for games
9:30 AM	Chair Massage First Mon of Month 10:00-12:00	Chair Massage Third Tues of Month 10:00-12:00				
10:00 AM						
10:30 AM						
11:00 AM						
11:30 AM						
12:00 PM						
12:30 PM		Scrabble 12:30 until Done T			Private Dominos Group 12:30 till done Th	
1:00 PM	Stepping On Fall Prevention Class					
1:30 PM						
2:00 PM						
2:30 PM						
3:00 PM						
3:30 PM						
4:00 PM						
4:30 PM	(Red block)	(Red block)	(Red block)	(Red block)	(Red block)	
5:00 PM						



Centennial Room Weekly Schedule

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	Friday
8:00 AM					
8:30 AM					
9:00 AM	Wellness classes		Open to walk in games and meeting room	Open to walk in games and meeting room	
9:30 AM					
10:00 AM		Rummikub			Domino's
10:30 AM		10-12 T			10-12 F
11:00 AM					
11:30 AM					
12:00 PM					
12:30 PM	Hand & Foot 12:30 until done MTH		Farkle 1:00 until done W	Hand & Foot 12:30 until done MTH	
1:00 PM					
1:30 PM		Shanghai Rummy			Shanghai Rummy
2:00 PM		1:00 until done TF			1:00 until done TF
2:30 PM					
3:00 PM					
3:30 PM					
4:00 PM			Intro to Diabetes		
4:30 PM					



ROOM 4 WEEKLY SCHEDULE

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	Friday	Saturday
8:00 AM						Red
8:30 AM						
9:00 AM	Private Women's Bible Study 9:30-12 M Sept-May			MSU Wellness Checks Seasonally 1st Thur of month 9:30- 12:00 Sept-May	Yellow	
9:30 AM						
10:00 AM		Yellowstone Genealogy Forum Presentations	Discovering Nutrition 10:30-11:30 Wed			
10:30 AM		Kids in the Kitchen Seasonal Cooking classes				
11:00 AM						
11:30 AM					Prep for Weekend Cooking Classes	
12:00 PM						
12:30 PM						
1:00 PM	Beginner Bob Ross 1-3 Every other Mon	Oil Painting 1-3 Tuesday	Watercolor 1-3 Thursday	Wellness Programs	Red	
1:30 PM						
2:00 PM						
2:30 PM						
3:00 PM						
3:30 PM						
4:00 PM						
4:30 PM	Red	Red	Red	Red	Red	
5:00 PM	Red	Red	Red	Red	Red	



Billings Community and Senior Center

Historical Background Information

The City of Billings began its involvement in senior adult programs in 1969 with a \$21,000 grant to establish a senior center. In 1976, as part of a grant application under the Housing and Community Development Act, a survey revealed strong public support for building a senior center. A 23-member committee was formed to plan the center, which was intended primarily for seniors and as a community space. In 1977, County Commissioners supported the idea, approving tentative funding for maintenance. The Billings Community Center was built in 1978 at the former site of Roosevelt School.

Impact of Parks and Recreation Billings Community and Senior Center

Since 1969, the Recreation Division has provided life-long recreation opportunities for adults 55 years and older in Billings. Over the years, many of these programs have been held at our main facility, the Billings Community & Senior Center, since its doors opened in 1978.

Parks and Recreation Community and Senior Center Staff

- 12 full-time employees from Parks and Recreation work in office spaces.
- 3 full-time employees and 10 seasonal Recreation and Wellness instructors work on the Community and Senior side.
- 15 volunteers assist with facilitating games, programs, services and supporting our front desk.

Adult Resource Alliance Partnership

We are proud to have a formal partnership with the Adult Resource Alliance, which contributes 7% of our overall budget. The Billings Community and Senior Center serves as a congregate meal site, providing well-balanced, affordable lunches for seniors Monday through Friday. Beyond nutrition, these meals offer valuable social opportunities, helping participants connect with their peers. Due to rising grocery costs, participation in this program has grown, with a notable 23% increase in the number of seniors benefiting from these meals through our partnership.

- 2023 Meals Served – 2892
- 2024 Meals Served – 2317 (Jan-Aug Current numbers as of September 2024)

Over the past eight years, our partnership with the Adult Resource Alliance has grown stronger. In 2021, we expanded our recreation and wellness programming to both Alliance locations, broadening our community impact. Due to increasing demand, programming at the Heights location has tripled. For FY 2025, we secured additional funding to support further program expansion across the community and help offset rising costs of supplies and wages. Our ongoing collaboration with the Adult Resource Alliance ensures that seniors have access to vital programs right in their neighborhoods, improving accessibility and enhancing their overall quality of life.

Recreation and Wellness Programming

Programming for Adults 55 and older focuses on providing 6 dimensions of wellness, physical, emotional, social, intellectual, spiritual and environmental wells to help maintain a balanced and fulfilling life as they age. These are essential to helping adults 55 and older to age in place with grace.

Billings Community and Senior Center Space – Room Schedules included

Rooms 1 and 2

This versatile space serves as the venue for staff meetings and our monthly Park Board meetings. It can be arranged as one large room or divided into two smaller rooms to accommodate various needs. In addition to meetings, the space is utilized for a variety of youth and adult recreation programs, such as Adult Keyboarding, Fly Fishing (which offers an intergenerational option), and other adult-focused activities.

Fitness Room

This room is outfitted with a variety of fitness equipment, including 3 treadmills, 1 standing elliptical, 2 seated ellipticals, a recumbent bike, free weights, and an upper body workout machine—offering seniors an affordable way to stay active and maintain their strength. Usage of this space has increased significantly, thanks in large part to our promotion through the Adult Resource Alliance's *Prime Connections*.

Computer Lab

The computer lab program has recently been reinstated after a temporary pause due to COVID-19. Seniors can now reserve 2-hour time slots to use the computers for a variety of activities, including sending emails, playing games, and connecting with family and friends online. In collaboration with the IT department, we are in the process of upgrading our outdated computers with refurbished models. Once the update is complete, we will also resume our popular computer classes, which are designed with adult learning styles in mind and focus on teaching senior's essential computer applications.

Yellowstone Genealogy Forum

The Billings Parks and Recreation Community and Senior Center has partnered with the Yellowstone Genealogy Forum, previously housed at the Billings Public Library. The Forum has relocated its extensive genealogy research collection and group forum to our center, conveniently situated near our Senior Computer Lab. A dedicated volunteer from the Forum will be available Monday through Friday from 1:00 to 3:00 PM to assist participants with their genealogy research. Please note that all research materials must remain on-site. In addition to providing research assistance, the Forum will collaborate with us to develop and lead enrichment programs, offering new opportunities for learning and exploration.

Main Room

The heart of our facility is the main room, which boasts a raised, joint-friendly wood floor, perfect for our congregate meal site and various recreational and wellness classes. This specialized flooring, commonly found in modern fitness centers, supports a diverse array of over 30 recreation, wellness, and engagement programs that take place here each week. From seated fitness classes to high-energy cardio line dancing, this versatile space accommodates it all. Additionally, we have a state-of-the-art electronic Bingo machine, newly upgraded in 2021, adding another layer of fun to our weekly activities.

Room 3

This room provides a range of recreational and wellness programs, including a senior foot care clinic, chair massages, and Scrabble and domino groups. It also functions as a meeting space and a welcoming area for seniors to play games and socialize. Starting in the fall of 2024, we will be introducing Fall Prevention Educational courses to further support senior health and safety.

Room 4

This room hosts a variety of enrichment classes, including watercolor, oil painting, and Beginner Bob Ross Oil Painting. We also offer cooking classes for both kids and adults, as well as specialized programs like Nutrition Education for Seniors and Cooking for 1 or 2. In addition to these activities, the room serves as a meeting space for the wood carving club and Women's Bible Study. During the summer, it transforms into a hub for camps, including Character Design, Kids in the Kitchen, and Rocket Camp.

Centennial Room

This room was recently renovated to enhance enrichment opportunities for seniors. We offer a variety of games and educational programs, with games scheduled every day of the week. Additionally, Healthy IS conducts monthly wellness checks for employees, including health coaching. In the summer, space hosts our popular youth keyboarding camp, fostering skill development in a fun and engaging environment.

Kitchen

The Adult Resource Alliance utilizes this space for the Senior Nutrition Program, operating Monday through Friday from 10 AM to 2 PM. This program is designed to combat hunger, food insecurity, and malnutrition, while also fostering social engagement and supporting the overall health and well-being of older Americans. With rising food costs, this initiative plays a vital role in helping our senior population stay healthy and strong.

Additionally, the Kitchen is used on weekends and afternoons for Cooking Classes. Located next to Room 4, it is equipped with an industrial-sized oven, stove, and dishwasher, providing the ideal setting for culinary activities. We have also introduced

intergenerational cooking classes, where caregivers, such as parents or grandparents, and youth can learn and cook together.

Storage Space for Recreational Programming

Our facility features 10 dedicated storage spaces for securely housing both office supplies and recreational equipment used for on-site and offsite classes and sports. These storage areas are vital to the success of our Youth and Adult Recreational Programming, which is offered in partnership with local schools. Equipment is stored at the Billings Community and Senior Center, and staff transport it to and from each event. These storage spaces are crucial to ensuring the smooth operation of our programs.

MSU Bozeman Nursing Students

We offer monthly senior wellness checks conducted by local nursing students, providing essential health services to our community. Since 2022, our Recreation and Wellness Specialist has also been overseeing nursing students during their Health Promotion Clinicals. Each year, we provide 8–10 nursing students with the opportunity to learn about preventative health care for the aging population. For many students, this experience demonstrates that seniors can begin their health journey at any stage of life, and that falling, or health decline doesn't have to be an inevitable part of aging. With the growing demand for clinical placements, we have been able to provide nursing students with the necessary clinical hours to complete their courses and move toward graduation. Our partnership ensures these students gain valuable hands-on experience while contributing to the well-being of our senior community.

Occupational Therapy Students

Local Occupational Therapy students have completed their clinical rounds and practicum under the guidance of our Recreation and Wellness Specialist. These students have developed impactful programs for our senior population, including a Fall Prevention program and a support program for caregivers of seniors with cognitive decline. We continue to supervise students based on requests and placement needs, fostering valuable learning experiences while enhancing the services we offer to our community.

Special Events

We proudly host a variety of City of Billings community events, including the annual volunteer appreciation dinner, community safety events, public forums, and large staff meetings upon request. Additionally, our seasonal staff orientations and training are held on the main floor at the start of each season, providing a central space for important gatherings and activities.

MAIN ROOM WEEKLY SCHEDULE

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	Friday	Saturday
8:00 AM						
8:30 AM	BARRE 8:30-9:00		Cardio Walking 8:30-9:00		Cardio Walking 8:30-9:00	
9:00 AM	STRONG & FIT 9:15-10:15	STRONG & FIT 9-9:45 TTH	STRONG & FIT 9:15-10:15	STRONG & FIT 9-9:45 TTH	STRONG & FIT 9:15-10:15	Cardio Fit 9-9:45 Seasonal
9:30 AM	MWF		MWF		MWF	
10:00 AM		Fit by Design 10-11 TTH		Fit by Design 10-11 TTH		
10:30 AM	SAIL Fall Prevention Fitness Class		SAIL Fall Prevention Fitness Class		Begin Drummer Seasonal 10:30-11:30 F	
11:00 AM		30 Min Abs for Seniors T 11:15-11:45				
11:30 AM	ARA Meal Site	ARA Meal Site	ARA Meal Site	ARA Meal Site	ARA Meal Site	
12:00 PM	Mon-Frid 11:45-1230	Mon-Frid 11:45-1230	Mon-Frid 11:45-1230	Mon-Frid 11:45-1230	Mon-Frid 11:45-1230	
12:30 PM		Sit & Fit 12:30-1 TTH		Sit & Fit 12:30-1 TTH		
1:00 PM	Chair Yoga 1-1:45 M	Gentle Yoga 1-1:45 T	Bingo 1-330 W			
1:30 PM						
2:00 PM	Cardio Line Dancing 2-2:45 M	Beg Tai Chi T 2-3 Free Community Class	Wood Carving Group 1pm until done Wed	Pinochle 1-330	Pinochle 1-330	
2:30 PM						
3:00 PM		Tai Chi T 3-4 Free Community Class				
3:30 PM						
4:00 PM			Intro to Diabetes Seasonally 4-5 W			
4:30 PM						
5:00 PM						
5:30 PM	Intro to Yoga Seasonal 5:30-6:30 M	Intro to Martial Arts Seasonal 5:30-6:30 T				
6:00 PM			Toddler Talk Seasonal 6-7 W			
6:30 PM						



ROOM 3 WEEKLY SCHEDULE

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	Friday
8:00 AM			Foot Care Clinic Richard Footcare Provider 8-4 W		
8:30 AM					
9:00 AM					
9:30 AM	Chair Massage First Mon of Month 10:00-12:00	Chair Massage Third Tues of Month 10:00-12:00		Steppin On Fall Prevention Class	Open play for games
10:00 AM					
10:30 AM					
11:00 AM					
11:30 AM					
12:00 PM					
12:30 PM		Scrabble 12:30 until Done T		Private Dominos Group 12:30 till done Th	
1:00 PM	Stepping On Fall Prevention Class				
1:30 PM					
2:00 PM					
2:30 PM					
3:00 PM					
3:30 PM					
4:00 PM					
4:30 PM					
5:00 PM					

Centennial Room Weekly Schedule

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	Friday
8:00 AM					
8:30 AM					
9:00 AM	Wellness classes		Open to walk in games and meeting room	Open to walk in games and meeting room	
9:30 AM					
10:00 AM		Rummikub			Domino's
10:30 AM		10-12 T			10-12 F
11:00 AM					
11:30 AM					
12:00 PM					
12:30 PM	Hand & Foot 12:30 until done MTH		Farkle 1:00 until done W	Hand & Foot 12:30 until done MTH	
1:00 PM					
1:30 PM		Shanghai Rummy			Shanghai Rummy
2:00 PM		1:00 until done TF			1:00 until done TF
2:30 PM					
3:00 PM					
3:30 PM					
4:00 PM			Intro to Diabetes		
4:30 PM					



ROOM 4 WEEKLY SCHEDULE

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	Friday	Saturday
8:00 AM						
8:30 AM						
9:00 AM	Private Women's Bible Study 9:30-12 M Sept-May			MSU Wellness Checks Seasonally 1st Thur of month 9:30- 12:00 Sept-May	Prep for Weekend Cooking Classes	Kids in the Kichen Seasonal Cooking classes
9:30 AM						
10:00 AM		Yellowstone Genealogy Forum Presentations	Discovering Nutrition 10:30-11:30 Wed			
10:30 AM						
11:00 AM						
11:30 AM						
12:00 PM						
12:30 PM						
1:00 PM	Beginner Bob Ross 1-3 Every other Mon	Oil Painting 1-3 Tuesday	Watercolor 1-3 Thursday	Wellness Classes	Prep for Weekend Cooking Classes	
1:30 PM						
2:00 PM						
2:30 PM						
3:00 PM						
3:30 PM						
4:00 PM						
4:30 PM						
5:00 PM						





COMMUNITY & SENIOR CENTER



 **Billings**
PARKS
AND RECREATION



We Help Seniors Age Well



Meet our Team

**Jennifer Brown - Administrator &
Recreation & Wellness Specialist**

**Kaylie Beeman - Office Manager
Recreation & Wellness Support**

**Duane Nielson -
Maintenance Manager**



Who Will You See At the BCC

Volunteer's and Staff

- 12 full-time employees - Parks and Recreation work in office spaces.
- 3 full-time employees - Billings Community and Seniors Center
- 10 seasonal Recreation and Wellness Instructors
- 15 Volunteers
- 80-120 Adults 55 and older come through each day



What We Do



Recreation

Wellness Programs

Enrichment & Games/Clubs

Services & Volunteers



Billings
PARKS
AND RECREATION



We Provide Programs Focus on 6 Dimensions of Wellness



Billings
PARKS
AND RECREATION





New Recreation & Wellness Programs

Increased Programming over last 5 years by 200%



15 Programs with - 24 Classes Weekly

- Strong and Fit 55+ - 2 classes
- Fitness by Design - 3 classes
- Sit and Get Fit - 1 class
- Chair Yoga - 2 classes
- Gentle Yoga - 4 classes
- Chair Strength Training - 2 classes
- Cardio Walking/Beginner Barre - 1 class
- 30 Minute Abs - 1 class
- Cardio Line Dancing - NEW -1 class
- Zumba Gold - 1 class
- Zumba® -New - 1 class
- Kettlebell AMPD - 2 class
- Tai Chi - Free 1 Class
- Beginner Tai Chi - Free 1 Class



Intergenerational

- Caregiver Child Zumbini - New - 1 Class



Enrichment Classes

- Beginner Drumming For Seniors
- Watercolor



- Oil Painting
- Beginner Bob Ross Style Oil Painting

Education Classes



- Discovering Nutrition
- Intro to Diabetes - Free
- Intro to Technology for Seniors - Free



1 in 4
Nationally

Fall Prevention

1 in 3
Montana

Fall Risk for Adults over 65 each Year

Falling is NOT a Normal Part of Aging



Billings
PARKS
AND RECREATION

FALL PREVENTION PROGRAMS

**Stay Active & Independent for Life (SAIL)
Stable and Strong**



Stepping On - Education Based



Billings
PARKS
AND RECREATION





Partnership with Adult Resource Alliance

- Avenue for which we receive the Senior Mill Levy Money
- BCC is Host Site for ARA Monday - Friday Meal Site
- Birthday and Holiday Celebrations
- Started providing Recreation & Wellness Programs in 2021
- ARA provides resources & services





FUN & GAMES



MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Hand & Foot 1:00pm	Rummikub 10:00am	Woodcarving 1:00pm	Pinochle 1:00pm \$1.00 per game	Domino's 10:00am
	Scrabble 1:00pm	Bingo 1:00pm \$0.50 per card	Hand & Foot 1:00pm	Pinochle 1:00pm \$1.00 per game
	Shanghai Rummy 1:00pm \$0.50 per game	Farkle 1:00pm		Shanghai Rummy 1:00pm \$0.50 per game

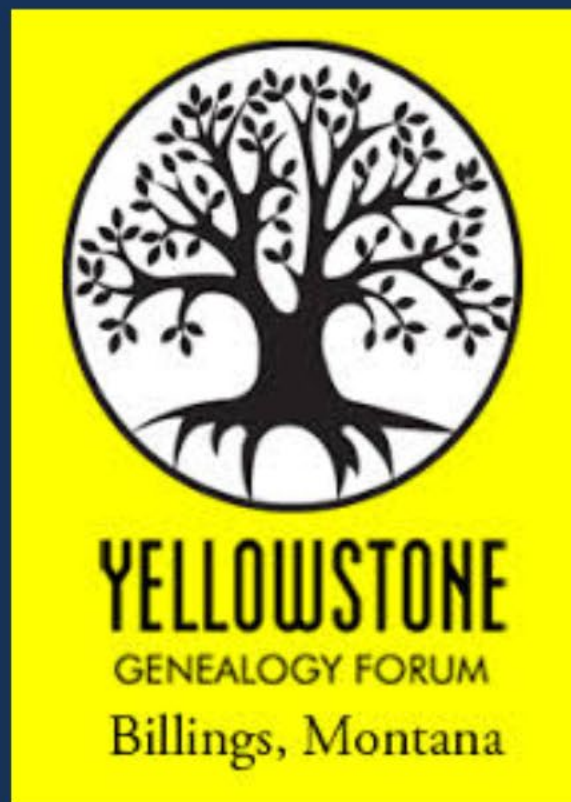




Yellowstone Genealogy Forum



- Research Assistance Available
- Exciting Enrichment Opportunities
- Volunteers





Aging Population

Montana is the oldest state west of the Mississippi

- ☑ Seniors are a vulnerable population
- ☑ Montana's - Top five for suicide rates last 30 Years
- ☑ Elderly Suicide Statistics:
In 2020, 9,137 Americans aged 65+ died by suicide
- ☑ Male Suicide Rates: 85% of elderly suicides were male

Social Connection is Key

- ☑ Risk factor - loss of a loved one, loneliness and physical illness.



Camps, Adult and Youth Programs at BCC



- ✓ Rocket Camp
- ✓ Kids in the Kitchen Camp
- ✓ Keyboard Camp
- ✓ Parent Child Cooking Classes
- ✓ Character Design Camp
- ✓ Intro to Martial Arts
- ✓ Toddler Talks
- ✓ Learn to Fly Fishing : Youth Anglers
- ✓ Learn to Fly Fishing
- ✓ Intro to Yoga
- ✓ Zumba
- ✓ Kettlebells

Wellness Programs & Services



- **Richard W. RN Foot Care Clinician - Weekly Foot Care Clinic**
- **Blood Pressure Checks**
- **MT DPHHS - Oral Checks**
- **Riverstone Health Vaccine Clinic - 28 vaccinated in 1 hour**

Student Opportunities



- **Oversee 8-12 Nursing Students for Health Promotion Clinicals**
- **2 OT Students did their Senior Practicum Project Spring 2024**
- **Registered Dietician Student**
- **Message Therapy School**



MT Governors Conference on Aging



Themes This Year

- Brain Health
- Scams
- Living Well
- New Regulations with The Older Americans Act (OAA)

According to the AARP, the six pillars of brain health are: You can reduce your risk of dementia by 40%

- Engage your brain
- Stay socially engaged -decreases your risk of dementia by 50%
- Manage stress
- Exercise
- Get restorative sleep
- Eat right

Programming for 2025

- Programs...

- Brain Health
- Scams
- Social Connection
- Learning
- Fall Prevention
- Tai Chi for Health - MT DPHHS
- Intergenerational Programming
- Nutrition Flexibility Program - Meal Site
- Work on outreach for our Males Older Adults
- Increase and Engage Volunteers



QUESTIONS



THANK YOU



Our Contact



brownj@billingsmt.gov



www.billingsparks.org



360 North 23rd Street
Billings, MT 59101



406-657-3050



Billings
PARKS
AND RECREATION

City Council Work Session

Date: 10/21/2024
Title: City Properties - Alberta Bair, The Depot, The Babcock, Moss Mansion, Recreation/Senior Center, Sky Point
Presented by: Chris Kukulski, City Administrator
Department: City Hall Administration
Presentation: Yes
Legal Review: Yes
Project Number: N/A

RECOMMENDATION

Discuss the Moss Mansion, Alberta Bair Theater, Billings Depot and the Babcock Theater per the council initiative. No direction is needed for the Moss Mansion and Alberta Bair Theater.

I recommend Council direct staff to place the Billings Depot TIF grant request back on a future agenda for re-consideration to leverage a \$414,000 historic preservation grant and also place the Babcock Theater's TIF request on a future agenda to be approved not to exceed \$300,000.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The following summarized information is for each asset:

The Moss Mansion -- The Moss Mansion is owned by the State of Montana (61.5%) and the City of Billings ((38.5%). The mansion is operated, maintained and repaired through a ten (10) year lease with the Billings Preservation Society. The lease includes two (2) ten year extensions through 2048. Page 3, paragraph 8 Utilities, Maintenance, and Repairs c. states "Further, the Society understands that it shall not request the City of Billings for any assistance for the above-described expenses." (see attached Billings Preservation Society Moss Mansion Acquisition and Lease).

Alberta Bair Theater -- The city signed a 30-year lease in 2012 with The Alberta Bair Theater Corp. The lease includes a 30-year extension. All costs to operate and maintain the facility belong to ABT Corp. (see attached lease). The following summary of recent and anticipated expenses was provided by the ABT.

Status of ABT A/O October 2024

\$13.6M Renovation 2019-2020

- Received \$3.5M TIF Funding

Post Renovation ABT has contributed \$1,327,000 to maintain the venue and purchase new equipment:

- Smoke Hatch Doors \$126,000
- Piano \$263,000
- LED Lighting Conversion \$355,000
- Alley Lights \$ 4,200
- Security Cameras \$ 20,000
- Air Conditioning Unit \$459,800
- New Black Stage Curtains \$ 71,000
- Sound Board \$ 28,000

Total number of events:

- Pre-renovation 63/year
- Post-renovation 87/year

The number of **rental** events increased from approx. 20/year to over 50/year

Economic Impact pre-renovation was \$4.2M.

- I'm unaware of the current economic impact, but with the increase in events it will be much higher.

Anticipated Future Maintenance:

- New Orchestra Pit Elevator \$500,000 (minimum estimated)
- Bollards \$120,000 (minimum estimated)
- Back Alley Security Door Gate \$ 5,000 estimate

ABT collects a \$3 Facility Fee on each ticket purchased to put in a restricted board designated account for future repairs. In addition to the facility fee, these projects were funded with additional income from fundraising efforts. The reason we applied for TIF funding for the safety bollards is they will be placed on City sidewalks for Patron safety, and it is currently a liability without parking spaces for protection from traffic.

Billings Depot -- The most recent amended sublease between the city and Billings Depot Inc. was signed in 2018 and expires December 31, 2034. Page 3 paragraph 10 make it clear that the city is not responsible for utilities, maintenance or repairs of "any kind". That being said, nothing in the lease precludes the Depot from asking for assistance. The Depot is asking the city to reconsider it's TIF grant application under two premises. First, it wasn't made clear during the past discussion that the Depot pays property taxes. Therefore, there is a financial return on investment case that can be made to support TIF funding their projects. Secondly, they have raised funds and have lowered their request to \$75,000 from their original \$95,000 request.

The following information has been provided by the Depot:

Contrary to some of the concerns expressed by some regarding private businesses seeking money from the City for deferred maintenance, the Depot has never requested TIF funds to address deferred maintenance. Rather, the Depot has obtained a \$414,000 grant but risk losing it if the matching funds cannot be raised. For that reason, the Depot, a multiuse property, requested \$75,000 to secure the grant slated to be used on projects that would significantly increase the property value, thereby generating additional property taxes. As a property-tax-paying-entity, this investment would be recouped by the City in less than four years in the property taxes paid by the Depot. Absent matching funds, these improvements will not occur.

To be clear, the improvements to be undertaken are not deferred maintenance. The Depot has always, and will continue, to manage its maintenance obligations, as well as taking efforts to better the space in a manner that honors the historical importance of this space and our partnership with the City.

The following are examples of work done by the Depot that supports the statements above:

- *Every year, the Depot takes on at least 1 significant capital improvement project to maintain the campus. We understand the City has no obligation to support these improvements and have never asked for city assistance. In 2023, we spent \$40k to upgrade our fire suppression system. In 2022, we repainted exteriors. In 2021, we upgraded all our internet and technology. 2020 saw an upgrade to gutters and new signage.*
- *In 2019, a new grant opportunity, valued at up to \$500k, was released by DOC to assist with capital improvements and historic preservation. The Depot identified projects which met grant requirements for improving public safety, energy efficiency, restoration of historic assets, and economic development. The projects we included in our application are:*
 - *Floor refinishing*
 - *Cement walkway repairs*
 - *Roof updates on all four buildings*
 - *Restoration of the historic mail building*
 - *Refinishing & weather stripping all doors in main building and mail building*
- *The Depot was awarded the grant in 2023 in the amount of \$414,000 with a 20% match requirement.*
- *Since the time the application was submitted to the time it was awarded, inflation caused a significant increase in project costs and the total project cost increased to \$528,100.*
- *The Depot has been fundraising to reach our required match amount AND the remaining costs of the project. To date, we've secured the following:*
 - *Billings Community Foundation grant: \$5,000*
 - *A&E in kind design: \$7,500*
 - *Misc. Private Business Donors: \$14,000*
 - *Board donations: \$11,000*
- *In 2024, the Depot campus was struck by a series of unforeseen but significant repairs, totaling over \$80k and depleting our savings. These included:*
 - *Security alarm panel replacement*

- HVAC control system replacement
 - AC Chiller repair
 - Fire sprinkler air compressor replacement
 - Gas leak repair and pipe replacement
 - Roof leak (office building)
 - Boiler replacement x2 (office building)
 - Water heater replacement (office building)
 - Water damage repair (office building)
 - HVAC water testing (office building)
- While the Depot is a 501(c)3 nonprofit, we do pay property taxes on the improvements which generate business (2 tenant buildings, 2 parking lots) contributing back to the tax base.
 - Our initial ask to TIF was \$95k. Due to fundraising efforts, this ask would now be reduced to \$75k. These dollars would allow us to secure contracts with vendors to complete the capital improvement projects identified within the historic grant application. Delays in contracting with vendors and starting improvements would incur additional project costs or losing the grant in its entirety.
 - The Depot has only utilized TIF funding on three other occasions in our 27 year history. Outside of these instances, the Depot has been maintained entirely using Depot-generated funds:
 - 1997: \$200k for restoration of the Depot campus
 - 2020: \$3,000 matching funds for signage grant & \$3,000 for CPTED grant

Babcock Theater - The city signed a 15-year lease with the Art House Management LLC, a nonprofit limited liability Co. for the Babcock Theater in 2018. The lease may be extended 15 years through three, five year extensions. Section 6 Funding of Repairs and Renovations - City shall not be required to make any improvements, replacements of any kind or character to the leased premises except as provided below... City shall provide Lessee funds as approved through the budget process by the Mayor and Council for improvements to the premises. Lessee shall make recommendations to the City regarding improvements, however, City shall make final determination and approval of improvements." The city is not obligated under the lease to maintain the Babcock, however the partnership that was created in 2018 to secure the theater anticipated both private and public investments to bring the property into a functional state of repair.

In 2017 an Ad Hoc committee was created to review and make recommendations to Council regarding the Babcock Theater. A January 22, 2018 memo to Council recommends Council approve the Art House Cinema & Pub proposal and to negotiate a lease. Under the Financial Impact section of the memo, the following was stated. The Council approved \$500,000 in the FY 2018 budget for the capital replacement/improvements and discussed budgeting the same amount in FY 2019 for the Babcock. No money was appropriated in the FY 2019 budget for the Babcock.

John Caterino, Facilities Manager has been working with the Babcock to assess the facility's condition and offers the following: There are a substantial number of rehabilitation and repairs that are needed at the Babcock Theater. The major and immediate items that have been identified by City Staff are the following:

- Sidewalk vault repairs -- currently being completed and paid for by Art House (Historic Preservation Grant + local Match totals ~\$300,000)
- Exterior marquee rehabilitation -- estimated repair costs at \$250,000
- Boiler stack masonry repairs -- estimated repair costs at \$30,000
- Projection booth repair -- estimated engineering service costs TBD

Visible deterioration, water infiltration, and drainage issues of the marquee give cause for concern about the overall integrity of the structure. Thus, City Facilities Division secured services from Cushing Terrell in December 2023 to conduct a condition audit and provide a written report summarizing findings and providing repair methodology. The report recommends various degrees of repair, from general maintenance to replacement of components and systems as most of the components are in fair to poor condition. For more detailed information on the marquee or to see the engineers report, reference item 3 from the March 18, 2024 Council work session. Estimated cost to repair is \$250,000.

The original steam boiler exhaust stack is experiencing masonry bond failure, brick deterioration, and delamination of cementitious coating. To avoid further degradation and to ensure historic integrity of the element, Staff recommends repair by method of tuckpointing all good and serviceable mortar beds, replacement of failed masonry and mortar, and skim coat application. Estimated cost to repair is \$30,000.

Babcock Theater had a projection booth added at some point in time after the building was constructed. It is still in use today to house the motion picture projector equipment which projects the movie onto the screen. The projection booth element is pulling away from the building and if not repaired it could cause a larger structural failure. No measurement tools have been placed on the element to observe the amount of movement but if left unaddressed it could become a liability. Since City staff is unaware of any drawings of the projection booth it is difficult to pinpoint the type of structural failure or the repair methodology. Therefore, Staff recommends securing a licensed professional structural engineer to perform an analysis. Estimated engineering cost is \$4,000.

Therefore, with all of the above information in mind and the information included in the enclosed power-point presentation from the Art House, we need to decide how to move forward. We believe \$300,000 is needed in addition to the \$299,891 Art House has secured for the sidewalk vault, stairs support/mop closet projects.

The final attachment is a letter from the Downtown Partnership Board recommending against using TIF dollars to fund capital projects for these city assets.

ALTERNATIVES

City Council may:

- Approve; or,
- Not Approve

FISCAL EFFECTS

Moss Mansion - \$0 requested/recommended

Alberta Bair Theater - \$0 requested/recommended (their bollard grant request was turned down this past summer).

Billings Depot - \$75,000 requested and recommended through the downtown TIF budget. (their grant request was also turned down this past summer - see above new information under background)

Babcock Theater - \$300,000 is recommended by staff to renovate the Marquee, repair the brick boiler stack/chimney and to investigate the projection booth repair.

* A TIF reimbursement agreement totaling \$600,000 for the Stone building project is no longer a liability for the TIF budget. This grant has been revoked because the project did not meet its timelines in spite of two extensions.

Attachments

Moss Mansion Summary

Moss Mansion Lease

ABT Lease

Depot Data

Depot Lease

Babcock Art House Presentation

Babcock Lease

Letter from Downtown Partnership



Billings Preservation Society

Moss Mansion Acquisition

The Billings Park, Recreation and Preservation Foundation, Inc. was incorporated on August 21, 1980, as a non-profit corporation. It received its federal tax exemption pursuant to IRC 501(c)(3) from the IRS on February 9, 1982. In 1983, it amended its Articles of Incorporation, changing its name to Billings Parks, Recreation and Preservation Foundation. Its purpose was "to promote, acquire, develop, preserve, maintain, and establish public parks, buildings and sites of historic or architectural significance, open space, leisure time and recreational facilities in or near the city of Billings."

In 1983, the Billings Preservation Society was created as a division of Billings Park, Recreation and Preservation, having its own organization and Bylaws. The purpose of this organization is:

To encourage interest in the preservation of buildings, sites and structures of historic architectural or aesthetic significance and to take whatever steps necessary and feasible to prevent the defacement or destruction of any such building, site or structure, such purposes being solely charitable and not for profit.

Its specific purpose was to assist the City of Billings in the purchase and management of the Moss Home. The Moss Home is a house of significant historical interest. It was built in 1903 by P.B. Moss, a founding father of Billings. His history is closely tied to the development of the city in its early years. The house has been listed in the National Register of Historic Homes and Places. The Montana Historical Society has certified it as a place of historical significance.

On February 6, 1986, the Billings Preservation Society obtained possession of the Moss Home through a written Lease Agreement with the Moss family and a separate written Option Agreement. The Lease Agreement recited that the Moss family intended to preserve the home for historical and museum purposes. The lease was for three and a half years, giving the Billings Preservation Society the opportunity to exercise their option to purchase. Annual rent was \$1. The Billings Preservation Society was obligated to pay all real property taxes due after February 1, 1986. The Agreement further required the home "to be available to the public at reasonable times under reasonable conditions as a historic home and be maintained to meet the requirements of the National Historic Home Register."

The Billings Preservation Society paid the Moss family \$72,000 for the option to purchase the Home within the next three and a third years. The total option purchase price for the real estate improvements and furnishings was \$450,000. The funding for the acquisition of the Moss Mansion came from three sources:

Private donations of cash	159,000
Cash from the City of Billings	127,000
State of Montana Long-Range Building Program	50,000
Waiver of Moss Family Montana Estate Taxes	114,000
TOTAL	\$450,000

The Billings Preservation Society completed the purchase of the Moss Home on May 3, 1988. With use of funds obtained from the State of Montana, City of Billings, and private donations, the entire purchase price was paid. Ownership was obtained in the names of the City and the State. Ownership is: City of Billings (38.5%) and State of Montana (61.5%). The City and State leased the property to the Billings Preservation Society for administration and operation of the home through a pre-arranged Lease Agreement dated December 14, 1987. On May 5, 1988, the Billings Preservation Society applied to the Montana Department of Revenue for property tax exception based on government ownership of the property. The tax exemption was granted and made effective as of the date of ownership by the City and State on May 3, 1988.

The Moss is administered by one full-time Director but remains essentially a volunteer organization. The Board of Directors, tour guides, gift shop, front desk, gardening and many of the repairs are supported through volunteers.

The total acquisition includes the real estate, building, furniture, window coverings, oriental rugs, family clothing, dishes, and other artifacts. Since the Billings Preservation Society has taken over the operation of the Mansion as a museum, private donations and tour revenue have also funded the cost of major improvements and preservation maintenance of the mansion.

The formally adopted, written purposes and goals of the Billings Preservation Society are to administer and operate the Moss home as a historic house museum. Its stated purpose is "to preserve, collect, describe, interpret, and exhibit artifacts and documents" relating to the home. Its long-range goal is to restore the building, grounds and furnishings to their original condition for the education and enjoyment of the public and future generations. The principal manner in which the goals are accomplished is through guided tours of the home. The home is open daily for public tours 347 days of the year, and at other times by special appointment. Fees are charged for tours, with the funds used for operation and renovation.

**Lease
Moss Mansion
914 Division Street, Billings, Montana 59101**

THIS LEASE is made and executed this day of July, 12, 2018 by and among the **STATE OF MONTANA**, acting through the Montana Historical Society, and the **CITY OF BILLINGS**, a Montana municipal corporation, (Owners) and the **BILLINGS PRESERVATION SOCIETY**, a division of the Billings Park, Recreation and Preservation Foundation, a Montana charitable corporation (Society).

RECITALS

- A. The P.B. Moss Home (Home) at 914 Division Street, Billings, Montana is listed in the National Register of Historic Places, and has been determined by the State of Montana and the City of Billings to be of unique value as an historic resource, and, as such, should be made available to the public.
- B. The Society has had possession and use of the Home and associated property to preserve, maintain and restore the Home and its contents for the public as an historical and educational edifice and to engage in related activities.
- C. The owners have obtained ownership of the Home and associated property in the names of the State and the City through funds provided by both the public and private sectors.
- D. The State and City intend that the Society should continue to use and operate the Home as an historical building for the public's benefit and intend that the use, operation, preservation and restoration of the Home shall be solely at the Society's expense

NOW, THEREFORE, the parties agree as follows:

1. **PREMISES.** The Owners lease to the Society, the Home and associated property more particularly described in Schedule "A" attached, and its furnishings and contents as described in Schedule "B" attached.

2. **TERM AND POSSESSION.** The Lease term is for ten (10) years, with two (10) year renewal options, commencing on the date of this lease and ending on December 31, 2048. The Society shall have quiet possession of the Home and associated property during the Lease term.
3. **RENT.** Owners recognize the value to the citizens of the State and the City of the use of the premises for historical and educational purposes. Rent for the entire period is THIRTY DOLLARS (\$30.00), payable at the rate of ONE DOLLAR (\$1.00) per year in advance on the first day of January of each year.
4. **USE.**
 - a. During the Lease term, the Society shall manage and operate the Home and associated property for the public's benefit and may not use or permit the Home and associated property to be used for any purpose other than as an historical building. Additionally, it is understood that the Society may use the facility as outlined in Section 4.
 - b. The Society may charge reasonable fees from person touring the building and may conduct special events and revenue-producing activities at the Home. The Society may use such fees only for the Society's reasonable operating expenses, and for use, operation, preservation and restoration of the Home, its furnishings and grounds. The Society shall determine the kind, duration, and number of revenue-producing activities at the Home, but the uses must be compatible with the purpose of preserving the Home and associated property as an historic structure for the public's benefit.

5. **WASTE AND NUISANCE.** The Society shall comply with all applicable laws affecting the Home and associated property. The Society shall neither commit nor suffer to be committed any waste on the premises or any nuisance.
6. **SECURITY.** The Society shall provide and maintain fire and intrusion detection alarm systems. The Society shall provide monitors in the Home when the public is touring.
7. **NET LEASE.** This Lease is a net lease in that the Society is responsible for maintenance (Section 8), liability insurance (Section 13) and applicable taxes (Section 10). The State of Montana, however, shall provide property insurance as described in Section 11.
8. **UTILITIES, MAINTENANCE, AND REPAIR.**
 - a. The Society is responsible and shall pay for all water, gas, heat, light, telephone services and other public utilities provided to the Home and associated property.
 - b. The Society shall bear all other costs and expenses relating to the use, operation, maintenance, repair, preservation and restoration of the Home, its contents, the sidewalks, parking lots, and all activity conducted thereon. The Society shall make all repairs and improvements consistent with applicable City of Billings and other applicable government codes, ordinances, statutes and regulations.
 - c. Owners have no responsibility for any of the above-described expenses or to make any repairs or improvements of any kind or description to the Home, its improvements or contents. Further, the Society understands that it shall not request the City of Billings for any assistance for the above-described expenses.
 - d. Owners reserve the right to enter the Home to make repairs necessary for preservation of the Home and associated property. The cost of such Owners-made repairs is the Society's obligation, provided that Owners have first given notice to the Society of the conditions needing repair, and the Society has not acted to make

the necessary repairs within forty-five (45) days after receipt of such notice. Should one of the Owners undertake to make repairs necessary for preservation of the Home without the other Owner's prior consent, then the other Owner has no obligation to contribute to the cost of such repair.

9. APPROVAL REQUIREMENT AND EXPECTATIONS.

- a. The Society shall use, operate, preserve, and restore the Home and associated property in conformance with the Secretary of Interior's "Standards for Historic Preservation Projects with Guidelines for Applying the Standards" and generally accepted museum practices and ethics established by the America Association of State and Local History and the American Association of Museums. No work of any kind whatsoever shall be undertaken which affects the fabric of the Home or its furnishings without the written concurrence of the Montana Historical Society.
- b. To ensure that the Society meets the standards outlined above, the Montana Historical Society shall provide professional advice to guide the Society in the use, operation, preservation, and restoration of the Home and associated property. This requirement neither binds the Montana Historical Society to provide professional architectural, engineering or contracting services nor precludes the Billings Preservation Society from seeking such professional service from other sources. The parties further agree that a designee from the Montana Historical Society and a designee from the City of Billings will be named to act as liaisons between the Owners and the Society. Such designees shall serve as ex-officio members of the Board of Directors of the Billings Preservation Society.
- c. The Owners may require the Society to deposit in a local financial institution all profits, revenue, royalties, or fees received or all gifts, grants, bequests, or other

contributions collected by the Society for the benefit of the property. All funds must be accounted for pursuant to the management contract and reviewed biennially by the Society or its designee, and expenditures of the funds may be used only for the operation, maintenance, preservation, repair, renovation, and management of the property. The Owners or its designee may conduct an audit of the funds when determined necessary by the Owners. Additionally, the Owners may visit the Society for on-site review of the use, operation, preservation and restoration of the Home and associated property.

10. TAXES AND ASSESSMENTS. The Society shall pay and discharge all taxes, assessments, charges, license fees, and liens, whether general or special, ordinary or extraordinary, of every nature as they become due.

11. PROPERTY INSURANCE. The State of Montana shall at its sole expense insure the Home and its contents with fire and extended coverage insurance. The Owners agree that the Home and associated property may be insured under any insurance policy maintained by the State or in the name of State and the applicable portion of any premium due from the Owners that relates to the Home and associated property shall be paid by the State.

12. DAMAGES TO PREMISES. Because of the uniqueness of the historic and architectural value of the Home and associated property, if there is significant damage, destruction or partial destruction to the Home and/or associated property, it is agreed that it may not be feasible to repair and restore the Home and/or associated property to an authentic condition as good or better than existed prior to the damage or destruction. In case of such damage or destruction, if the Owners in consultation with the Society should determine that it wishes to repair, restore or replace the Home or its contents, then the proceeds of any insurance coverage shall be made available to the Society for such repair, restoration or replacement.

Should the Owners in consultation with the Society decide not to repair, restore or replace the premises or the contents, then the insurance proceeds may be applied towards similar projects determined jointly by the Owners and the Society.

13. LIABILITY INSURANCE. The Society shall maintain liability insurance covering the Home and associated property, sidewalks and parking lots in the amount of ONE MILLION DOLLARS (\$1,000,000) combined single limits of liability for each occurrence for bodily injury or property damage regardless of the number of persons or organizations who sustained bodily injury or property damage or the number of claims made, or suits brought. Such insurance shall specifically insure the Society against all liability assumed by it under this Lease, and shall insure both the Owners and the Society against all liability imposed by law against them. In addition, the policy or policies shall contain a provision that no cancellation thereof is effective by the insurer without thirty (30) days written notice to the Owners. The Owners agree that the House and associated property may be insured under any insurance policy maintained by the Society; however, the premium due shall be paid by the Society within thirty (30) days after notice to the Society that the premium is due.

Unless the above insurance coverages are provided under policies maintained by or in the name of the Owners, at least twenty (20) days prior to the date of expiration of any insurance policies, the Society shall deliver to the Owners the certificate of renewal of such policies indicating payment of the premiums. All policies shall require the insurance companies to notify the Owners in writing prior to any cancellation of the insurance.

The City of Billings through the City Administrator or designee reserves the right to periodically review the type and amount of liability insurance coverage and may require reasonable increases in such insurance coverage or changes in types of coverage as the circumstances or insurance industry practices may require.

14. DEFENSE/INDEMNITY/HOLD HARMLESS. The State of Montana, the Montana Historical Society, and the City of Billings, their administrators, council members, officers, agents and employees shall not be liable for any demands, suits, liabilities, damages or judgments arising from death or injury to any person, or damage to property of any kind, whether to the person or property of the Society, its agents or employees, or third persons, from any cause whatsoever while at the Home and associated property during the Lease term. The Society shall defend, indemnify and save harmless the State of Montana, the Montana Historical Society, the City of Billings, their administrators, council members, officers, agents and employees from all demands, suits, liabilities, damages, judgements, expenses (including reasonable attorney and expert fees) and court costs arising from death, injury, property damage or loss however occurring. However, these defense and indemnity obligations do not apply to any injury, death, or damage arising from the negligence of the Owners, their agents, or employees.

15. EFFECT OF EMINENT DOMAIN. If the Home and/or associated property or any part thereof, are taken under the power of eminent domain or conveyed under the threat of eminent domain by any public or quasi-public authority so that the Home and/or associated property no longer be operated as an historic home in the manner operated at the time of such taking, the Lease shall terminate, and the Society shall have the following rights:

- a. To consult with the Owners to have the condemnation award applied toward similar projects as determined jointly by the Owners and the Society; and
- b. To recover such compensation from the condemning authority for any loss or damage caused by such condemnation.

16. TERMINATION BY OWNERS. The Owners may terminate this Lease upon the happening of any one of the following:

- a. Upon the Society's breach of any material term or condition, provided that the Owners have first given written notice to the Society of any such breach and the same has not been corrected or remedied within sixty (60) days after receipt of such notice; or
- b. Upon the Society's voluntary filing a petition in bankruptcy or being involuntary adjudicated as a bankrupt; making of a general assignment for the benefit of creditors, becoming permanently unable to perform its obligations under this Lease; or abandoning the property and discontinuing its operations at the Home and/or associated property.

17. TERMINATION BY SOCIETY. The Society may terminate this Lease upon the Owners' breach of any material term or condition provided that the Society has first given notice to the Owners of any such breach and the same has not been corrected or remedied within sixty (60) days after receipt of such notice.

18. HOLDING OVER. Should the Society hold-over after the Lease has terminated in any manner, such holding over is deemed a tenancy from month-to-month at a rental of ONE DOLLAR (\$1.00) per month, payable monthly in advance, but otherwise on the same terms and conditions as provided in this LEASE.

19. RENEWAL OF LEASE. If the Society has performed all the terms and conditions of this Lease, then at the expiration of the Lease term, this Lease shall be automatically renewed for an additional ten (10) year term on the same terms and conditions as provided in this Lease. If the Society has performed all the terms and conditions of this Lease in the second ten (10) year term, this Lease shall automatically renew for a third (10) year term on the same terms and conditions as provided in this Lease. In the event of a non-renewal, the Owners shall provide written notice 180 days prior to expiration of this Lease.

20. NON-ASSIGNMENT OF LEASE. The Society shall not sublet or assign or transfer the lease, or any part thereof, to any person, firm or corporation, without the Owner's prior written consent.

21. MORTGAGES. The Owners may not place mortgages or have liens placed on the Home or associated property without the Society's prior written consent. Likewise, the Society may not place mortgages or have liens placed on the Home or associated property without the Owners' prior written consent.

22. NOTICES. Any notice to be given under this Lease shall be sent by certified mail, return receipt requested, postage prepaid, and addressed to the parties as follows:

OWNERS:

Montana Historical Society
225 North Roberts Street
Helena, Montana 59620

City of Billings
210 North 27th Street
Billings, Montana 59101

THE SOCIETY:

President, Billings Preservation Society
914 Division Street
Billings, Montana 59101

The address of any party may be changed by written notice given by such party as above provided. Notice is effective upon receipt.


23. RELATIONSHIP OF PARTIES. The relationship of the parties is strictly that of landlord and Tenant. This Lease shall not be construed as a joint venture or partnership. The Society is not, and shall not be deemed to be, an agent or representative of the Owners.

24. INSPECTION. Owners have free access to the Home and associated property at all reasonable times for the purpose of examining or inspecting the condition of the Home and associated property.

25. **ATTORNEY FEES AND COSTS.** The successful party in any litigation resulting from the dispute among the parties regarding this Lease shall be entitled to reasonable attorney's fees and costs of litigation.
26. **SUCCESSORS.** Subject to Section 20, terms and conditions of this Lease apply to and bind the successors, assigns, transferees, or trustees of the parties.
27. **TIME OF ESSENCE.** Time is of the essence in all provisions of this Lease.
28. **GOVERNING LAW.** The Lease terms and conditions are governed by the laws of the State of Montana.
29. **AMENDMENTS.** This Lease may be amended only by a written agreement signed by all of the parties.


The Owners and the Society have executed this Lease the date and year first above written.

Montana Historical Society




Bruce Whittenberg, Director

Approved as to Form by:

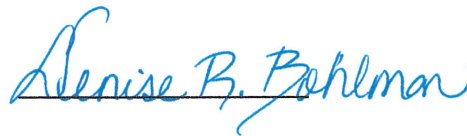


City of Billings




William A. Cole, Mayor

Attest:



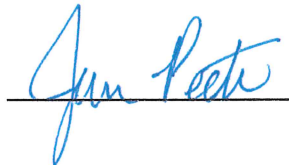
Denise B. Bohleman

Billings Preservation Society



Brent Sumner, President

Attest:



Jim Peete

LEASE AGREEMENT

THIS LEASE is made effective the 18th day of October, 2012, by and between THE CITY OF BILLINGS, MONTANA ("Lessor"), and THE ALBERTA BAIR THEATER CORPORATION ("Lessee").

WITNESSETH

1. **Description of Leased Premises and Uses.** Lessor leases to Lessee and Lessee leases from Lessor, for the purpose of establishing and operating a performing arts center dedicated to the presentation and development of all of the performing arts for the benefit of the public, certain land, improvements, structures, and appurtenances more particularly described as follows (the "premises"):

Lots 1, 2, 3 and 4, Block 45, of the Town of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document #16312.

As used herein, the "premises" refers to the land, building, and any and all improvements located, constructed or established upon the property described above, whether made prior to the commencement of the term of this Lease, during the term of this Lease, or during the renewal term thereof.

2. **Term and Possession of Premises.** Upon execution by both parties this Lease shall replace and supersede the previous lease between Lessor and Lessee dated October 18, 1982. The term of this Lease shall be for thirty (30) years. The commencement date shall be the date shown above or, if different, the date when the Lease has been executed by both parties.

3. **Rent.** Lessor recognizes the value to the City of Billings and its citizens of the development, continued use, and improvement of the premises as a performing arts

center. In consideration of the above and the covenants and conditions of this Lease Agreement, Lessee agrees to pay the Lessor rent for the premises in the amount of \$1.00 each year, payable on the date of this Lease Agreement and yearly on the anniversary of that date, for the full term of this Lease.

4. **Covenants of Use and to Make Improvements.** Lessee covenants and agrees to use the premises as a performing arts center in accordance with plans and schedules, and pursuant to a program developed by its board of directors. The term "performing arts" as used in this Agreement shall mean any of the performing arts such as theater, film, music and dance of all kinds, all forms of cultural activities, and lectures, seminars, meetings, conventions, and like activities.

Notwithstanding any provision to the contrary, Lessee shall not be obligated to make any renovations or improvements to the premises which are not authorized by its board of directors. Lessee's board of directors shall make the sole determination as to the extent of such renovations and improvements and the time or date when such renovations and improvements shall be made. Lessor shall have no right to determine the nature, extent or timeliness of such improvements, but Lessee shall provide Lessor with such reasonable information as Lessee has developed concerning such renovations and improvements as may be requested by Lessor.

All renovations and improvements made by Lessee shall conform to applicable codes, ordinances, laws and regulations of the City of Billings and any other governmental authority or agency.

5. **Warranties of Title and Quiet Possession.** Lessor covenants that Lessor has a right to occupy the premises and has the full right to make this Lease and that Lessee shall have quiet possession of the premises during the term hereof.

6. **Use Prohibited.** Lessee shall not use, or permit the demised premises, or any part thereof, to be used, for any unlawful or illegal purpose or purposes.

7. **Waste and Nuisance Prohibited.** During the term of this Lease, Lessee shall comply with all applicable laws affecting the premises, the breach of which might result in any penalty to Lessor or forfeiture of Lessor's title to the premises. Lessee shall not commit or suffer to be committed any waste on the premises, or any nuisance.

8. **Abandonment of Premises.** Lessee shall not vacate or abandon the demised premises at any time during the term hereof. If Lessee shall abandon, vacate, or surrender the demised premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the demised premises shall, at the option of the Lessor, be deemed to be abandoned unless appropriate arrangements for removal have been agreed to by Lessor and Lessee.

9. **Notices.** All notices, demands or other writings in this Lease provided to be given or sent, by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

To Lessor:	The City of Billings Attention: City Administrator City Hall 210 North 27th Street Billings, MT 59101
------------	---

With copy to: City Attorney's Office
P.O. Box 1178
Billings, MT 59103-1178

To Lessee: The Alberta Bair Theater Corporation
Attention: Executive Director
2801 3rd Avenue North
Billings, MT 59103

With copy to: The Alberta Bair Theater Corporation
Attention: Registered Agent
P.O. Box 1556
Billings, MT 59103

The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

10. Taxes and Assessments.

- (a) It is agreed that the premises shall be subject to, and Lessee shall pay and discharge as they become due, such taxes, assessments, rates, charges, license fees, municipal liens, levies, excises or imposts, whether general or special, or ordinary or extraordinary, of every name, nature and kind whatsoever, only to the extent such charges are imposed on other buildings owned by Lessor.
- (b) It is agreed that the premises shall be subject to, and Lessee shall pay and discharge as they fall due during the term of this Lease, such special assessments, levies or charges, made by any municipal or political subdivision for local improvements only to the extent that such charges are imposed on other buildings owned by Lessor.

11. Utilities. Lessee shall fully and promptly pay for all water, gas, heat, light, power, telephone service and other public utilities of every kind furnished to the demised premises throughout the term hereof, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the demised premises and all activities conducted thereon, and Lessor shall have no responsibility of any kind for any thereof.

12. **Insurance.**

- (a) Insurance Coverage of Demised Premises. Except as otherwise provided herein, Lessee shall at all times during the full term of this Lease and at Lessee's sole expense insure the demised premises with fire and extended coverage insurance in an amount equal to the replacement cost of the demised premises with loss payable to Lessor, Lessee, and the holder of any mortgage as their interests may appear and in accordance with paragraph 18 below. Lessor agrees that the premises may be so insured under any such insurance policy maintained by or in the name of the Lessor, but the applicable portion of any premium paid by the Lessor which relates to the premises shall be paid by the Lessee within thirty (30) days after notice to Lessee that Lessor has made such payment.
- (b) Liability Insurance. Lessee shall maintain in effect throughout the term of this Lease liability insurance covering the demised premises, appurtenances, sidewalks, and parking lots abutting thereon in the minimum amount of Two Million Dollars, (\$2,000,000.00), combined single limits of liability for each occurrence for bodily injury or property damage regardless of the number of persons or organizations who sustain bodily injury or property damage or the number of claims made, or suits brought, on account of bodily injury or property damage.

Such insurance shall specifically insure Lessee against all liability assumed by them hereunder, as well as liability imposed by law and shall insure both Lessor and Lessee. Lessor shall be endorsed on any policies as a primary, additional named insured.

In addition, said policy or policies shall contain a provision that no cancellation thereof shall be effective by the insurer without thirty (30) days written notice to the Lessor.

Lessee agrees that the premises may be so insured under any such insurance policy maintained by the Lessor, but the applicable portion of any premium paid by the Lessor which relates to the premises shall be paid by the Lessee within thirty (30) days after notice to Lessee that Lessor has made such payment.

Unless the above insurance coverages are provided under policies maintained by the Lessor, at least twenty (20) days prior to the date of expiration of any of the insurance policies above mentioned, the Lessee shall deliver to the Lessor a certificate of renewal of such policy indicating payment of the premiums therefore. All

insurance policies carried by either party covering the property or the demised leased premises shall expressly waive any right, including subrogation, on the part of either party against the other. All policies shall require the insurance companies to notify the Lessor in writing prior to any cancellation of the insurance.

13. **Indemnification of Lessor and Lessee.** Lessee agrees to indemnify, defend and save City, its officers, agents and employees harmless from any and all claims, demands, losses, damages, liabilities, judgments, litigation costs and expenses including reasonable attorneys fees occasioned by, growing out of, or in any way arising or resulting from any intentional or negligent act or omission by Lessee or its agents, subcontractors or employees.

Lessor agrees to indemnify, defend and save Lessee, its agents, subcontractors and employees harmless from any and all claims, demands, losses, damages, liabilities, judgments, litigation costs and expenses including reasonable attorneys fees occasioned by, growing out of or in any way arising or resulting from any intentional or negligent act or omission by Lessor, its agents or employees.

14. **Effect of Eminent Domain.** In the event the demised premises, or any part thereof, shall be appropriated or taken under the power of eminent domain or conveyed under the threat of eminent domain by any public or quasi-public authority so that the premises can no longer be operated as a performing arts center in the manner operated at the time of such appropriation or taking, this Lease shall thereby terminate, and Lessee shall have the following rights:

- (a) to share in the award for such condemnation when paid based on the value of any improvements or renovations to the premises made by Lessee compared to the value of the premises on

October 18, 1982 when the parties signed the first Lease Agreement, which the parties agree was \$650,000.00; and

- (b) to recover such compensation from the condemning authority for any loss or damage caused to Lessee by such condemnation.

15. **Default.** In the event Lessee shall be in default of any covenant, agreement or condition provided for in this Agreement, or abandon or vacate the demised premises, or become a voluntary or involuntary bankrupt, or make an assignment for the benefit of creditors, or, in the event of a receiver or trustee being appointed for Lessee, then upon the occurrence of any one or more of such defaults, and after Lessee has been given notice by certified mail of such default, Lessee shall have thirty (30) days from the mailing of such notice within which to correct such default or defaults, and if no such corrections are made, Lessor, in addition to any other rights or remedies it may have shall have the immediate right of re-entry and may remove all persons and property from the premises and may terminate this Lease, or at the option of the Lessor, the Lessor may proceed against the Lessee for all rentals to accrue under this Lease, or extension thereof.

16. **Waiver.** The failure of Lessor to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights or remedies that Lessor may have regarding that specific instance only, and shall not be deemed a waiver of (1) Lessor's right to insist on strict performance of the same or any other of the terms and conditions of this Agreement at any time subsequent thereto or (2) Lessor's rights or remedies for any other subsequent breach or default in any terms or conditions.

17. **Mortgages.** Lessee shall have no right to place mortgages or have liens placed on the premises in connection with any renovations or improvement, without the

written approval of Lessor. Lessor shall have no right to place mortgages or have liens placed on the premises without the written approval of Lessee.

18. Repairs and Destruction of Improvements.

- (a) Maintenance of Improvements. Lessee shall, throughout the term of this Lease, at its own cost, and without any expense to Lessor, keep and maintain the demised premises and all appurtenances thereto, including sidewalks, and parking lots adjacent thereto, in good, sanitary, and neat order, condition and repair, and shall, subject to the conditions described in subparagraph (b) below, restore and rehabilitate any improvements of any kind which may be destroyed or damaged by fire, casualty, or any other cause whatsoever. Lessor shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatever, to the demised premises or any building, or improvements thereon except to the extent that insurance proceeds are available in accordance with subparagraph (b) below. Lessee shall also comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the demised premises, the improvements thereon or any activity or condition on or in such premises.
- (b) Damage and Destruction of Improvements. Except as stated herein, the damage, destruction or partial destruction of any part of the premises shall not release Lessee or Lessor from any obligation hereunder. If insurance is maintained in the name of Lessor pursuant to paragraph 12(a), it is agreed that any proceeds covering damage or destruction of the premises shall be made available to Lessee for such repair or restoration. If the premises are partially damaged but remain usable for their intended purpose with little or no interruption to Lessee for repairs, Lessee shall use all available insurance proceeds to, so far as such proceeds allow, promptly repair and restore the same. If the premises are substantially damaged or destroyed and thereby rendered completely unusable for their intended purpose, or their repair or reconstruction would substantially interrupt the operations of Lessee, the parties shall mutually agree on how insurance proceeds resulting from the loss shall be used for the repair, rebuilding, new construction, and/or relocation of a performing arts center or facilities supportive of a performing arts center.

19. Right to Sublease. Lessee shall not have the right to sublease or assign the demised premises in whole or in part except upon the express written consent of the

Lessor. Nothing in this paragraph shall limit or restrict Lessee's ability to rent, license, let, or otherwise contract the premises in whole or in part for short-term use by performance groups and other users in a manner typical of a performing arts center.

20. **Surrender.** Upon the expiration or other termination of this Lease and any renewal thereof, Lessee shall quit and surrender to Lessor the demised premises broom clean, in good order and condition, ordinary wear and damage by elements excepted.

21. **Parties Bound.** The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer and subletting, apply to and bind the successors, assigns, or trustees of the parties hereto.

22. **Net Lease.** It is the intention of the parties hereto that this should be a net lease and Lessor shall have no obligation whatsoever, except as herein specified, to make any expenditures for any reason whatsoever in connection with the leased premises.

23. **Remedies.** In the event of a breach of this Agreement, and unless expressly limited or supplemented herein, the parties shall have all remedies normally available to them whether by terms of contract, statute, or common law. In addition to any remedies for default given to Lessor pursuant to paragraph 15 above, or by law, Lessor and Lessee, in the event of a breach or a threatened breach by Lessee or Lessor of any of the terms or conditions hereof, shall have the right of injunction to restrain the other party and the right to invoke any remedy allowed by law or in equity, as if the specific remedies of indemnity or reimbursement were not provided herein.

The rights and remedies given to the parties in this Lease are distinct, separate, and cumulative, and no one of them, whether or not exercised by a particular party, shall be deemed to be in exclusion of any of the others herein, or by law or equity provided.

24. **Renewal of Lease.** If Lessee is not in material default under the terms and covenants of this Agreement, then Lessee may renew this Agreement at the expiration of the term described in paragraph 2 for an additional thirty (30) year term on the same terms and conditions, subject to the renewal procedures described herein. Lessee shall provide Lessor with written notice of its intent to renew at least one year before the Agreement expires, but the right to renew shall not terminate unless Lessor, if it does not receive such notice by that date, first gives Lessee written notice that the right to renew will terminate forever if Lessee fails to provide notice of renewal within 60 days of the date of Lessor's notice to Lessee. If Lessee then provides notice of renewal within the time required, this Agreement shall renew at the end of the term, but if Lessee does not provide notice within the time required then the right to renew shall terminate.

25. **Miscellaneous.** Notwithstanding anything to the contrary herein contained, the successful party in any litigation resulting from the dispute between the parties in connection with this Lease shall be entitled to reasonable attorney's fees.

26. **Inspection of Premises.** Lessor shall have free access to the demised premises at all reasonable times for the purpose of examining or inspecting the conditions thereof or in order to exercise any right or power granted by law or reserved to Lessor under the terms and provisions of this Lease Agreement.

27. **Time of Essence.** Time is of the essence in all provisions of this Lease.

28. **Governing Law.** It is agreed by and between the parties hereto that the terms of this Lease shall be governed by the laws of the State of Montana.

29. **Relationship of Parties.** It is understood and agreed that the relationship of the parties hereto is strictly that of landlord and tenant and that this Lease shall not be construed as a joint venture or partnership. Lessee is not and shall not be deemed to be agent or representative of Lessor.

30. **Amendments in Writing.** Any addenda or amendments to this Lease, including but not limited to any extensions of the initial term of this Lease shall be valid only if in writing and signed by the parties.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease this 22nd day of October, 2012.

CITY OF BILLINGS

By Thomas W. Hanel

Thomas W. Hanel, Mayor

ATTEST:

Cari Martin

City Clerk

THE ALBERTA BAIR THEATER CORPORATION

By 
Alice Gordon, President

ATTEST:


Secretary

Signature Events

- TASTE OF BILLINGS
- REVEL
- POLAR EXPRESS
- NATIONAL TRAIN DAY



Partner Collaborations

- SYMPHONY AT THE DEPOT
- STEAMFEST
WISE WONDERS, GIRL SCOUTS OF AMERICA, STEM YELLOWSTONE, BETTER OFF IN BILLINGS, BILLINGS PUBLIC LIBRARY
- BUILT WITH BEEF
MONTANA BEEF COUNCIL, BOYS & GIRLS CLUBS OF YC



Historic WEDDING AND EVENTS VENUE

BILLINGSDEPOT.ORG

PARTNERING WITH THE COMMUNITY TO SUPPORT

Tourism, Workforce and Economic Development



BILLINGS DEPOT

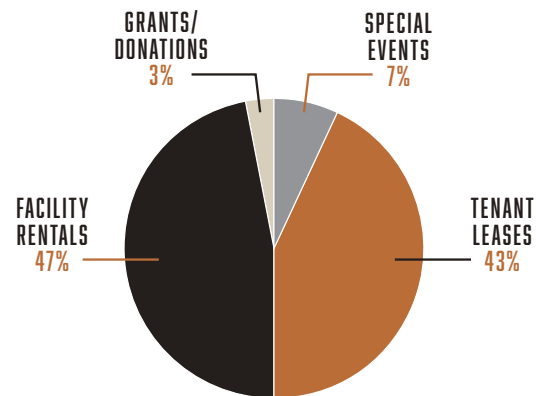
COMMUNITY PROGRAMS • WEDDINGS • BUSINESS EVENTS • POSSIBILITY OF PASSENGER RAIL SERVICE

Upcoming Opportunities

- CABOOSE RESTORATION
- AMTRAK PASSENGER RAIL SERVICE



Income



Private Events

2018 TO 2023

TOTAL # EVENTS:	TOTAL # OF GUESTS:	# OF EVENTS FROM OUT OF STATE RESIDENTS:	ESTIMATED # OF OUT OF TOWN GUESTS:
580	75,245	107	26,335

PROJECTED 2024 - 2026

TOTAL # EVENTS:	TOTAL # OF GUESTS:	# OF EVENTS FROM OUT OF STATE RESIDENTS:	ESTIMATED # OF OUT OF TOWN GUESTS:
464	49,815	60	17,435

Operating Principles

WHEELHOUSE EFFECT

As consumers' experiences become more routine and predictable, they'll unconsciously become more interested in and motivated by surprise. The Depot is committed to adding surprise & delight to all processes, experiences, and interactions.

THE HEDGEHOG

Doing what you're good at will only make you good but focusing on what you can potentially do better than any other organization is the only path to greatness.

RADICAL HOSPITALITY

Radical hospitality requires intentional invitation and welcome. It goes beyond greeters and handshakes to welcome every person as an honored guest making them feel not just welcome but part of the Depot family.

EXPERIENTIAL RELATIONSHIPS

Showing customers and the community the Depot wants to be a part of their lives. We do this by creating and using experiences to generate long-term relationships and contributing to initiatives that impact more than just the Depot.

Trafalgar Tours

TRAFALGAR

2021 - 2024

166 TOURS
5,810 WORLDWIDE PASSENGERS

2025 & 2026: 2 NEW TOURS ADDED

138 TOURS SCHEDULED
4,830 ESTIMATED WORLDWIDE PASSENGERS

NONRESIDENT INTERACTIVE RESEARCH: 2018 TO 2023

11,934,000 ESTIMATED VISITORS (ANNUAL MEAN)

Based on the current report selection(s) 100.0% of the average annual nonresident visitors are represented.

REASON FOR TRIP

PRIMARY REASON ALL REASONS

Reason for Trip	Primary Reason (%)	All Reasons (%)
VACATION, RECREATIONS, PLEASURE...	40%	47%
VISIT FRIENDS/RELATIVES, ATTEND FAMILY EVENT	19%	23%
JUST PASSING THROUGH	26%	29%
BUSINESS, CONVENTIONS, MEETINGS....	11%	12%

ITRR Research: <https://www.umt.edu/tourism-recreation-research/interactive-data/>

BILLINGS DEPOT
Historic WEDDING AND EVENTS VENUE

WATCH THE LATEST UPDATES ON THE CAMPUS RENOVATION PROJECT!





Timeline of Achievements



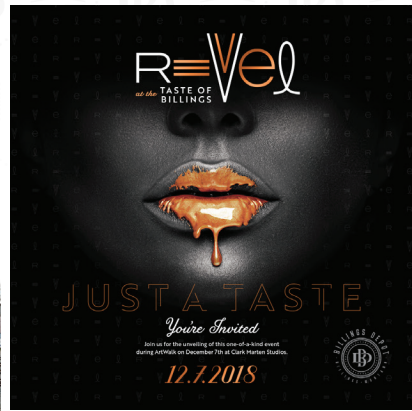
BILLINGS DEPOT

LOGO REDESIGN



POCKET PARK
DBA / BETTER OFF IN BILLINGS /
GIRL SCOUTS OF AMERICA

2018



REVEL - 1ST FULLY EXPERIENTIAL EVENT IN BILLINGS

2019

STEAM EDUCATION EVENT

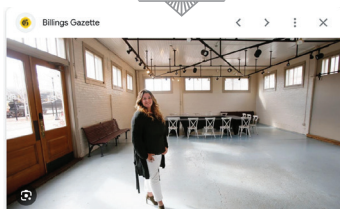


CELEBRATING DEPOT HISTORY



THE POST - 1ST RETAIL POPSHOP FOR DOWNTOWN BILLINGS
BSED / DBA / SBDC

THE POST



With opening of The Post, upscale meeting space a growing industry in Billings

2020



CPTED CAMPUS UPDATES
DBA

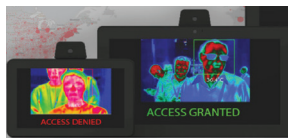
BILLINGS SYMPHONY
ORCHESTRA & CHORALE

SYMPHONY AT THE DEPOT

GOV. BULLOCK COVID RECOGNITION



TECHNOLOGY UPDATES FOR SECURITY, VIDEO STREAMING, AND INFRARED COVID CHECKS



2021



BUSINESS AT THE DEPOT
PROJECT LOVE / DIA EVENTS

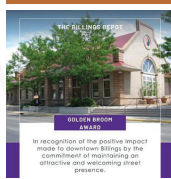
1909 SOCIETY

1909 SOCIETY



BUILT WITH BEEF
MY BEEF COUNCIL

GOLDEN BROOM AWARD
DBA



VIRTUAL REALITY TOUR
CUSHING TERRELL / DBA / VISIT BILLINGS



2022



CERTIFIED AUTISM CENTER
VISIT BILLINGS

CPTED & NEW CROSSWALK FOR MONTANA AVENUE

LAUNCHED EMPLOYEE BENEFITS FOR STAFF

LAUNCHED HISTORIC MONTANA AVENUE ASSOCIATION



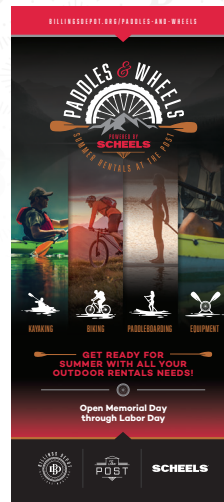
ZERO ALCOHOL BEVERAGE SERVICE



FIRE SYSTEM UPGRADE (SCARITY)



2023-24



PADDLES & WHEELS - 1ST RENTAL POPSHOP FOR DOWNTOWN BILLINGS
SCHEELS

TRAFALGAR

SECURED 2 NEW TRAFALGAR TOURS FOR 2025 & 2026



ATTENDED 2 CONFERENCES TO PROMOTE BILLINGS & DEPOT TO WORLDWIDE TOUR AND MEETING PLANNERS

CABOOSE RESTORATION



RESTORATION WORK BEGINS

MONTANA HISTORIC PRESERVATION GRANT
ROOF / FLOORS / DOORS
MAILROOM RESTORATION
WALKWAY



JOINED VISIT SE MONTANA BOARD OF DIRECTORS TO SUPPORT TOURISM EFFORTS



FIRST AMENDMENT TO SUBLEASE AGREEMENT

THIS FIRST AMENDED SUBLEASE AGREEMENT (the "Sublease") is entered into and made as of November 16, 2018, by and between the **City of Billings**, a municipal corporation with a mailing address of 210 N. 27th St., Billings, MT 59101 (the "City") and **Billings Depot, Inc.**, a Montana nonprofit corporation with a mailing address of 2310 Montana Avenue, Billings, MT 59101 ("BDI").

RECITALS

A. Montana Rail Link, Inc. ("MRL") leases a system of rail tracks and various real properties from BNSF Railway Company ("BNSF"), pursuant to that certain agreement between MRL and BNSF dated July 21, 1987 (the "Master Lease"), including certain real property located in the City of Billings, Yellowstone County, Montana, which is more particularly described in **Exhibit "A"** attached to this Sublease (the "Premises").

B. Pursuant to the terms of that certain Sublease dated July 10, 1995 (the "Sublease I"), the City of Billings ("City") sublet from BNSF, MRL, and Inland Properties, Inc. ("Inland"), the Premises, which included the "BN Building" (which has also been described in various other documents as the BN Office Building, the Depot Services Building, and the multi-story office building which is the most easterly of the existing structures on the premises); and

C. At some point in the past, Inland acquired from BNSF all right, title, and interest to the following buildings which are located upon but legally severed from the Premises: (i) the Passenger Station; (ii) the Lunch Room; and (iii) the Railway Post Office Building (the "Other Buildings"). Inland did not acquire any interest in the BN Building; and

D. Pursuant to the terms of that certain Bill of Sale dated July 10, 1995, the City acquired from Inland all of Inland's right, title, and interest to the Other Buildings. The Bill of Sale did not include the BN Building; and

E. Pursuant to that certain Maintenance Agreement, dated July 10, 1995, BDI acquired from the City a leasehold interest in the Premises, the BN Building, and the Other Buildings. Under the Maintenance Agreement BDI agreed (i) to perform and discharge all of the City's covenants, duties, and obligations that the City has as lessee under the Sublease I; and (ii) to preserve and maintain the Premises, the BN Building, and the Other Buildings as an historic facility; and

F. The rights and interests of MRL, the City, and BDI in and to the Premises, the BN Building, and the Other Buildings are set forth and clarified in that certain Clarification Agreement dated August 15, 2008; and

G. The City desires to sublease to BDI whatever interest, if any, the City has in the Premises and the Other Buildings, all subject to the terms and conditions of this Sublease and, where applicable, the Sublease I. The City also desires to forfeit and assign to BDI any interest it may have in and to the BN Building; and

H. BDI wishes to sublease from the City whatever interest, if any, the City has in the Premises and the Other Buildings, all subject to the terms and conditions of this Sublease and, where applicable, the Sublease I.

I. The City and BDI desire to amend this Sublease Agreement by extending the current term in Section Three to December 31, 2034. No other amendments are made to this Agreement and all provisions herein remain in full effect.

FIRST AMENDED AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements contained in this Sublease and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Sublease of Premises and the Other Buildings. The City subleases to BDI and BDI subleases from the City whatever interest the City has, if any, in the Premises and the Other Buildings. BDI agrees to comply with all of the terms and conditions of the Sublease I and to discharge all of the City's obligations under the Sublease I as the lessee therein.

2. Forfeiture and Assignment of Interest. The City irrevocably and forever forfeits and assigns to BDI any interest in and to the BN Building that the City may have or may claim to have had under the Sublease I or any other document. The City acknowledges that BNSF has transferred its ownership of the BN Building to BDI under the terms of a Real Estate Donation Contract.

3. Term. This Sublease shall commence on the date first written above and shall end on the earlier of either December 31, 2034, or the date on which this Agreement is otherwise terminated pursuant to **Paragraph 21** herein.

4. Rent. The annual rent payment shall be One and No/100 Dollars (\$1.00), which shall be payable directly to MRL under the terms of the Sublease I.

5. Use.

(a) Historic Facility. During the term of this Sublease, BDI shall preserve, manage, and operate the Premises and the Other Buildings as an historic facility, as that term is defined in 23 USC § 101(a), as it may be amended from time to time, for the benefit of the public.

(b) Activities. BDI may rent or lease the Premises or the Other Buildings, or any portion of the Premises or the Other Buildings, to commercial tenants for amounts that it determines to be reasonable. BDI shall have sole authority to determine the kind, duration, and number of revenue-generating activities at the Premises or the Other Buildings.

(c) Limitations. Notwithstanding any provision of this Sublease to the contrary, all activities at the Premises or the Other Buildings must be (i) compatible

with preserving the Premises and the Other Buildings as an historic facility for the benefit of the public and (ii) in compliance with all applicable federal, state, and local statutes, regulations, laws, ordinances, and laws.

6. Sublease I Terms and Conditions. Except as otherwise provided in this Sublease, the terms, covenants, and conditions of the Sublease I are incorporated herein by reference and BDI agrees to perform and discharge all of the terms, covenants, and conditions of the Sublease I on the part of the lessee therein, commencing on the date of this Sublease.

7. Maintenance Agreement. Both parties acknowledge and agree that this Sublease terminates and renders null and void the Maintenance Agreement.

8. Waste and Nuisance. BDI shall comply with all applicable laws affecting the Premises, the breach of which might result in any penalty to the City or forfeiture of any right that the City may have to the Premises or the Other Buildings. BDI shall not commit, nor suffer to be committed, any waste or nuisance on the Premises.

9. Security. BDI shall provide and maintain fire and intrusion detection alarm systems on the Other Buildings.

10. Utilities, Maintenance, and Repair.

(a) BDI shall be responsible for all water, gas, heat, light, power, telephone services, and other public utilities of every kind furnished to the Premises and the Other Buildings, and all other costs and expenses of every kind in connection with the use, operation, preservation, maintenance, and restoration of the Premises and the Other Buildings and all activities conducted therein. BDI shall maintain the Premises and the Other Buildings, along with any improvements thereon, including sidewalks and parking lots, in good, neat, and sanitary repair and condition. All repairs and improvements made by BDI shall conform to the applicable codes, ordinances, laws, and regulations. of the City of Billings and any other governmental authority or agency.

(b) The City shall have no responsibility of any kind for any of the expenses described in **Paragraph 10(a)** above or to make any repairs or improvements of any kind or description to the Premises or the Other Buildings or the improvements thereon. The City reserves the right to enter the Premises to make repairs necessary for the preservation of the Other Buildings. The cost of such repairs made by the City shall be the obligation of BDI provided that the City has first given notice to BDI of the conditions needing repair and BDI has not acted to make the necessary repairs within fifteen (15) days after receipt of such notice.

11. Approval Requirement and Expectations.

(a) The City requires that BDI undertake all use, operation, preservation, and restoration affecting the Premises and the Other Buildings in conformance with the

Secretary of the Interior's "Standards for Historic Preservation Projects with Guidelines for Applying the Standards." BDI shall undertake no work of any kind whatsoever that affects the fabric of the Other Buildings and the Premises without the written concurrence of the Montana Historical Society and the City.

(b) The parties agree that a designee from the City will be named to act as a liaison between the City and BDI. The designee shall serve as an ex-officio member of the Board of Directors of BDI.

(c) To the extent such has not been done, the City and BDI shall develop written procedures, time tables, and processes for the reviews and approvals previously required by the Maintenance Agreement. The parties shall request regularly scheduled visits by the Montana Historical Society to the Premises for on-site review of use, operation, preservation, and restoration of the Premises and the Other Buildings.

12. Taxes and Assessments. BDI shall pay and discharge all taxes, assessments, rates, charges, license fees, levies, excises, and imposts, whether general or special, ordinary or extraordinary, of every nature as they become due.

13. Property Insurance. BDI shall at all times and at its sole expense insure the Premises and the Other Buildings and any other improvements thereon and contents thereof with fire and extended coverage insurance in the amount of 100% of the full insurable value of the Other Buildings. Except as otherwise provided for in this Sublease, any property insurance proceeds shall, so long as this Sublease is in effect, be used for the repair or replacement of the Other Buildings and any improvements thereon. Except as provided for in **Paragraph 14** herein, it is agreed and acknowledged that the City shall have no interest in the insurance upon the Other Buildings and any improvement thereon, and shall sign all documents necessary or proper in connection with the settlement of any claim or loss by BDI. The City agrees the Premises may be insured under any insurance policy maintained by the City, but the applicable portion of any premium due from the City that relates to the Other Buildings shall be paid by BDI within thirty (30) days after notice to BDI that the premium is due.

14. Damage to Premises or the Other Buildings. Because of the uniqueness of the historic and architectural value of the Premises and the Other Buildings, if there is significant damage, destruction, or partial destruction of the Premises or the Other Buildings, it is agreed that it may not be feasible to repair or restore the Premises or the Other Buildings to their authentic condition as good or better than existed prior to the damage or destruction. In case of such damage or destruction, if BDI in consultation with the City should determine that it wishes to repair, restore, or replace the Premises or the Other Buildings, then the proceeds of any insurance coverage shall be made available to BDI for such repair, restoration, or replacement of the Premises or the Other Buildings. Should BDI in consultation with the City decide not to repair, restore, or replace the Premises or the Other Buildings, then the insurance proceeds shall: first, be applied to pay any debts, loans, or obligations BDI has secured or may secure for preservation, maintenance, and restoration under this Sublease and the Sublease I and, second, surplus proceeds, if any, shall be applied to similar projects determined jointly by the City and BDI.

15. Liability Insurance.

(a) BDI shall maintain liability insurance covering the Premises and the Other Buildings and any appurtenances, sidewalks, and parking lots of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) combined single limits of liability for each occurrence for bodily injury or property damage regardless of the number of persons or organizations who sustain bodily injury or property damage or the number of claims made, or suits brought, on account of bodily injury or property damage. Such insurance shall specifically insure BDI against all liability assumed by it under this Sublease, and shall insure both the City and BDI against all liability imposed by law against them. In addition, the policy or policies shall contain a provision that no cancellation thereof shall be effective by the insurer without thirty (30) days written notice to the City.

(b) Unless the above insurance coverage is provided under policies maintained by or in the name of the City, at least twenty (20) days prior to the date of expiration of any insurance policy, BDI shall deliver to the City the certificate of renewal of such policy, which certificate indicates the payment of the premiums. All insurance policies carried by any party covering the Premises or the Other Buildings shall expressly waive any right, including subrogation, on the part of any party against the others. All policies shall require the insurance companies to notify the City in writing prior to any cancellation of the insurance policy.

16. Hold Harmless/Indemnification. The City, its administrators, council members, officers, agents, and employees shall not be liable for any liabilities, claims for damages, or suits for or by any reason of any death or injury to any person or damage to property of any kind, whether to the person or property of BDI, its agents, or employees or to the person or property of any third person, from any cause whatsoever while on the Premises or in the Other Buildings during the term of this Sublease. BDI covenants and agrees to indemnify and to save harmless the City, its administrators, council members, officers, agents, and employees from all liabilities, charges, expenses (including attorney fees), and costs on account of such death, injury, damage, liability, claim, suit, or loss, however occurring. However, this hold harmless covenant shall not apply to any loss, injury, death, or damage arising by reason of the negligence or misconduct of the City, its administrators, council members, officers, agents, and employees.

17. Effect of Eminent Domain. In the event that the Premises or any part thereof, shall be appropriated or taken under the power of eminent domain or conveyed under the threat of eminent domain by any public or quasi-public authority so that the Premises or any of the Other Buildings can no longer be operated as an historic facility in the manner operated at the time of such appropriation or taking, this Sublease shall terminate and BDI shall have the following rights:

(a) To consult with the City to have the condemnation award applied under **Paragraph 14** above; and

(b) To recover such compensation from the condemning authority for any loss or damage caused by such condemnation.

18. Non-Assignment. BDI shall not have the right to assign or transfer this Sublease to any third party without the prior written consent of the City.

19. Mortgages. The City shall have no right to place mortgages or have liens placed on the Premises or the Other Buildings without the prior written consent of BDI. BDI shall have no right to place mortgages or have liens placed on the Premises or on the Other Buildings without the prior written consent of the City, which consent shall not be unreasonably withheld, except for the US Bank National Association Leasehold Mortgage made contemporaneously with this Sublease. BDI shall have the right, subject to the terms of the Sublease I, to place mortgages or other liens on the Premises without the consent of the City.

20. Indemnification. BDI agrees to indemnify and hold the City harmless from any further obligation or liability under the Sublease I incurred after the date of this Sublease.

21. Default/Termination. If BDI shall default in any covenant or agreement set forth herein or in any covenant or agreement set forth in the Sublease I, and should such default not be remedied or corrected within thirty (30) days after written notice of such default from the City to BDI, the City may at its option:

(a) Terminate this Sublease and declare this Sublease null and void, in which event all of BDI's rights hereunder shall be terminated and all monies theretofore paid by BDI shall be retained by the City as stipulated rent for the Premises and the Other Buildings as liquidated damages, and the City shall have its right to immediately re-enter the Premises and Other Buildings and recover full and exclusive possession thereof. In the event of such default and failure to remedy default, BDI and its assigns agree to yield possession of the Premises and the Other Buildings, any improvements thereto (whether now existing or hereafter erected) to the City upon demand, at no cost or expense to the City.

(b) Declare the entire balance of principal and any accrued interest immediately due and payable and the City shall have the right and privilege to take legal action against BDI for the collection of such sum, including the entry of any judgment.

(c) Elect any other remedy available to the City under the laws of the State of Montana.

(d) Any waiver by the City of any default shall not be construed as a waiver of any subsequent default. While such default continues, BDI shall not remove from the Premises any building or other property owned by BDI unless directed to do so by the City.

22. Notices. Any notice required under this Sublease shall be sent by certified mail, return receipt requested, postage prepaid, and addressed to the parties as follows:

The City: City of Billings
City Hall
Billings, MT 59101

BDI: President
Billings Depot, Inc.
2310 Montana Avenue
Billings, MT 59101

The address of any party may be changed by written notice given by such party as above provided.

23. Third Party Beneficiaries. Except as otherwise expressly provided herein, (a) nothing in this Sublease is intended to confer on and shall not be construed as creating in any person or party, other than the parties hereto or their respective successors or assigns, any rights or obligations under or by reason of this Sublease and (b) there are no third party beneficiaries to this Sublease.

24. Severability. The invalidity, illegality, or unenforceability of any one or more of the provisions of this Sublease shall not affect or impair the validity, legality or enforceability of the remaining provisions. To the extent permitted by applicable law, each party waives any provision of law that renders any provision of this Sublease invalid, illegal or unenforceable in any respect. In the event any provision of this Sublease shall be held to be invalid, illegal or unenforceable the parties hereto shall use reasonable efforts to substitute a valid, legal and enforceable provision that, insofar as is practical, implements the purposes hereof.

25. Attorneys' Fees and Costs. The successful party in any litigation arising out of a dispute between the parties with regard to this Sublease shall be entitled to recover reasonable attorneys' fees and costs of litigation.

26. Binding Effect. This Sublease shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and assigns.

27. Governing Law. The parties agree that this Agreement is governed in all respects by the laws of the State of Montana and the parties expressly agree that venue will be in the Thirteenth Judicial District Court, Yellowstone County, Montana, and no other venue.

28. Laws and Regulations. BDI shall comply fully with all applicable state and federal laws, regulations, and municipal ordinances including, but not limited to, all workers' compensation laws, all environmental laws including, but not limited to, the generation and disposal of hazardous waste, the Occupational Safety and Health Act (OSHA), all applicable City, County, and State building and electrical codes, the Americans with Disabilities Act and all non-discrimination, affirmative action, and utilization of minority and small business statutes and regulations.

29. Non-discrimination in Hiring. All hiring by BDI and contractors performing work for BDI will be on the basis of merit and qualification and will not discriminate on the basis of

race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.


30. Headings. The descriptive headings of the several sections and paragraphs of this Sublease are inserted for convenience only and do not constitute a part of this Sublease.

31. Counterparts. This Sublease may be executed in counterparts, each of which shall be deemed an original but together shall constitute one and the same instrument. Counterparts of this Sublease may be exchanged electronically and any electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

IN WITNESS WHEREOF, each of the parties hereto has executed this Sublease as of the date set forth in the first Paragraph.

"THE CITY"

City of Billings, a Montana municipal corporation


By: Bruce McCandless
Its: City of Billings

"BDI"

Billings Depot, Inc. a Montana nonprofit corporation

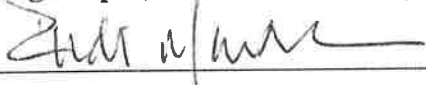

By:
Its: President

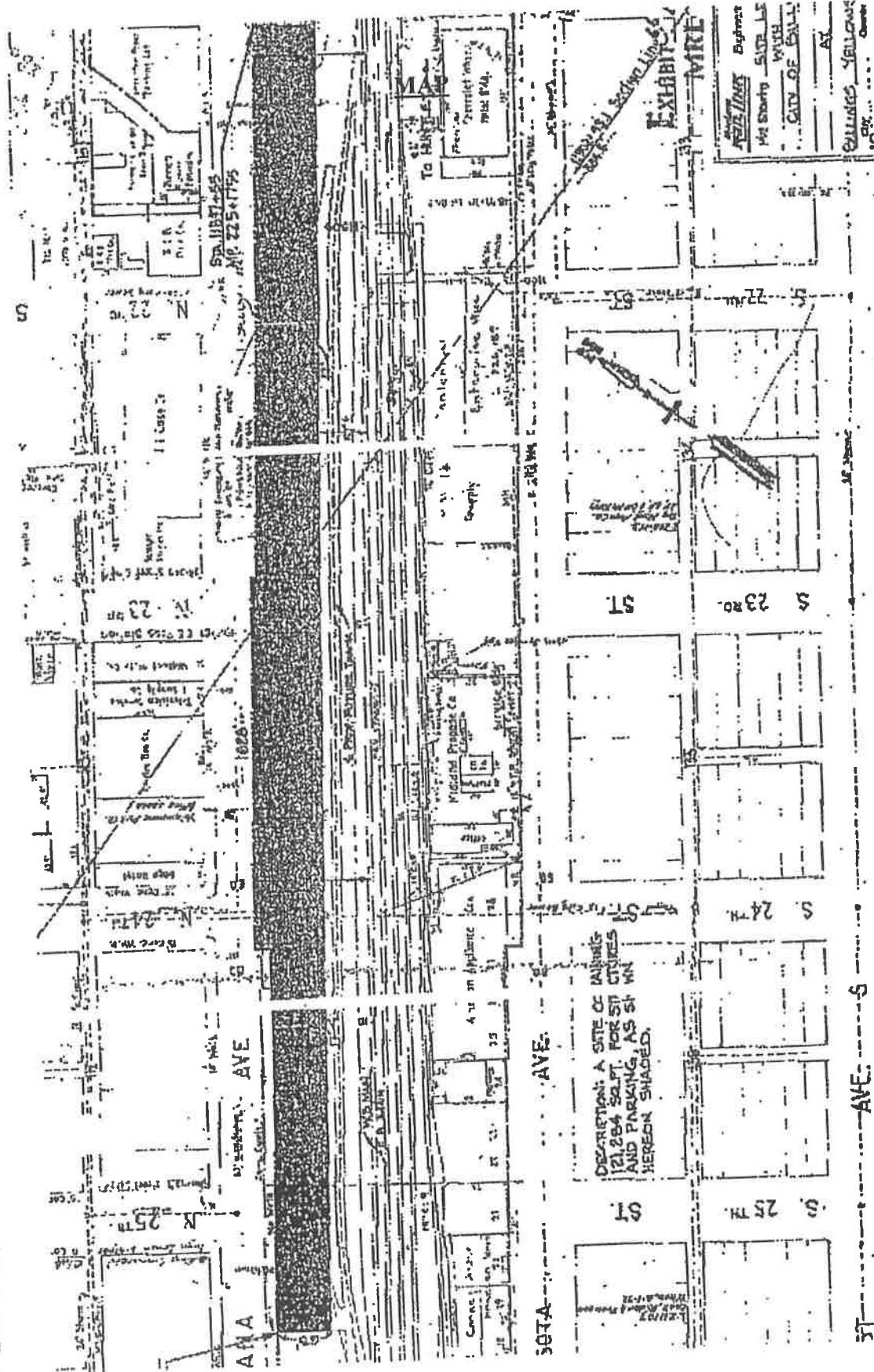
EXHIBIT A

The Premises, located in Yellowstone County, Montana, is described as follows:

The leasehold estate created by the Lease executed by Burlington Northern Railroad Company, as lessor, to Montana Rail Link, Inc., as lessee, recorded November 2, 1987 in Book 1314, page 1121, under Document No. 1462028, described subject property, to-wit:

Commencing at the northeast corner of said Section 3; thence west along the north line of said Section 3 a distance of 884.5 feet to a point of intersection with the centerline of Lessor's main track or its Yellowstone 2nd Subdivision at Engineers Station 11902+95.1; thence southwesterly along said centerline a distance of 196.9 feet to Engineers Station 11904+92; thence northwesterly at right angles to said centerline to a point 100 feet southeasterly from the southeasterly boundary of Montana Avenue and the Point of Beginning; thence continuing northwesterly at right angles to said centerline to the southeasterly boundary of Montana Avenue; thence southwesterly along said boundary to its intersection with a southeasterly extension of the southwesterly boundary of North 24th Street; thence southeasterly along said extension a distance of 20 feet; thence continuing southwesterly along the southeasterly boundary of Montana a distance of 480 feet; thence southeasterly at right angles to the southeasterly boundary of Montana Avenue a distance of 80 feet; thence northeasterly parallel with the southeasterly boundary of Montana Avenue to the Point of Beginning.

A map of the Premises is attached hereto.



ENGINEER
 H. J. ...
 CITY OF ...
 ...
 ...

TO ...
 ...
 ...

DESCRIPTION: A SITE OF BUILDING
 AND PARKING, AS SHOWN
 HEREON, SHADED.

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the "Sublease") is entered into and made as of August 15, 2008, by and between the **City of Billings**, a municipal corporation with a mailing address of 210 N. 27th St., Billings, MT 59101 (the "City") and **Billings Depot, Inc.**, a Montana nonprofit corporation with a mailing address of 2310 Montana Avenue, Billings, MT 59101 ("BDI").

RECITALS

A. Montana Rail Link, Inc. ("MRL") leases a system of rail tracks and various real properties from BNSF Railway Company ("BNSF"), pursuant to that certain agreement between MRL and BNSF dated July 21, 1987 (the "Master Lease"), including certain real property located in the City of Billings, Yellowstone County, Montana, which is more particularly described in **Exhibit "A"** attached to this Sublease (the "Premises").

B. Pursuant to the terms of that certain Sublease dated July 10, 1995 (the "Sublease I"), the City of Billings ("City") sublet from BNSF, MRL, and Inland Properties, Inc. ("Inland"), the Premises, which included the "BN Building" (which has also been described in various other documents as the BN Office Building, the Depot Services Building, and the multi-story office building which is the most easterly of the existing structures on the premises); and

C. At some point in the past, Inland acquired from BNSF all right, title, and interest to the following buildings which are located upon but legally severed from the Premises: (i) the Passenger Station; (ii) the Lunch Room; and (iii) the Railway Post Office Building (the "Other Buildings"). Inland did not acquire any interest in the BN Building; and

D. Pursuant to the terms of that certain Bill of Sale dated July 10, 1995, the City acquired from Inland all of Inland's right, title, and interest to the Other Buildings. The Bill of Sale did not include the BN Building; and

E. Pursuant to that certain Maintenance Agreement, dated July 10, 1995, BDI acquired from the City a leasehold interest in the Premises, the BN Building, and the Other Buildings. Under the Maintenance Agreement BDI agreed (i) to perform and discharge all of the City's covenants, duties, and obligations that the City has as lessee under the Sublease I; and (ii) to preserve and maintain the Premises, the BN Building, and the Other Buildings as an historic facility; and

F. The rights and interests of MRL, the City, and BDI in and to the Premises, the BN Building, and the Other Buildings are set forth and clarified in that certain Clarification Agreement dated August 15, 2008; and

G. The City desires to sublease to BDI whatever interest, if any, the City has in the Premises and the Other Buildings, all subject to the terms and conditions of this Sublease and, where applicable, the Sublease I. The City also desires to forfeit and assign to BDI any interest it may have in and to the BN Building; and

H. BDI wishes to sublease from the City whatever interest, if any, the City has in the Premises and the Other Buildings, all subject to the terms and conditions of this Sublease and, where applicable, the Sublease I.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements contained in this Sublease and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Sublease of Premises and the Other Buildings. The City subleases to BDI and BDI subleases from the City whatever interest the City has, if any, in the Premises and the Other Buildings. BDI agrees to comply with all of the terms and conditions of the Sublease I and to discharge all of the City's obligations under the Sublease I as the lessee therein.

2. Forfeiture and Assignment of Interest. The City irrevocably and forever forfeits and assigns to BDI any interest in and to the BN Building that the City may have or may claim to have had under the Sublease I or any other document. The City acknowledges that BNSF has transferred its ownership of the BN Building to BDI under the terms of a Real Estate Donation Contract.

3. Term. This Sublease shall commence on the date first written above and shall end on the earlier of either December 31, 2024, or the date on which this Agreement is otherwise terminated pursuant to **Paragraph 21** herein.

4. Rent. The annual rent payment shall be One and No/100 Dollars (\$1.00), which shall be payable directly to MRL under the terms of the Sublease I.

5. Use.

(a) Historic Facility. During the term of this Sublease, BDI shall preserve, manage, and operate the Premises and the Other Buildings as an historic facility, as that term is defined in 23 USC § 101(a), as it may be amended from time to time, for the benefit of the public.

(b) Activities. BDI may rent or lease the Premises or the Other Buildings, or any portion of the Premises or the Other Buildings, to commercial tenants for amounts that it determines to be reasonable. BDI shall have sole authority to determine the kind, duration, and number of revenue-generating activities at the Premises or the Other Buildings.

(c) Limitations. Notwithstanding any provision of this Sublease to the contrary, all activities at the Premises or the Other Buildings must be (i) compatible with preserving the Premises and the Other Buildings as an historic facility for the benefit of the public and (ii) in compliance with all applicable federal, state, and local statutes, regulations, laws, ordinances, and laws.

6. Sublease I Terms and Conditions. Except as otherwise provided in this Sublease, the terms, covenants, and conditions of the Sublease I are incorporated herein by reference and BDI agrees to perform and discharge all of the terms, covenants, and conditions of the Sublease I on the part of the lessee therein, commencing on the date of this Sublease.

7. Maintenance Agreement. Both parties acknowledge and agree that this Sublease terminates and renders null and void the Maintenance Agreement.

8. Waste and Nuisance. BDI shall comply with all applicable laws affecting the Premises, the breach of which might result in any penalty to the City or forfeiture of any right that the City may have to the Premises or the Other Buildings. BDI shall not commit, nor suffer to be committed, any waste or nuisance on the Premises.

9. Security. BDI shall provide and maintain fire and intrusion detection alarm systems on the Other Buildings.

10. Utilities, Maintenance, and Repair.

(a) BDI shall be responsible for all water, gas, heat, light, power, telephone services, and other public utilities of every kind furnished to the Premises and the Other Buildings, and all other costs and expenses of every kind in connection with the use, operation, preservation, maintenance, and restoration of the Premises and the Other Buildings and all activities conducted therein. BDI shall maintain the Premises and the Other Buildings, along with any improvements thereon, including sidewalks and parking lots, in good, neat, and sanitary repair and condition. All repairs and improvements made by BDI shall conform to the applicable codes, ordinances, laws, and regulations of the City of Billings and any other governmental authority or agency.

(b) The City shall have no responsibility of any kind for any of the expenses described in **Paragraph 10(a)** above or to make any repairs or improvements of any kind or description to the Premises or the Other Buildings or the improvements thereon. The City reserves the right to enter the Premises to make repairs necessary for the preservation of the Other Buildings. The cost of such repairs made by the City shall be the obligation of BDI provided that the City has first given notice to BDI of the conditions needing repair and BDI has not acted to make the necessary repairs within fifteen (15) days after receipt of such notice.

11. Approval Requirement and Expectations.

(a) The City requires that BDI undertake all use, operation, preservation, and restoration affecting the Premises and the Other Buildings in conformance with the Secretary of the Interior's "Standards for Historic Preservation Projects with Guidelines for Applying the Standards." BDI shall undertake no work of any kind whatsoever that affects the fabric of the Other Buildings and the Premises without the written concurrence of the Montana Historical Society and the City.

(b) The parties agree that a designee from the City will be named to act as a liaison between the City and BDI. The designee shall serve as an ex-officio member of the Board of Directors of BDI.

(c) To the extent such has not been done, the City and BDI shall develop written procedures, time tables, and processes for the reviews and approvals previously required by the Maintenance Agreement. The parties shall request regularly scheduled visits by the Montana Historical Society to the Premises for on-site review of use, operation, preservation, and restoration of the Premises and the Other Buildings.

12. Taxes and Assessments. BDI shall pay and discharge all taxes, assessments, rates, charges, license fees, levies, excises, and imposts, whether general or special, ordinary or extraordinary, of every nature as they become due.

13. Property Insurance. BDI shall at all times and at its sole expense insure the Premises and the Other Buildings and any other improvements thereon and contents thereof with fire and extended coverage insurance in the amount of 100% of the full insurable value of the Other Buildings. Except as otherwise provided for in this Sublease, any property insurance proceeds shall, so long as this Sublease is in effect, be used for the repair or replacement of the Other Buildings and any improvements thereon. Except as provided for in **Paragraph 14** herein, it is agreed and acknowledged that the City shall have no interest in the insurance upon the Other Buildings and any improvement thereon, and shall sign all documents necessary or proper in connection with the settlement of any claim or loss by BDI. The City agrees the Premises may be insured under any insurance policy maintained by the City, but the applicable portion of any premium due from the City that relates to the Other Buildings shall be paid by BDI within thirty (30) days after notice to BDI that the premium is due.

14. Damage to Premises or the Other Buildings. Because of the uniqueness of the historic and architectural value of the Premises and the Other Buildings, if there is significant damage, destruction, or partial destruction of the Premises or the Other Buildings, it is agreed that it may not be feasible to repair or restore the Premises or the Other Buildings to their authentic condition as good or better than existed prior to the damage or destruction. In case of such damage or destruction, if BDI in consultation with the City should determine that it wishes to repair, restore, or replace the Premises or the Other Buildings, then the proceeds of any insurance coverage shall be made available to BDI for such repair, restoration, or replacement of the Premises or the Other Buildings. Should BDI in consultation with the City decide not to repair, restore, or replace the Premises or the Other Buildings, then the insurance proceeds shall: first, be applied to pay any debts, loans, or obligations BDI has secured or may secure for preservation, maintenance, and restoration under this Sublease and the Sublease I and, second, surplus proceeds, if any, shall be applied to similar projects determined jointly by the City and BDI.

15. Liability Insurance.

(a) BDI shall maintain liability insurance covering the Premises and the Other Buildings and any appurtenances, sidewalks, and parking lots of ONE MILLION

FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) combined single limits of liability for each occurrence for bodily injury or property damage regardless of the number of persons or organizations who sustain bodily injury or property damage or the number of claims made, or suits brought, on account of bodily injury or property damage. Such insurance shall specifically insure BDI against all liability assumed by it under this Sublease, and shall insure both the City and BDI against all liability imposed by law against them. In addition, the policy or policies shall contain a provision that no cancellation thereof shall be effective by the insurer without thirty (30) days written notice to the City.

(b) Unless the above insurance coverage is provided under policies maintained by or in the name of the City, at least twenty (20) days prior to the date of expiration of any insurance policy, BDI shall deliver to the City the certificate of renewal of such policy, which certificate indicates the payment of the premiums. All insurance policies carried by any party covering the Premises or the Other Buildings shall expressly waive any right, including subrogation, on the part of any party against the others. All policies shall require the insurance companies to notify the City in writing prior to any cancellation of the insurance policy.

16. Hold Harmless/Indemnification. The City, its administrators, council members, officers, agents, and employees shall not be liable for any liabilities, claims for damages, or suits for or by any reason of any death or injury to any person or damage to property of any kind, whether to the person or property of BDI, its agents, or employees or to the person or property of any third person, from any cause whatsoever while on the Premises or in the Other Buildings during the term of this Sublease. BDI covenants and agrees to indemnify and to save harmless the City, its administrators, council members, officers, agents, and employees from all liabilities, charges, expenses (including attorney fees), and costs on account of such death, injury, damage, liability, claim, suit, or loss, however occurring. However, this hold harmless covenant shall not apply to any loss, injury, death, or damage arising by reason of the negligence or misconduct of the City, its administrators, council members, officers, agents, and employees.

17. Effect of Eminent Domain. In the event that the Premises or any part thereof, shall be appropriated or taken under the power of eminent domain or conveyed under the threat of eminent domain by any public or quasi-public authority so that the Premises or any of the Other Buildings can no longer be operated as an historic facility in the manner operated at the time of such appropriation or taking, this Sublease shall terminate and BDI shall have the following rights:

(a) To consult with the City to have the condemnation award applied under **Paragraph 14** above; and

(b) To recover such compensation from the condemning authority for any loss or damage caused by such condemnation.

18. Non-Assignment. BDI shall not have the right to assign or transfer this Sublease to any third party without the prior written consent of the City.

19. Mortgages. The City shall have no right to place mortgages or have liens placed on the Premises or the Other Buildings without the prior written consent of BDI. BDI shall have no right to place mortgages or have liens placed on the Premises or on the Other Buildings without the prior written consent of the City, which consent shall not be unreasonably withheld, except for the US Bank National Association Leasehold Mortgage made contemporaneously with this Sublease. BDI shall have the right, subject to the terms of the Sublease I, to place mortgages or other liens on the Premises without the consent of the City.

20. Indemnification. BDI agrees to indemnify and hold the City harmless from any further obligation or liability under the Sublease I incurred after the date of this Sublease.

21. Default/Termination. If BDI shall default in any covenant or agreement set forth herein or in any covenant or agreement set forth in the Sublease I, and should such default not be remedied or corrected within thirty (30) days after written notice of such default from the City to BDI, the City may at its option:

(a) Terminate this Sublease and declare this Sublease null and void, in which event all of BDI's rights hereunder shall be terminated and all monies theretofore paid by BDI shall be retained by the City as stipulated rent for the Premises and the Other Buildings as liquidated damages, and the City shall have its right to immediately re-enter the Premises and Other Buildings and recover full and exclusive possession thereof. In the event of such default and failure to remedy default, BDI and its assigns agree to yield possession of the Premises and the Other Buildings, any improvements thereto (whether now existing or hereafter erected) to the City upon demand, at no cost or expense to the City.

(b) Declare the entire balance of principal and any accrued interest immediately due and payable and the City shall have the right and privilege to take legal action against BDI for the collection of such sum, including the entry of any judgment.

(c) Elect any other remedy available to the City under the laws of the State of Montana.

(d) Any waiver by the City of any default shall not be construed as a waiver of any subsequent default. While such default continues, BDI shall not remove from the Premises any building or other property owned by BDI unless directed to do so by the City.

22. Notices. Any notice required under this Sublease shall be sent by certified mail, return receipt requested, postage prepaid, and addressed to the parties as follows:

The City: City of Billings
City Hall
Billings, MT 59101

BDI: President
Billings Depot, Inc.

2310 Montana Avenue
Billings, MT 59101

The address of any party may be changed by written notice given by such party as above provided.

23. Third Party Beneficiaries. Except as otherwise expressly provided herein, (a) nothing in this Sublease is intended to confer on and shall not be construed as creating in any person or party, other than the parties hereto or their respective successors or assigns, any rights or obligations under or by reason of this Sublease and (b) there are no third party beneficiaries to this Sublease.

24. Severability. The invalidity, illegality, or unenforceability of any one or more of the provisions of this Sublease shall not affect or impair the validity, legality or enforceability of the remaining provisions. To the extent permitted by applicable law, each party waives any provision of law that renders any provision of this Sublease invalid, illegal or unenforceable in any respect. In the event any provision of this Sublease shall be held to be invalid, illegal or unenforceable the parties hereto shall use reasonable efforts to substitute a valid, legal and enforceable provision that, insofar as is practical, implements the purposes hereof.

25. Attorneys' Fees and Costs. The successful party in any litigation arising out of a dispute between the parties with regard to this Sublease shall be entitled to recover reasonable attorneys' fees and costs of litigation.

26. Binding Effect. This Sublease shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and assigns.

27. Governing Law. The parties agree that this Agreement is governed in all respects by the laws of the State of Montana and the parties expressly agree that venue will be in the Thirteenth Judicial District Court, Yellowstone County, Montana, and no other venue.

28. Laws and Regulations. BDI shall comply fully with all applicable state and federal laws, regulations, and municipal ordinances including, but not limited to, all workers' compensation laws, all environmental laws including, but not limited to, the generation and disposal of hazardous waste, the Occupational Safety and Health Act (OSHA), all applicable City, County, and State building and electrical codes, the Americans with Disabilities Act, and all non-discrimination, affirmative action, and utilization of minority and small business statutes and regulations.

29. Non-discrimination in Hiring. All hiring by BDI and contractors performing work for BDI will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.

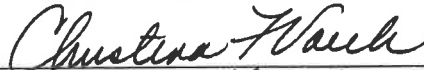
30. Headings. The descriptive headings of the several sections and paragraphs of this Sublease are inserted for convenience only and do not constitute a part of this Sublease.

31. Counterparts. This Sublease may be executed in counterparts, each of which shall be deemed an original but together shall constitute one and the same instrument. Counterparts of this Sublease may be exchanged electronically and any electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

IN WITNESS WHEREOF, each of the parties hereto has executed this Sublease as of the date set forth in the first Paragraph.

"THE CITY"

City of Billings, a Montana municipal corporation



By: CHRISTINA F. VOLEK

Its: CITY ADMINISTRATOR

"BDI"

Billings Depot, Inc., a Montana nonprofit corporation

By:

Its:



President.

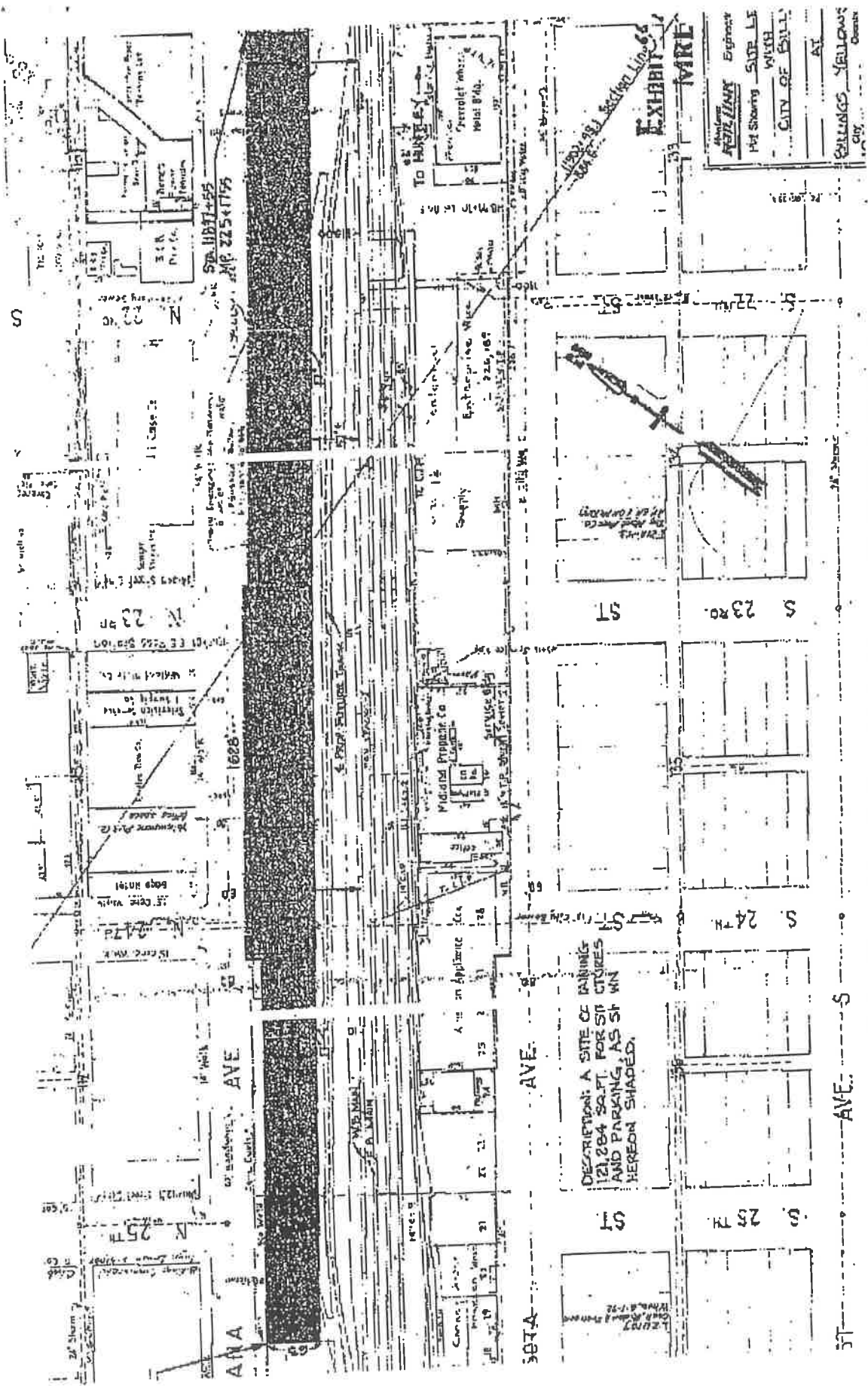
EXHIBIT A

The Premises, located in Yellowstone County, Montana, is described as follows:

The leasehold estate created by the Lease executed by Burlington Northern Railroad Company, as lessor, to Montana Rail Link, Inc., as lessee, recorded November 2, 1987 in Book 1314, page 1121, under Document No. 1462028, described subject property, to-wit:

Commencing at the northeast corner of said Section 3; thence west along the north line of said Section 3 a distance of 884.5 feet to a point of intersection with the centerline of Lessor's main track or its Yellowstone 2nd Subdivision at Engineers Station 11902+95.1; thence southwesterly along said centerline a distance of 196.9 feet to Engineers Station 11904+92; thence northwesterly at right angles to said centerline to a point 100 feet southeasterly from the southeasterly boundary of Montana Avenue and the Point of Beginning; thence continuing northwesterly at right angles to said centerline to the southeasterly boundary of Montana Avenue; thence southwesterly along said boundary to its intersection with a southeasterly extension of the southwesterly boundary of North 24th Street; thence southeasterly along said extension a distance of 20 feet; thence continuing southwesterly along the southeasterly boundary of Montana a distance of 480 feet; thence southeasterly at right angles to the southeasterly boundary of Montana Avenue a distance of 80 feet; thence northeasterly parallel with the southeasterly boundary of Montana Avenue to the Point of Beginning.

A map of the Premises is attached hereto.



TO HUNLEY
Central office
Retail Bldg.

DESCRIPTION: A SITE OF 121,284 SQ. FT. FOR SIX OFFICES AND PARKING, AS SHOWN HEREON SHADED.

EXHIBIT
 ENGINEER
 H. J. SHERRY
 SITE L.S.
 WITH
 CITY OF FALLS
 CITY
 YELLOW
 COUNTY

Lot No.	Area	Notes
21	21.71	
22	21.71	
23	21.71	
24	21.71	
25	21.71	
26	21.71	
27	21.71	
28	21.71	
29	21.71	
30	21.71	
31	21.71	
32	21.71	
33	21.71	
34	21.71	
35	21.71	
36	21.71	
37	21.71	
38	21.71	
39	21.71	
40	21.71	
41	21.71	
42	21.71	
43	21.71	
44	21.71	
45	21.71	
46	21.71	
47	21.71	
48	21.71	
49	21.71	
50	21.71	

ANA AVE

307A AVE

25TH AVE

23RD AVE

1625

1626

1625
1626

25TH

24TH

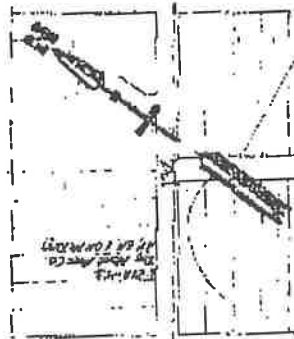
23RD

25TH

24TH

23RD

22RD



121,284 SQ. FT. FOR SIX OFFICES AND PARKING, AS SHOWN HEREON SHADED.

121,284 SQ. FT. FOR SIX OFFICES AND PARKING, AS SHOWN HEREON SHADED.

CONSENT TO SUBLEASE AGREEMENT FOR LEASE NO. 500,500
01BILLINGS

THIS CONSENT TO SUBLEASE AGREEMENT ("**Agreement**") is dated as of the 21st day of August, 2008 (the "**Effective Date**") between **MONTANA RAIL LINK, INC.**, a Montana corporation ("**Lessor**"), whose mailing address is Property Management Division, PO Box 16630, Missoula, MT 59808-6630 and physical address is 101 International Way, Missoula, MT 59808 and

whose address is CITY OF BILLINGS, ("**Lessee**")
 OFFICE OF CITY ADMINISTRATOR
 PO BOX 1178
 59103

whose address is BILLINGS DEPOT, INC., ("**Sublessee**")
 2310 MONTANA AVE.
 BILLINGS, MT 59101

RECITALS

A. Lessor is in the railroad transportation business and leases a system of rail tracks ("**Lessor's Track(s)**") and various real properties associated therewith from BNSF Railway Company, a Delaware corporation ("**BNSF**"), pursuant to that certain Agreement between Lessor and BNSF dated July 21, 1987 ("**Master Lease**"), including the Premises described below which Lessee desires to sublease to Sublessee.

B. Lessor and Lessee entered into a Indefinite Term Lease Agreement for Land ("**Lease**") on July 10, 1995.

C. By the terms and provisions of the Lease, Lessor leases to Lessee and Lessee leases from Lessor that certain Premises situated in the City of Billings, County of Yellowstone, State of Montana, Mile Post 225+1755, Survey Station 11897+55 as more particularly described in the Lease ("**Premises**").

D. Sublessee desires to sublease the Premises and therefore, Lessee and Sublessee desire Lessor's and BNSF's consent for Lessee to sublease the Premises to Sublessee.

NOW, THEREFORE, in consideration of the mutual covenants, premises, and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

In consideration of the mutual covenants herein, Lessor and Lessee hereby agree as follows:

1. Sublessee assumes and agrees to perform all of the covenants, duties, and obligations of Lessee under the Lease.

2. This Agreement and the Lease are subject and subordinate to the Master Lease. BNSF by its signature below acknowledges Lessee's rights under the Lease, if, prior to the termination of the Lease, or to the expiration of the term of the Lease, the term of the Master Lease expires, the Master Lease is terminated or BNSF reenters and repossesses the Premises after a default by Lessor under the Master Lease. If BNSF succeeds to the rights of Lessor as the "Lessor" under the Lease, Lessee agrees that (i) BNSF shall not be liable or responsible for any breach of or default under the Lease arising prior to the date that BNSF succeeds to the rights of Lessee as the "Lessor" under the Lease; (ii) BNSF shall not be required to cure or correct any breach or default under the Lease arising prior to the date that BNSF succeeds to the rights of Lessor as the "Lessor" under the Lease; and (iii) no breach of or default under the Lease arising prior to the date that BNSF succeeds to the rights of Lessor as the "Lessor" under the Lease shall excuse, delay, release or relieve Lessee from the payment and performance of all of Lessee's duties and obligations under the Lease. The preceding sentence is not intended and shall not be construed to affect any rights or remedies of Lessee against Lessor

arising or resulting from a breach of or default under the Lease by Lessor prior to the date that BNSF succeeds to the rights of Lessor as the "Lessor" under this Lease. If BNSF succeeds to the rights of Lessor as the "Lessor" under this Lease, Lessee agrees to recognize BNSF as the "Lessor" under the Lease and timely tender payment and performance of Lessee's duties and obligations under the Lease to BNSF as if BNSF were named as "Lessor" in the Lease.

3. Lessee and Sublessee shall jointly and severally perform and be bound by all of the terms, conditions, and provisions of the Lease during the term of the sublease from Lessee to Sublessee. Lessee and Sublessee shall be jointly and severally liable for all obligations of Lessee under the Lease.

4. Lessee shall cause the Sublessee to grant Lessor an express first and prior contract lien and security interest in Sublessee's personal Premises.

5. Sublessee shall use and occupy the Premises for the exclusive purpose of:

i. Historic Facility. Sublessee shall preserve, manage, and operate the Premises as an historic facility, as that term is defined in 23 USC § 101(a), as it may be amended from time to time, for the benefit of the public.

ii. Activities. Sublessee may rent or lease the Premises or the buildings thereon or any portion of the Premises or buildings thereon to commercial tenants for amounts that it determines to be reasonable. Sublessee shall have sole authority to determine the kind, duration, and number of revenue generating activities at the Premises.

iii. Limitations. All activities at the Premises must be (a) compatible with preserving the Premises as an historic facility for the benefit of the public and (b) in compliance with all applicable federal, state, and local statutes, regulations, laws, ordinances, and laws.

6. Lessee will remain directly and primarily liable for the performance of all of the covenants, duties, and obligations of Lessee under the Lease (including, without limitation, the obligations to pay all rent and other amounts due), and Lessor may enforce the Lease against the Lessee without prior demand upon Sublessee.

7. Subject to and in consideration of the terms and conditions hereof and of the Master Lease, Lessor and BNSF agree that the sublease of the Premises is not a default under the Lease and consents to the execution of the sublease; provided, however, that this consent shall not be construed as consent to any further or different sublease of the Premises.

8. Lessor may, in Lessor's sole and absolute discretion, terminate the sublease by delivering written notice to Lessee of Lessor's desire for the sublease to be terminated. Upon receipt of such notice, Lessee shall have ten (10) days to deliver written notice of termination to Sublessee. The sublease shall terminate, and Sublessee shall peaceably and quietly surrender the Premises, thirty (30) days after Sublessee's receipt of a notice of termination from Lessee pursuant to this paragraph. Lessor shall have no liability to Lessee or Sublessee as a result of exercising its rights under this paragraph.

9. Lessee agrees that Lessor is not currently in default under the Lease, nor does any condition exist which, with the passage of time alone, could constitute a default under the Lease. **Lessee and Sublessee agree to fully and forever release and discharge Lessor and BNSF from any claim whatsoever relating to any period covered by the Lease prior to the date hereof.**

10. Lessee shall pay to Lessor, upon Lessee's execution of this Agreement, One Hundred Fifty Dollars (\$150.00) as a processing fee for this Agreement. Any consent to sublease shall be conditioned on Lessor's receipt of such processing fee.

11. Unless otherwise provided herein, all capitalized and/or defined terms herein shall have the same meaning given to such capitalized and/or defined terms in the Lease.

12. Except as or may be amended hereby, all of the terms and provisions of the Lease are hereby reaffirmed and remain in full force and effect. In the event there is a conflict between the terms and provisions of the Lease and the terms and provisions of this Agreement, the terms and provisions of this Agreement shall control.

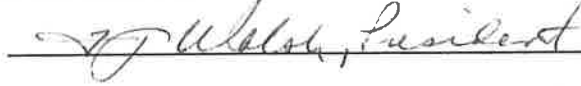
13. This Agreement may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original but which together shall constitute one and the same instrument, and the signature pages from any counterpart may be appended to any other counterpart to assemble fully executed documents, and counterparts of this

Agreement may also be exchanged via electronic facsimile machines and any electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

Executed by the parties to be effective as of the Effective Date set forth above.

LESSOR

Montana Rail Link, Inc., a Montana corporation

By: 

Tom Walsh, President Montana Rail Link, Inc

LESSEE

City of Billings

By: 

Printed Name: CHRISTINA F. VOLEK

Title: CITY ADMINISTRATOR

SUBLESSEE

Billings Depot, Inc.

By: 

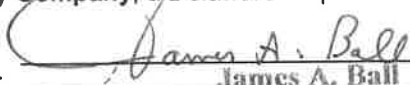
Printed Name: Jim Goodridge

Title: President

BNSF's execution in the space provided below evidences BNSF's consent to this Agreement. This Agreement is not valid and shall have no force and effect without BNSF's signature.

BNSF

BNSF Railway Company, a Delaware corporation

By: 
Name: James A. Ball
Title: Senior Manager - Land Revenue Management

BNSF Railway Company
2500 Lou Menk Drive, AOB-3
Fort Worth, TX 76131-2828
Attn: Real Estate

SCANNED



CONTRACT ROUTING FORM

(please attach three originals of agreement, signed by contractor, and any supporting documents)

PARTIES TO THE CONTRACT: City of Billings & Billings Depot Inc.

PURPOSE OF CONTRACT: Amended Sublease Agreement

1) Signature of person requesting contract signatures:
Comments:

Name: Brent Brooks

Dept: Legal

Phone #: 657-8202

Signature: [Handwritten Signature]

Date: 11.16.2018

2) Signature of Purchasing Agent:
Comments:

Name: Liz Kampa-Weatherwax

Signature: [Crossed out]

Date: [Crossed out]

3) Signature of Legal Department:
Comments:

OK

Name: BRENT BROOKS

Signature: [Handwritten Signature]

Date: 11-19-18

4) Signature of City Administrator (\$50,000 or less) or Mayor (\$50,000+ or if approved by Council):
Comments:

Name: Bruce McCandless

Signature: [Blank]

Date: 11.16.2018

4) Signature of City Clerk:
(that they received one Original final copy of contract)
(2nd original returned to requestor)

Name: Denise R. Bohman

Signature: [Blank]

Date: 11-23-2018

Revitalizing the Babcock Theatre: A Partnership for the Future



Investments and the Need for Additional Funding
October 2024

CASEY DONAHEW



Art House has been working in partnership with the City of Billings to preserve and revitalize the theatre for future generations.

This presentation outlines the updates made and the remaining funding needs.

Timeline of Key Events

Sept 2018: Initial Walkthrough and Identification of Key Issues

Nov 2023: Meeting with Babcock Committee to Discuss Work

Mar 2024: Presentation to City Council & Request for Funds

Aug 2024: Request Through TIF to City Council, Postponed for further discussion

CASEY DONAHEW

Revitalizing the Babcock Theatre:

Completed and In-progress work



As of October 16th, 2024

CASEY DONAHEW

Babcock Building Updates: Completed and In-progress

INITIAL ASSESSMENT AND TOP PRIORITIES

These projects were to evaluate all areas of improvement and then to address immediate safety concerns

Architecture/Engineer Review

Art House Funds: \$5,000

Status: Complete

Mop Closet/Stairs Support

Art House Funds: \$26,000

Status: Complete

Sidewalk Vault Project

Art House Funds: \$268,891

Status: In-progress

Babcock Building Updates: Completed and In-progress

Sidewalk/Vault Project Cost Increases

Original Estimate

Date: Fall 2021

\$184,000

Final Cost

Date: Spring 2024

\$268,891

CASEY DONAHEW

Babcock Building Updates: Completed and In-progress



CASEY DONAHEW

Sidewalk



Babcock Building Updates: Completed and In-progress

Total Art House contribution for these projects:

\$299,891

Our funding is tied up in keeping the Babcock safe and operational, leaving no room to fulfill our mission of enriching Billings with film, art and culture. Without support, our ability to offer meaningful programs is at risk.



Revitalizing the Babcock Theatre:
Projects awaiting funding



As of October 16th, 2024

Babcock Building Updates: Projects awaiting funding

SAFETY CONCERNS

These projects are of critical importance and are liabilities.

Balcony Safety/Railing
Estimated Cost: \$50,000

Brick Stack Demo/Rebuild
Estimated Cost: \$30,000

TOTAL FUNDS NEEDED:

\$80,000

CASEY DONAHEW

Babcock Building Updates: Projects awaiting funding

REVITALIZATION

These projects are of critical importance and are meant to revitalize an aging marquee.

Marquee

Steel Cabling Repairs:	\$4,000
Roof Abatement:	\$5,500
Roof Replacement:	\$35,000
Interior Paneling:	\$15,000
Electrical Components:	\$30,000
Soffit Repair:	\$2,500
Lead Paint Analysis:	\$1,500
25% Inflation (Estimated):	\$23,375

TOTAL FUNDS NEEDED:

\$116,875

Babcock Building Updates: Projects awaiting funding

REVITALIZATION

These projects are meant to revitalize an aging marquee and aid in day-to-day operation as well as improve safety of staff.

Marquee (Ancillary Needs)

*Marquee Letters:	\$10,000
*Lift for Maintenance:	\$15,000

TOTAL FUNDS NEEDED:

\$25,000

**Art House will independently
fundraise for this.**

Babcock Building Updates: Projects awaiting funding

ENHANCING EFFICIENCY AND IMPROVING LIFE SAFETY

These projects are to increase the efficiency and safety of the building

Entry Doors

Estimated Cost: \$50,000

Alley Exit Doors

Estimated Cost: \$20,000

Outside Entry Floor

Estimated Cost: \$10,000

TOTAL FUNDS NEEDED:

\$80,000

Babcock Building Updates: Projects awaiting funding

SAFETY:

Balcony Safety/Railing
Estimated Cost: \$50,000

Brick Stack Demo/Rebuild
Estimated Cost: \$30,000

REVITALIZATION:

Marquee Repair
Estimated Cost: \$116,875

EFFICIENCY/SAFETY

Entry Doors
Estimated Cost: \$50,000

Alley Exit Doors
Estimated Cost: \$20,000

Outside Entry Floors
Estimated Cost: \$10,000

TOTAL FUNDS NEEDED:
\$80,000

TOTAL FUNDS NEEDED:
\$116,875

TOTAL FUNDS NEEDED:
\$80,000

Babcock Building Updates: Projects awaiting funding

TOTAL FUNDS NEEDED:

\$276,875

We've already redirected critical funds to cover essential repairs that weren't originally funded. Now, with the next phase of projects looming, we simply can't move forward without additional financial support.

CASEY DONAHEW

Funding Sources

Current Funding:

- **MT Historic Preservation Grant:**
Stage Door, Sidewalk, Entry Floor, Marquee
- **Member and Community Donations**

Potential Funding:

- **City Funds:** What can be allocated annually?

Funding Sources

MT Historic Preservation Grant: \$236,000

Minimum of \$5,000 must be spent on all four projects to satisfy the grant

Exterior Doors

Funds Spent:

\$5,000

Sidewalk

Funds Spent:

\$268,891

Floor

Funds Spent:

\$0

Marquee

Funds Spent:

\$0

CASEY DONAHEW

Additional Projects not Estimated

SAFETY CONCERNS

City of Billings Facility Manager recommends projection booth repair in order to not cause a larger structural failure. If left unaddressed it could become a liability.

Engineering Analysis
Estimated Cost: \$4,000

Projection Booth Repair
Estimated Cost: TBD

TOTAL FUNDS NEEDED:

TBD

TIF Funds Proposal

Developed in partnership with the DBA in response to the work completed by Art House and remaining need. - Oct 16th, 2024

Eligible Expense	MT Historical Preservation Grant	Art House Billings Match	Tax Increment Financing	Eligibility - MCA 7-15-4288	Project Total
Vaulted Sidewalks	\$146,000.00	\$38,000.00	\$84,891.00	MCA 7-15-4288	\$268,891.00
Marquee Structural Repairs	\$40,000.00	\$10,000.00	\$43,500.00	MCA 7-15-4288	\$93,500.00
Brick Boiler Stack/Chimney			\$30,000.00	MCA 7-15-4288	\$30,000.00
Balcony Safety Railings			\$50,000.00	MCA 7-15-4288	\$50,000.00
Exterior Doors/Storefront/Floors	\$40,500.00	\$11,000.00	\$0	MCA 7-15-4288	\$51,500.00
Stair Support/Plumbing Leak			\$26,000.00	MCA 7-15-4288	\$26,000.00
Professional Services/Permits	\$9,500.00	\$6,000.00		MCA 7-15-4233	\$15,500.00
Subtotal	\$236,000.00	\$65,000.00	\$234,391.00		\$535,391.00
Contingency (25%)			\$66,625.00		
Total Project Allocation	\$236,000.00	\$65,000.00	\$301,016.00		\$535,391.00

Art House and the City's partnership is key to ensuring the sustained success of the Babcock Theatre and the overall vitality of Downtown Billings.

Art House has contributed significant funds and effort to restore the Babcock Theatre and we are asking the City to allocate additional funds to complete the remaining repairs and preserve this historic site.

CASEY DONAHEW



City of Billings

BABCOCK THEATER LEASE AGREEMENT

THIS BABCOCK THEATER LEASE AGREEMENT (this "Lease" or this "Agreement") is made effective the 1st day of November 2018, by and between THE CITY OF BILLINGS, MONTANA of 210 N. 27th Street, Billings, MT 59101 ("City"), and ART HOUSE MANAGEMENT LLC, A MONTANA NONPROFIT LIMITED LIABILITY COMPANY, of 109 North 30th Street, Billings, MT 59101 ("Lessee").

WITNESSETH

1. Description of Leased Premises and Uses.

Effective November 1, 2018, City leases to Lessee and Lessee leases from City, for the purpose of establishing and operating a performing arts center dedicated to the presentation and development of all of the performing arts for the benefit of the public, certain land, improvements, structures, and appurtenances more particularly described as follows (the "premises"):

Real property commonly known as the Babcock Theatre, located at 2810 ½ 2nd Avenue North, in Billings, Montana, more accurately described as:

Unit 1A together with an undivided 41 percent interest in the general common elements and limited common, if any, elements of HISTORIC BABCOCK BUILDING, Billings Original Townsite, a condominium project located on all of Lots 7-12 and a fractional portion of Lot 6 all in Block 93, according to the official plat on file in the Yellowstone County, Montana, Clerk and Recorder under Document No. 16312, as the unit boundaries and general and limited common elements are established, defined and identified in the Declaration of Unit Ownership for the Historic Babcock Building recorded June 25, 2010, under document No. 3553865, and the First Amendment to Declaration of Unit Ownership for Historic Babcock Building recorded on May 29, 2018, under Document No. 3850322, in the Yellowstone County, Montana Clerk and Recorder office.

As used herein, the "premises" refers to the portion of building, and any and all improvements located, constructed or established upon the property described above, whether made prior to the commencement of the term of this Lease, during the term of this Lease, or during the renewal term thereof.

Lessee understands that the premises includes: the theater area including main level, balcony, second floor concession areas and green room. The use of the Arcade Area shall be in accordance with the Historic Babcock Property Owner's Association's (HBPOA) Condo Bylaws and any amendments made to Bylaws thereafter, which are attached to this Lease Agreement as Attachment A.



City of Billings

2. Term and Possession of Premises.

Upon execution of this lease, the term of this lease shall be fifteen (15) years, with options to renew pursuant to Paragraph 27 of this Agreement. Notwithstanding the foregoing sentence, City and Lessee acknowledge that Lessee has been operating the Premises since August 1, 2018. It is understood that Lessee is responsible for all expenses related to the Babcock Theatre, and also retains net revenues for said property.

City acknowledges and agrees that (a) alcoholic beverages may be sold at the premises from time to time, (b) Cine Billings, a Montana nonprofit corporation doing business as Art House ("Art House"), is the sole member of Lessee, and (c) Art House owns a nonprofit arts on-premises beer and wine license and Lessee is authorized to sublease the premises to Art House solely for the purpose of alcoholic beverage sales, provided that Art House first completes the insurance requirements of Paragraph 16 of this Lease.

3. Rent.

The City recognizes the value to the City of Billings and its citizens of the development, continued use, and improvement of the premises as a performing arts center. In consideration of the above and the covenants and conditions of this Lease Agreement, Lessee agrees to pay the City rent for the premises in the amount of \$1.00 each year, payable on the date of this Lease Agreement and yearly on the anniversary of that date, for the full term of this Lease.

4. Signage.

Lessee shall have the right, at its expense, to select, install and maintain any signage so long as it fits within the original design and historic intent of the Premises and any HBPOA rules and/or policies, as well as in accordance with State or City of Billings ordinances.

5. Covenants of Use.

Lessee covenants and agrees to use the premises for general theater use to include, but not be limited to, movies, concerts, non-profit events, musical concerts, public speaking events and other special events mimicking the spirit of the previously listed activities. Intended use is outlined in the Proposal (Attachment B).

6. Funding of Repairs and Renovations.

City shall not be required to make any improvements, replacements of any kind or character to the leased premises except as provided below. Lessee shall not be obligated to make any renovations or improvements to the premises which are not authorized by the City and the HBPOA and mutually agreed to by Lessee.



City of Billings

City shall provide Lessee funds as approved through the budget process by the Mayor and Council for improvements to the premises. Lessee shall make recommendations to City regarding improvements, however, City shall make final determination and approval of improvements.

Normal repairs within the Theater which do not exceed \$9,999.99, within the calendar year, in the aggregate, will be undertaken by the Lessee as soon after discovery as can reasonably be arranged. Competition for the procurement of goods and services shall be competed through the normal City process for improvements/repairs/equipment which exceed \$9,999.99. Any single expenditure exceeding \$79,999.99 must receive prior approval from the City Council. The time or date when such renovations and improvements shall be made and shall be coordinated with the City, the Lessee and the HBPOA. Lessee shall provide City with such reasonable information as Lessee has developed concerning such renovations and improvements as may be requested by City.

The Parties have created and will maintain a committee of at least five (5) interested parties as an advisory group known as the "Babcock Improvements Committee," who shall meet as needed, but at least annually, to review and approve all repairs and improvements to the Theater. To the extent possible, the Parties and Committee shall identify the desired projects for each year. The Parties acknowledge that such priorities may change on an as-needed basis.

The City's purchasing procedures shall not apply to any renovations and improvements made by Lessee at their own expense, without payment or reimbursement by the City; however, all renovations and improvements of \$500 or more shall be approved by the Babcock Improvements Committee and through the normal donation acceptance process by the City Council.

All renovations and improvements made by Lessee shall conform to applicable codes, ordinances, laws and regulations of the City of Billings and any other governmental authority or agency, and in accordance with HBPOA bylaws, and shall be owned solely by the City and remain with the property.

7. Warranties of Title and Quiet Possession.

City covenants that City has a right to occupy the premises and has the full right to make this Lease and that Lessee shall have quiet possession of the premises during the term hereof.

8. Use Prohibited.

Lessee shall not use, or permit the demised premises, or any part thereof, to be used, for any unlawful or illegal purpose or purposes that violate Federal, State or City of Billings ordinances or resolutions.



City of Billings

9. HBPOA Non-Compete Clause.

No uses shall be allowed that are in direct competition with the existing businesses of the Babcock Building, as a main source of income by the Lessee. For purposes of clarification, the sale of alcoholic beverages and concessions and occasional displays of works of art shall not be considered direct competition with existing businesses of the Babcock Building.

10. Waste and Nuisance Prohibited.

During the term of this Lease, Lessee shall comply with all applicable laws affecting the premises, the breach of which might result in any penalty to City or forfeiture of City's title to the premises. Lessee shall not commit or suffer to be committed any waste on the premises, or any nuisance.

11. Abandonment of Premises.

Lessee shall not vacate or abandon the demised premises at any time during the term hereof. If Lessee shall abandon, vacate, or surrender the demised premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the demised premises shall, at the option of the City, be deemed to be abandoned unless appropriate arrangements for removal have been agreed to by City and Lessee.

12. Notices.

All notices, demands or other writings in this Lease provided to be given or sent, by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

To City: The City of Billings
 ATTN: City Administrator
 210 North 27th Street
 Billings, MT 59101

To Lessee: Art House Management LLC
 ATTN: Matt Blakeslee
 109 North 30th Street
 Billings, MT 59101

With copy to: City Attorney's Office
 P.O. Box 1178
 Billings, MT 59103-1178



City of Billings

The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

13. Taxes and Assessments.

- a) From and after November 1, 2018, it is agreed that the premises shall be subject to, and Lessee shall pay and discharge as they become due, such taxes, assessments, rates, charges, license fees, municipal liens, levies, excises or imposts, whether general or special, or ordinary or extraordinary, of every name, nature and kind whatsoever, only to the extent such charges are imposed on other buildings owned by City.
- b) From and after November 1, 2018, it is agreed that the premises shall be subject to, and Lessee shall pay and discharge as they fall due during the term of this Lease, such special assessments, levies or charges, made by any municipal or political subdivision for local improvements only to the extent that such charges are imposed on other buildings owned by City.
- c) The City shall render payment for all items above and provide invoice(s) to Lessee for payment of such within 30 days of invoice date.

14. Utilities.

Effective November 1, 2018, Lessee shall fully and promptly pay for all water, gas, heat, light, power, telephone service, pro-rata share of HBPOA common expenses, and other public utilities of every kind furnished to the demised premises throughout the term hereof, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the demised premises and all activities conducted thereon, and City shall have no responsibility of any kind for any thereof.

The City shall render payment for all separately metered utilities and those assessed by the HBPOA and provide invoice(s) to Lessee for payment of such within 30 days of invoice date.

15. Fees.

Lessee shall solely be responsible for obtaining and paying for any and necessary licenses and/or royalties required by law. Lessee solely shall be responsible for making any necessary payments to any union, guild or artists associations. The City assumes no responsibility for these fees. Lessee represents and warrants to the City that nothing contained in the performances, the merchandizing or anything else connected with the Lessee's performance pursuant to this Agreement shall violate or infringe on any patent, copyright, trademark, right of privacy or other statutory or common law right of any person, firm, corporation or other entity. Lessee warrants



City of Billings

that it shall obtain all licenses necessary in connection with the performances and/or sale of merchandise and agrees to supply copies thereof to the City (if requested) not less than five (5) days prior to the event date. The Lessee warrants that it has paid or will pay when due all necessary royalties due or license fees due Broadcast Music Incorporated (BMI), American Society of Composers, Authors and Publishers (ASCAP), the Society of European State Authors and Composers (SEASAC), and any other similar organization.

16. Insurance.

- a) Insurance Coverage of Demised Premises. Except as otherwise provided herein, Lessee shall at all times during the full term of this Lease and at Lessee's sole expense insure the demised premises with fire and extended coverage insurance in an amount equal to the replacement cost of the demised premises (which City and Lessee agree is presently \$845,000.00) with loss payable to City, Lessee, and the holder of any mortgage as their interests. City agrees that the premises may be so insured under any such insurance policy maintained by or in the name of the City, but the applicable portion of any premium paid by the City which relates to the premises shall be paid by the Lessee within thirty (30) days after notice to Lessee that City has made such payment. The City reserves the right to increase the minimum limits of coverage during the term of the agreement. The Responder shall provide a certificate of insurance in force and providing City shall be notified at least thirty (30) days before any cancellation or termination of said policy.

- b) Liability Insurance. Lessee shall maintain in effect throughout the term of this Lease liability insurance covering the demised premises, appurtenances, sidewalks, and parking lots (if applicable) abutting thereon in the minimum amount of Two Million Dollars, (\$2,000,000.00), combined single limits of liability for each occurrence for bodily injury or property damage regardless of the number of persons or organizations who sustain bodily injury or property damage or the number of claims made, or suits brought, on account of bodily injury or property damage.

Such insurance shall specifically insure Lessee against all liability assumed by them hereunder, as well as liability imposed by law and shall insure both City and Lessee. City and HBPOA shall be endorsed on any policies as a primary, additional named insured.

In addition, said policy or policies shall contain a provision that no cancellation thereof shall be effective by the insurer without thirty (30) days written notice to the City.

Lessee agrees that the premises may be so insured under any such insurance policy maintained by the City, but the applicable portion of any premium paid by the City which relates to the premises shall be paid by the Lessee within thirty (30) days after notice to Lessee that City has made such payment.



City of Billings

Unless the above insurance coverages are provided under policies maintained by the City, at least twenty (20) days prior to the date of expiration of any of the insurance policies above mentioned, the Lessee shall deliver to the City a certificate of renewal of such policy indicating payment of the premiums therefore. All insurance policies carried by either party covering the property or the demised leased premises shall expressly waive any right, including subrogation, on the part of either party against the other. All policies shall require the insurance companies to notify the City in writing prior to any cancellation of the insurance.

- c) Lessee shall maintain in effect throughout the term of this Lease Liquor liability insurance in the minimum limit of \$1,000,000 each occurrence, naming the City as an additional insured.
- d) The City shall pay for and maintain property insurance and provide invoice(s) to Lessee for payment of such within 30 days of invoice date.

17. Indemnification of City and Lessee.

Lessee agrees to indemnify, defend and save City, its officers, agents and employees harmless from any and all claims, demands, losses, damages, liabilities, judgments, litigation costs and expenses including reasonable attorney fees occasioned by, growing out of, or in any way arising or resulting from any intentional or negligent act or omission by Lessee or its agents, subcontractors or employees.

City agrees to indemnify, defend and save Lessee, its agents, subcontractors and employees harmless from any and all claims, demands, losses, damages, liabilities, judgments, litigation costs and expenses including reasonable attorney fees occasioned by, growing out of or in any way arising or resulting from any intentional or negligent act or omission by City, its agents or employees.

18. Default.

In the event Lessee shall be in default of any covenant, agreement or condition provided for in this Agreement, or abandon or vacate the demised premises, or become a voluntary or involuntary bankrupt, or make an assignment for the benefit of creditors, or, in the event of a receiver or trustee being appointed for Lessee, then upon the occurrence of any one or more of such defaults, and after Lessee has been given notice by certified mail of such default, Lessee shall have thirty (30) days from the mailing of such notice within which to correct such default or defaults, and if no such corrections are made, City, in addition to any other rights or remedies it may have shall have the immediate right of re-entry and may remove all persons and property from the premises and may terminate this Lease, or at the option of the City, the City may proceed against the Lessee for all rentals to accrue under this Lease, or extension thereof. Either party may seek any legal or equitable remedy.



City of Billings

19. Waiver.

The failure of City to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights or remedies that City may have regarding that specific instance only, and shall not be deemed a waiver of (1) City's right to insist on strict performance of the same or any other of the terms and conditions of this Agreement at any time subsequent thereto or (2) City's rights or remedies for any other subsequent breach or default in any terms or conditions.

20. Mortgages.

With the exception of the hiring of contractors who may have the right to record a notice of right to claim lien or a construction lien, Lessee shall have no right to place mortgages or have liens placed on the premises in connection with any renovations or improvement, without the written approval of City. Lessee shall promptly pay any such contractors. City shall have no right to place mortgages or have liens placed on the premises without the written approval of Lessee.

21. Repairs and Destruction of Improvements.

- a) Maintenance of Improvements. Lessee shall, throughout the term of this Lease, at its own cost, and without any expense to City, keep and maintain the demised premises and all appurtenances thereto, including sidewalks, and parking lots adjacent thereto, in good, sanitary, and neat order, condition and repair, and shall, subject to the conditions described in subparagraph (b) below, restore and rehabilitate any improvements of any kind which may be destroyed or damaged by fire, casualty, or any other cause whatsoever. City shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatever, to the demised premises or any building, or improvements thereon except to the extent that insurance proceeds are available in accordance with subparagraph (b) below. Lessee shall also comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the demised premises, the improvements thereon or any activity or condition on or in such premises.
- b) Damage and Destruction of Improvements. Except as stated herein, the damage, destruction or partial destruction of any part of the premises shall not release Lessee or City from any obligation hereunder. If insurance is maintained in the name of City pursuant to paragraph 15(a), it is agreed that any proceeds covering damage or destruction of the premises shall be made available to Lessee for such repair or restoration. If the premises are partially damaged but remain usable for their intended purpose with little or no interruption to Lessee for repairs, Lessee shall use all available insurance proceeds to, so far as such proceeds allow, promptly repair and restore the same. If the premises are substantially damaged or destroyed and thereby rendered completely unusable for their intended purpose, or their repair or reconstruction would



City of Billings

substantially interrupt the operations of Lessee, the parties shall mutually agree on how insurance proceeds resulting from the loss shall be used for the repair, rebuilding, new construction, and/or relocation of a performing arts center or facilities supportive of a performing arts center.

22. Right to Sublease.

Lessee shall not have the right to sublease or assign the demised premises in whole or in part except as allowed by Paragraph 2 or upon the express written consent of the City. Nothing in this paragraph shall limit or restrict Lessee's ability to rent, license, let, or otherwise contract the premises in whole or in part for short-term use by performance groups and other users in a manner typical of a theater or performing arts center.

23. Surrender.

Upon the expiration or other termination of this Lease and any renewal thereof, Lessee shall quit and surrender to City the demised premises broom clean, in good order and condition, ordinary wear and damage by elements excepted.

24. Parties Bound.

The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer and subletting, apply to and bind the successors, assigns, or trustees of the parties hereto.

25. Net Lease.

It is the intention of the parties hereto that this should be a net lease and City shall have no obligation whatsoever, except as herein specified, to make any expenditures for any reason whatsoever in connection with the leased premises, other than what is outlined herein.

26. All Rights and Remedies To Be Cumulative.

In the event of a breach of this Agreement, and unless expressly limited or supplemented herein, the parties shall have all remedies normally available to them whether by terms of contract, statute, or common law. In addition to any remedies for default given to City pursuant to paragraph 18 above, or by law, City and Lessee, in the event of a breach or a threatened breach by Lessee or City of any of the terms or conditions hereof, shall have the right of injunction to restrain the other party and the right to invoke any remedy allowed by law or in equity, as if the specific remedies of indemnity or reimbursement were not provided herein.

The rights and remedies given to the parties in this Lease are distinct, separate, and cumulative, and no one of them, whether or not exercised by a particular party, shall be deemed to be in exclusion of any of the others herein, or by law or equity provided. Either party may



City of Billings

seek any legal or equitable relief to cure, correct or remedy any default, to recover any damages for any default or to obtain any other remedy consistent with the purpose of this Lease Agreement.

27. Renewal of Lease.

If Lessee is not in material default under the terms and covenants of this Agreement, then Lessee may renew this Agreement at the expiration of the term described in paragraph 2 for three (3) additional five (5) year terms on the same terms and conditions, subject to the renewal procedures described herein. Lessee shall provide City with written notice of its intent to renew at least ninety (90) days before the applicable term of the Agreement expires. Rent for all renewal terms shall be \$1.00, annually, with the same payment schedule as described for the original term.

28. Miscellaneous.

Notwithstanding anything to the contrary herein contained, the successful party in any litigation resulting from the dispute between the parties in connection with this Lease shall be entitled to reasonable attorney's fees.

29. Inspection of Premises.

City shall have free access to the demised premises at all reasonable times for the purpose of examining or inspecting the conditions thereof or in order to exercise any right or power granted by law or reserved to City under the terms and provisions of this Lease Agreement.

30. Time of Essence.

Time is of the essence in all provisions of this Lease.

31. Governing Law and Venue.

It is agreed by and between the parties hereto that this Agreement shall be construed and enforced in accordance with the laws of the State of Montana. Venue for any suit between the parties arising out of this Agreement shall be the State of Montana Thirteenth Judicial District Court, Yellowstone County.

32. Relationship of Parties.

It is understood and agreed that the relationship of the parties hereto is strictly that of landlord and tenant and that this Lease shall not be construed as a joint venture or partnership. Lessee is not and shall not be deemed to be agent or representative of City.



City of Billings

33. Amendments in Writing

Any addenda or amendments to this Lease, including but not limited to any extensions of the initial term of this Lease shall be valid only if in writing and signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

CITY OF BILLINGS, MONTANA

**ART HOUSE MANAGEMENT LLC,
LESSEE**

By William A Cole
WILLIAM A. COLE, MAYOR

By MAR
MATT BLAKESLEE
MANAGER

APPROVED AS TO FORM:

By Brent Brooks
BRENT BROOKS, CITY ATTORNEY



City of Billings

ATTACHMENT A

HBPOA CONDO BYLAWS AND FIRST AMENDMENT TO DECLARATION OF UNIT OWNERSHIP



City of Billings

ATTACHMENT B

CINE BILLINGS (DBA ART HOUSE) PROPOSAL DOCUMENT

CERTIFICATE OF LIABILITY INSURANCE

Date: September 5, 2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER PayneWest Insurance, Inc. - Select PO Box 4388 Missoula, MT 59806-4388	CONTACT NAME: PHONE (A/C, No. Ext): FAX (A/C, No.): E-MAIL: ADDRESS: INSURER(S) AFFORDING COVERAGE: NAIC # INSURER A: Admiral Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
---	--

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**
 THESE TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS WHICH MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR. LTR	TYPE OF INSURANCE	ADDL. NSD	SUBR. YWV	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS	
							DESCRIPTION	AMOUNT
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE GEN AGG LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOCATION			CA-000031850-01	8/29/2018	8/29/2019	EACH OCCURRENCE	\$1,000,000
							DAMAGE TO RENTED PREMISES (Ea Occurrence)	\$100,000
							MED EXP (any cov portion)	\$5,000
							PERSONAL & ADV INJURY	\$1,000,000
							GENERAL AGGREGATE	\$2,000,000
							PRODUCTS/COMP OPS AGG	\$2,000,000
A	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE GEN AGG LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOCATION						EACH OCCURRENCE	
							DAMAGE TO RENTED PREMISES	
							MED PAY	
							GENERAL AGGREGATE	
A	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOCATION <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			GX-000001596-01	8/29/18	8/29/19	EACH OCCURRENCE	1,000,000
							GEN AGGREGATE	2,000,000
							PROD. COMP OPS PERSONAL & ADV. INJURY	2,000,000 \$1,000,000
A	WORKER'S COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> YES (Mandatory in MT) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				REG. STATUTORY LIMITS - OTHER	1,000,000
							E.L. EACH ACCIDENT	
							E.L. DISEASE-CA. EMPLOYEE E.L. DISEASE POLICY LIMIT	
A	Excess-Liquor Liability			GX-000001596-01	8/29/18	8/29/19	EACH COMMON CAUSE AGGREGATE LIMIT	\$1,000,000 \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, A Additional Remarks Schedule, if more space is required)
 The certificate holder is listed as an additional insured

CERTIFICATE HOLDER: City of Billings 390 N 23rd St Billings MT 59101	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: COCHRANE & COMPANY, A DIVISION OF COCHRANE AGENCY INC.
--	--

**MOLD DISCLOSURE
STATEMENT**

In connection with the lease of **THE BABCOCK THEATER, 2810 ½ 2nd Ave. North, Billings, Montana** (the "Building"), which space constitutes inhabitable real property under the Montana Mold Disclosure Act (the "Act"), the **City of Billings, Montana, 210 N. 27th Street, Billings, Montana 59101**, hereinafter referred to as "Landlord," hereby provides the following disclosure:

1. **Statutory Mold Disclosure.** There are many types of mold. Inhabitable properties are not, and cannot be, constructed to exclude mold. Moisture is one of the most significant factors contributing to mold growth. Information about controlling mold growth may be available from your county extension agent or health department. Certain strains of mold may cause damage to property and may adversely affect the health of susceptible persons, including allergic reactions that may include skin, eye, nose and throat irritation. Certain strains of mold may cause infections, particularly in individuals with suppressed immune systems. Some experts contend that certain strains of mold may cause serious and even life-threatening diseases. However, experts do not agree about the nature and extent of health problems caused by mold or about the level of mold exposure that may cause health problems. The Centers for Disease Control and Prevention is studying the link between mold and serious health conditions. The seller, landlord, seller's agent, buyer's agent, or property manager cannot and does not represent or warrant the absence of mold. It is the buyer's or tenant's obligation to determine whether a mold problem is present. To do so, the buyer or tenant should hire a qualified inspector and make any contract to purchase, rent, or lease contingent upon the results of that inspection. A seller, landlord, seller's agent, buyer's agent, or property manager who provides this mold disclosure statement, provides for the disclosure of any prior testing and any subsequent mitigation or treatment for mold, and discloses any knowledge of mold is not liable in any action based on the presence of or propensity for mold in a building that is subject to any contract to purchase, rent, or lease.

2. **Knowledge of Mold.** By checking the box next to the applicable statement, the Landlord makes the following disclosure:

- The Landlord has no knowledge of the presence of mold in the Building.
- The Landlord has knowledge that mold is present in the Building and hereby makes the disclosure of such mold to the Tenant.

Based on the report from ASAP Property Inspections, LLC, dated July 18, 2017, the presence of mold in the Premises has not been reported.

3. Testing of Building. By checking the box next to the applicable statement, the Landlord makes the following disclosure:

- The Landlord has no knowledge that the Building has been tested for mold.
- The Building has been tested for mold. The Landlord has provided the Tenant with (i) a copy of all results of the testing that are available to Landlord, and (ii) a copy of documents or evidence of any subsequent mitigation or treatment. The Tenant hereby acknowledges receipt of said copies.

It is expressly provided that the furnishing of any test results and evidence of mitigation or treatment is not and shall not be construed as a promise, warranty, or representation of any sort by the Landlord, or by Landlord's officers, employees, agents or property managers.

If the Tenant contracts for testing of the Building for mold, then Tenant agrees to provide a copy of the results of the test, if available, to Landlord.

4. Acknowledgment of Disclosures. The Tenant, by signing a copy of this statement, expressly acknowledges receipt of this Disclosure Statement and acknowledges the specific disclosures set forth herein. Neither the Landlord nor its officers, employees, agents or property managers shall be liable in any action based on the presence of or propensity for mold in the Building that is subject to any rental or lease agreement.

DATED this 13th day of November, 2018.

CITY OF BILLINGS

By: William A. Cole
Its: Mayor
"Landlord"

ART HOUSE MANAGEMENT, LLC

By: [Signature]
Its: Executive Director
"Tenant"



Oct 3, 2024

Subject: Funding city-owned assets with TIF funds

Dear, Mayor & City Council -

On July 26th, the Downtown Billings Partnership (DBP) voted unanimously not to recommend TIF funding to reimburse the recent requests from Alberta Bair Theater (ABT), Babcock Theatre, and Billings Depot. While the City of Billings, School District 2, and Yellowstone County are voting members of the DBP Board by design of the DBP's bylaws and while these entities are eligible to apply and be considered for TIF reimbursement on eligible expenses, the DBP's position remains the same for the following reasons:

1. DBP has been supportive of the arts & these city-owned assets have received TIF funding in the past (\$3,500,000+ to ABT, \$1,900,000+ to Babcock Theatre, \$200,000+ to Billings Depot).
2. These city-owned assets are not vacant or blighted today.
3. These city-owned assets did not succeed the "but for" test.
4. These city-owned assets are not mixed use developments with housing and retail, which is a current priority for the DBP.

The Downtown Urban Renewal Plan, which informs eligibility and funding decisions, focuses on the following areas:

- Business recruitment and retention
- Parking and transportation
- Crime prevention and public safety
- Management, implementation, and maintenance of the TIF fund and District
- Infrastructure improvements

Per the annual budget review and approval by City Council, the DBP's current priorities are:

Anchor developments | Business development | Infrastructure | Public safety

We look forward to working with the City Council on a sustainable long-term maintenance plan for these city-owned assets should they continue to be city-owned.

Sincerely,

A handwritten signature in black ink, appearing to be "Sean Lynch".

Sean Lynch, DBP President

A handwritten signature in black ink, appearing to be "Ethan Kanning".

Ethan Kanning, DBP Vice President