

1 ARTICLE I

2 PREMISES AND PRIVILEGES

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

6 Address: 1601 Aviation Place

7 Main Parcel

8 Commencing at the Northeast Corner of Section 30, T. 1 N., R. 26 E., P.M.M.,
9 Yellowstone County, Montana; thence S 00° 5'21" W a distance of 3,605.41
10 feet to the Point of Beginning; thence S 00°26'22" E a distance of 438.95 feet;
11 thence S 81°12'23" E a distance of 103.44 feet, thence N 00°26'22" W a
12 distance of 90.41 feet; thence N 89° 33'38" E a distance of 33.84 feet; thence
13 N 00°26'22" W a distance of 91.77 feet; thence N 89°33'38" E a distance of
14 64.06 feet; thence N 00°26'22" W a distance of 91.77 feet; thence N
15 68°58'17" W a distance of 214.91 feet to the Point of Beginning.

16 Said parcel of land containing 67,478.00 square feet.

17 Premises is further depicted on attached Exhibit A, and by said reference made
18 a part of this Lease.

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

1) The general unrestricted use of all public airport facilities and
improvements, which are now or may hereafter be connected with or appurtenant to
said Airport, except as hereinafter provided, to be used by Lessee and its sublessees for

1 commercial aviation activity as herein defined. For the purpose of this Lease, public
2 Airport facilities shall include all necessary landing area appurtenances including, but
3 not limited to, approach areas, runways, taxiways, aprons, aircraft and automobile
4 parking areas, roadways, sidewalks, navigational aids, lighting facilities, Terminal
5 facilities, or other public facilities appurtenant to said Airport.

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

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

13 1) The loading and unloading of aircraft in any lawful activity as
14 incidental to the conduct of the services of operations outlined in this Paragraph C.

15 2) The maintenance, storing, and servicing of aircraft, which shall include
16 repairing, inspection, and licensing of same, and the purchase of parts, equipment, and
17 accessories therefore.

18 3) The right to use and store vehicles necessary for the servicing of
19 aircraft.

20 4) The sale through vending machines of confections, and refreshments
21 and the maintenance on said premises of appropriate facilities therefore.

22 5) The training on the Airport of personnel in the employ of Lessee and/or
23 its tenants and sublessees and the training on the Airport of members of the general
24

1 public generally as students or otherwise in any art, science, craft or skill pertaining
2 directly or indirectly to aircraft flight, maintenance, or any other aircraft service.

3 6) The location, construction, addition, maintenance, and removal of
4 improvements (including hangars, shops, or related office space), in any lawful
5 manner, upon or in the demised premises, for the purpose of carrying out any of the
6 activities provided for herein, subject however, to the conditions herein generally or
7 particularly set forth, and the advance approval from the Director of Aviation and
8 Transit or his/her designee.

9 7) The storage of aircraft, both owned and non-owned.

10 8) The maintenance of offices on the premises necessary for the conduct
11 of the activities defined above.

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

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

- 17 1) Ground transportation for hire.
18 2) Vehicle or equipment rental services.
19 3) News and sundry services.
20 4) Barber, valet, and personal services.
21 5) Food sales (except the sale of confections, and refreshments through
22 vending machines).
23 6) Retail sale of non-aviation products offered for sale in the Terminal
24

1 Building.

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

7 8) Vehicle or aircraft fuel sales.

8 9) On-premises fuel storage or fuel storage facilities.

9 10) The operation of a business of buying and selling aircraft, parts, and
10 accessories therefore, and aviation equipment of all descriptions either at retail,
11 wholesale, or as a dealer.

12 11) Maintenance, repair, service, or restoration of motorized vehicles or
13 equipment other than lessee's aviation support vehicles/equipment.

14 12) Outside of oil or oil collection containers.

15 13) Outside storage of used, surplus, or discarded parts, equipment,
16 vehicles, or portions thereof.

17 14) Parking of any personal vehicles outside of designated parking facilities
18 located on the premises.

19 15) Storage of personal vehicles, campers, boats, trailers, motor homes,
20 ATVs, or other recreational vehicles, or parts for such.

21 16) Storage of any household items.

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

23 18) Off-premise parking.

24

1 ARTICLE III

2 RENTAL AND FEES

3 A. Ground Rental. For the land described in Article I, Paragraph A., Lessee shall
4 pay to Lessor \$0.3417 per square foot per annum for all ground included in this Lease for an initial
5 annual rental of \$23,057.28. Said rental shall be payable monthly in advance, without billing, on the
6 first day of each month in an amount equal to one-twelfth of the annual rental, or \$1,921.44 per
7 month.

8 B. Interest Penalty. Without waiving any other right or action available to the
9 Lessor, in the event of default in the payment of Lease rentals herein, or any other rentals, fees, or
10 charges owed Lessor, the amount due shall accrue interest at the rate of one and one-quarter percent
11 (1.25%) per month from the date such rentals, fees, or charges were due and payable, until paid in full.
12 Said interest shall not apply with respect to items bona fide contested in good faith by Lessee and which
13 are resolved in Lessee's favor.

14 C. Annual Readjustment of Ground Rental. During the term of the Lease, the
15 rental rate will be adjusted annually on the anniversary date of the Lease using the average of the
16 monthly percentage increases of the previous calendar year, as determined by the Department of
17 Labor Consumer Price Index for All Urban Consumers (CPI-U), published by the Bureau of Labor
18 Statistics. In no case shall the rates be less than the previous year. For the purposes of this Lease, the
19 anniversary date shall be March 1 of each year during the term of the Lease. The Lessor shall send
20 Lessee a notice of the annual rental rate adjustment prior to each anniversary date of the Lease
21 denoting the adjusted rental rates.

22 D. Rental Adjustments to Market Value. On the fifth anniversary of the Lease, the
23 Lessor may conduct an analysis of the then-current lease rental rates for other on-Airport properties to
24

1 determine the current market value of the property. Should the analysis identify that the then-current
2 Lease rental rate on the premises is below market value for other on-Airport properties, the Lessor will
3 notify Lessee six (6) months in advance of an impending Lease increase.

4 ARTICLE IV

5 OBLIGATIONS OF LESSOR

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

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

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

18 ARTICLE V

19 OBLIGATIONS OF LESSEE

20 A. Condition of Premises. It shall be the sole responsibility of the Lessee to
21 develop, keep, maintain, and operate the entirety of the premises and all improvements and facilities
22 placed thereon at Lessee's sole cost and expense. This Lease in every sense shall be without cost or
23 expense to the Lessor. Lessee accepts the premises in its present condition and will repair and
24

1 maintain any installations thereon, except as provided in Article IV, Paragraphs B. - C., and will
2 remove or cause to be removed any debris to the extent required for its continuing use thereof. The
3 Lessee shall be responsible for reporting fuel spillages to the Lessor, soil testing, and all appropriate
4 cleanup measures during the term of this Lease. Further, at the end of the term of this Lease, or
5 sooner if necessitated by either equipment failure or because of environmental requirements, the
6 Lessee, at the Lessor's direction, shall remove from the site any fueling equipment, and any
7 contaminated soil which may exist due to either Lessee's use of fueling equipment or any spills on the
8 site, in compliance with current State, Federal, and Local environmental regulations, and remove any
9 debris related to such removal to render the site clean.

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

15 C. Maintenance. Lessee, at its sole cost and expense, shall maintain the premises,
16 improvements, and appurtenances thereto in a presentable condition free of refuse and debris
17 consistent with safety and operational procedures, good business practice, in accordance with Billings
18 Logan International Airport's Rules and Regulations, and acceptable to Lessor. Lessee's maintenance
19 responsibility shall include its buildings, asphalt and/or concrete repair, snow removal, and cleanup of
20 any fuel/oil spills on the premises.

21 D. Utilities. Lessee shall assume and pay for all costs or charges for utility
22 services furnished to Lessee during the term thereof; provided, however, that Lessee shall have the
23 right to connect to any available storm and sanitary sewers, water, electrical, or other utilities at
24

1 Lessee's own cost and expense; and Lessee shall pay for any and all service charges incurred
2 therefore. Lessee shall also provide an external water meter-reading device in an external location of
3 the leasehold structure approved by the Lessor; said meter-reading device type shall be specified and
4 pre-approved by Lessor. All utility services shall be installed underground.

5 E. Trash, Garbage, Etc. Lessee shall provide, at Lessee's expense, a complete and
6 proper arrangement for the adequate sanitary handling and disposal of all trash, garbage and other
7 refuse occurring as a result of Lessee's occupancy of the premises. Lessee shall contact Airport
8 Administration to coordinate the establishment of trash hauling service, use Lessor-approved
9 receptacles for all garbage, trash and other refuse, and shall place them on the premises in a location
10 acceptable to the Lessor for their removal. Piling of boxes, cartons, barrels, pallets, crates, or other
11 similar items in an unsightly or unsafe manner, or open storage of materials, personal property,
12 salvage, unused or surplus equipment, junk or refuse on or about the premises, is forbidden. All
13 disposal costs will be paid by the Lessee.

14 F. Signs Lessee shall not maintain any billboards or advertising signs on the
15 premises, unless specifically approved by Lessor. Provided, however, that Lessee may maintain on
16 the outside of its building its name(s) or signs, the size, location, and design of which shall be subject
17 to written approval of Lessor prior to installation.

18 G. Storm Water Pollution Prevention Plan (SWPPP). Lessee shall develop and
19 maintain a SWPPP for the premises in accordance with any and all applicable Federal, State, and
20 Local regulations, identifying all of the activities and conditions on the premises that could cause
21 water pollution and detailing the steps the Lessee will take to prevent the discharge of any unpermitted
22 pollution and a spill response plan. The Airport has developed a SWPPP for airport operations.

1 Lessee may either provide its SWPPP under the Airport's plan, or may develop and maintain its own
2 SWPPP.

3 Lessee shall provide a current copy of its SWPPP to the Lessor. Lessee shall
4 establish a system of periodic inspections, cleaning, and maintenance to keep any drainage structures
5 clean and operational. Lessee shall see that special care is taken to pile removed snow in a location
6 that will permit water generated by melting of the snow piles to flow into the drainage system on the
7 premises.

8 H. Federal, State, and Local Regulations. Lessee acknowledges that the right to
9 use said Airport facilities in common with others authorized to do so shall be exercised subject to and
10 in accordance with the laws, rules, regulations, and ordinances of the United States of America, the
11 State of Montana, and the City of Billings now in force or hereafter prescribed or promulgated by
12 authority or by law and shall be closely observed during the full term of this Lease.

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

1 J. Taxiways. Lessee shall ensure that Lessee's aircraft, all sublessee's aircraft, and
2 any customer aircraft, are not permitted to block the public use taxiway accessible from Lessee's
3 premises.

4 K. Height Restriction. Special height restrictions apply on the leased premises.
5 Height of improvements proposed for above ground level must be reviewed and approved in writing
6 by the Lessor prior to installation.

7 ARTICLE VI

8 INSURANCE AND INDEMNIFICATION

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

21 Lessee expressly agrees that Lessor shall not be liable to Lessee, for personal
22 injury, bodily injury, or for any loss or damage to real or personal property occasioned by flood, fire,
23 earthquake, lightning, windstorm, hail, explosion, riot, strike, civil disobedience or commotion,
24

1 aircraft, smoke, vandalism, malicious mischief, or acts of civil authority, unless caused by the fault or
2 negligence of Lessor, its officers, directors, agents, representatives, or employees.

3 B. Insurance. Lessee shall provide and keep in force for the entire term of this
4 Lease the insurance coverages identified below. Insurance coverage shall be maintained with
5 insurance underwriters authorized to do business in the State of Montana, and that are satisfactory to
6 the Lessor. At the time of execution of this Lease, and annually thereafter, Lessee shall furnish a
7 Certificate of Insurance along with all associated and required policy endorsements showing that
8 required insurance is current and in force. Required evidence of insurance shall be submitted for any
9 renewal or replacement of a policy that already exists at least ten (10) days prior to expiration or
10 termination of the existing policy. Lessee shall provide notice to Lessor of any changes to insurance
11 or cancellation of any or all insurance at least thirty (30) calendar days in advance of such change or
12 cancellation. The Certificate of Insurance must include the following reference: City of Billings
13 Logan International Airport, 1900 Terminal Circle, Room 216, Billings, MT 59105. If, in the
14 Lessor's opinion, the minimum limits of the insurance coverage herein required become inadequate
15 during the term of this Lease, Lessee agrees that it will increase such minimum limits by reasonable
16 amounts upon request of the Lessor.

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

21 2) Commercial General Liability Insurance. Commercial General
22 Liability Insurance on a standard occurrence form, providing coverage for personal
23 injury, bodily injury, death, and property damage, in amounts not less than \$2,000,000
24 per occurrence; the General Aggregate shall apply separately to each location. The

1 required limits may be provided by a combination of Commercial General Liability
2 Insurance and Excess or Umbrella Commercial Liability Insurance. The general
3 liability insurance required in this Lease must be a separate and distinct policy insuring
4 the Lessee and the City of Billings. Other general liability policies shared with other
5 named insureds do not satisfy the requirements of this section. The commercial general
6 liability policy shall be endorsed to name the City of Billings, and City's officers,
7 directors, agents, representatives, and employees as a **PRIMARY ADDITIONAL**
8 **INSURED**. The City of Billings' general liability policy will be excess and
9 noncontributory. The policy shall be endorsed to include a written waiver of insurer's
10 right to subrogate against the City.

11 3) Workers' Compensation and Employers' Liability Insurance. Workers'
12 Compensation and Employers' Liability Insurance is required if Lessee has employees.
13 Workers' Compensation insurance limits in accordance with the State of Montana and
14 administered by the Montana Department of Labor and Industry. Required limits are
15 \$1,000,000 each accident, \$1,000,000 each employee, and \$1,000,000 for bodily
16 injury by disease.

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

22 ARTICLE VII

23 TERMINATION OF LEASE, CANCELLATION, ASSIGNMENT, AND TRANSFER

1 A. Termination. This Lease shall terminate at the end of the full term hereof
2 without any notice by either party, except as indicated in Article II, Paragraphs B. and C. A holding
3 over by the Lessee, its assigns or sublessees beyond the expiration of the term shall not be permitted
4 without the written consent of the Director of Aviation and Transit or his/her designee and then only
5 on a month-to-month basis.

6 Upon termination, Lessee shall have the right to remove all moveable fixtures,
7 machinery and equipment, and all other personal property owned or installed by Lessee on the
8 premises. All expenses connected with such removal shall be borne by the Lessee. Said property
9 shall be removed within thirty (30) days after termination of this Lease.

10 In addition, Lessee has the right to remove, at Lessee's expense, all buildings
11 and other structures owned by Lessee located upon the premises within thirty (30) days upon the
12 termination of this Lease. Lessee shall remove from the premises all debris resulting from the
13 removal of the buildings or structures, including equipment and machinery, including any contaminated
14 soils, and Lessee shall generally leave the premises in a clean and orderly condition acceptable to the
15 Lessor.

16 This right to remove personal property, buildings and structures, equipment and
17 machinery, does not extend to pavement, water lines, sewer lines, electrical lines, utility poles,
18 fencing, exterior light poles, which improvements shall remain the property of the Lessor and shall not
19 be removed.

20 In the event the Lessee elects not to remove its buildings and other structures,
21 personal property, fixtures, machinery and equipment, and other improvements upon termination of
22 the Lease, the disposition of the buildings and structures, personal property, fixtures, machinery and
23 equipment, and other improvements will be left to the sole discretion of the Lessor. If Lessor elects to
24

1 remove the buildings and structures, personal property, fixtures, machinery and equipment, and other
2 improvements, and any contaminated soils, because of failure of Lessee to do so, the cost of removal,
3 demolition, cleanup, remediation, and all other related actions shall be at Lessee's sole expense.

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

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

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

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

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

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

23 C. Cancellation by Lessor.

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

3 a) Be in arrears in the payment of the whole or any part of the
4 amounts agreed upon hereunder for a period of thirty (30) days after payment
5 is due.

6 b) File a voluntary petition of bankruptcy.

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

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

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

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

20 D. Suspension of Lease. During the time of war or declared national emergency,
21 Lessor shall have the right to lease the landing area or any part thereof to the United States
22 Government for military use. If any such lease is executed, any provisions of this instrument, which
23
24

1 are inconsistent with the provisions of the lease to the Government, shall be suspended, provided that
2 the term of the Lease shall be automatically extended by the amount of the period of suspension.

3 F. Subleasing, Assigning, and Transferring. The Lessee shall have the right to
4 sublease, assign, or transfer all or any part of Lessee's leasehold interest in the premises for the same
5 purpose established in Article I, Paragraphs C., and D., provided written approval of the Lessor is
6 obtained prior to any sublease, assignment, or transfer. As a condition of said approval, Lessor
7 reserves the right to alter this Lease in any manner deemed necessary by Lessor. Any sublease,
8 assignment, or transfer shall be subject to the same conditions, obligations, and terms as set forth
9 herein and as may be subsequently amended, and Lessee shall be responsible for the observance by its
10 tenants and sublessees of the terms and covenants of this Lease, and any subsequent lease
11 amendments. Lessee shall provide Lessor with a copy of any sublease immediately upon
12 commencement. A sublessee may be subject to a separate Operating Permit with the Airport.

13 ARTICLE VIII

14 NONDISCRIMINATION

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

22 B. Civil/Human Rights Laws. In the operation and use of the Airport, Lessee shall
23 not, on the grounds of race, color, religion, sex, national origin or ancestry, age, or disability,
24

1 discriminate or permit discrimination against any person or group of persons in any manner prohibited
2 by Part 21 of Title 49, Code of Federal Regulations, the Civil Rights Act of 1964, as amended, the
3 Equal Pay Act of 1963, the Rehabilitation Act of 1973, and such other Federal, State, or Local laws as
4 may be applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

14 6) Airport and Airway Improvement Act of 1982 (49 U.S.C. § 471,
15 § 47105, as amended) (prohibits discrimination based on race, creed, color, national
16 origin, or sex);

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

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

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

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

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

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

1 ARTICLE IX

2 GENERAL PROVISIONS

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

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

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

17 D. Subordination of Lease.

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

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

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

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

11 Director of Aviation and Transit
12 Billings Logan International Airport
13 1901 Terminal Circle, Room 100
Billings, MT 59105

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

15 Marchi Property Enterprises, LLC
16 Attention: Liz Marchi
23 C Coast Home Lane
Bozeman, MT 59718
17 Phone: Cell: (406) 249-0637
Email: liz@lizmarchi.com

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

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

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

DATE: _____

ATTEST: CITY OF BILLINGS

BY _____
CITY CLERK

BY _____
MAYOR

APPROVED AS TO FORM

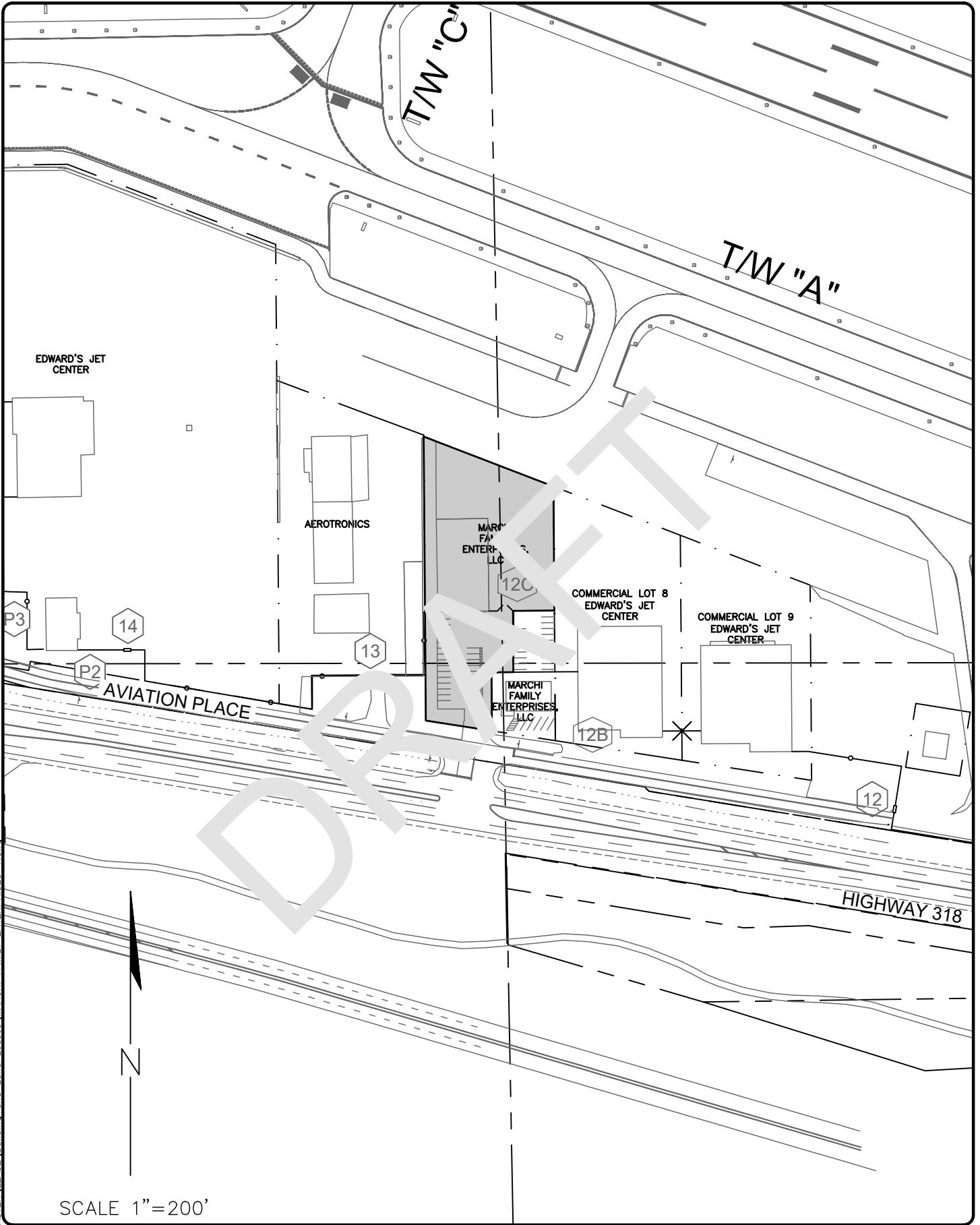
MARCHI FAMILY ENTERPRISES, LLC
BY: Macdonald Datsopus and Lind

BY _____
CITY ATTORNEY

BY _____
DENNIS LIND, ATTORNEY &
PERSONAL REPRESENTATIVE
FOR ESTATE OF JON MARCHI,
DECEASED

DRAFT

V:\2447\000-MASTER LEASE\Building and Land Leases\MARCHI FAMILY ENTERPRISES 1.dwg



SCALE 1"=200'

MARCHI FAMILY ENTERPRISES, LLC

AVIATION AND TRANSIT DEPARTMENT-CITY OF BILLINGS

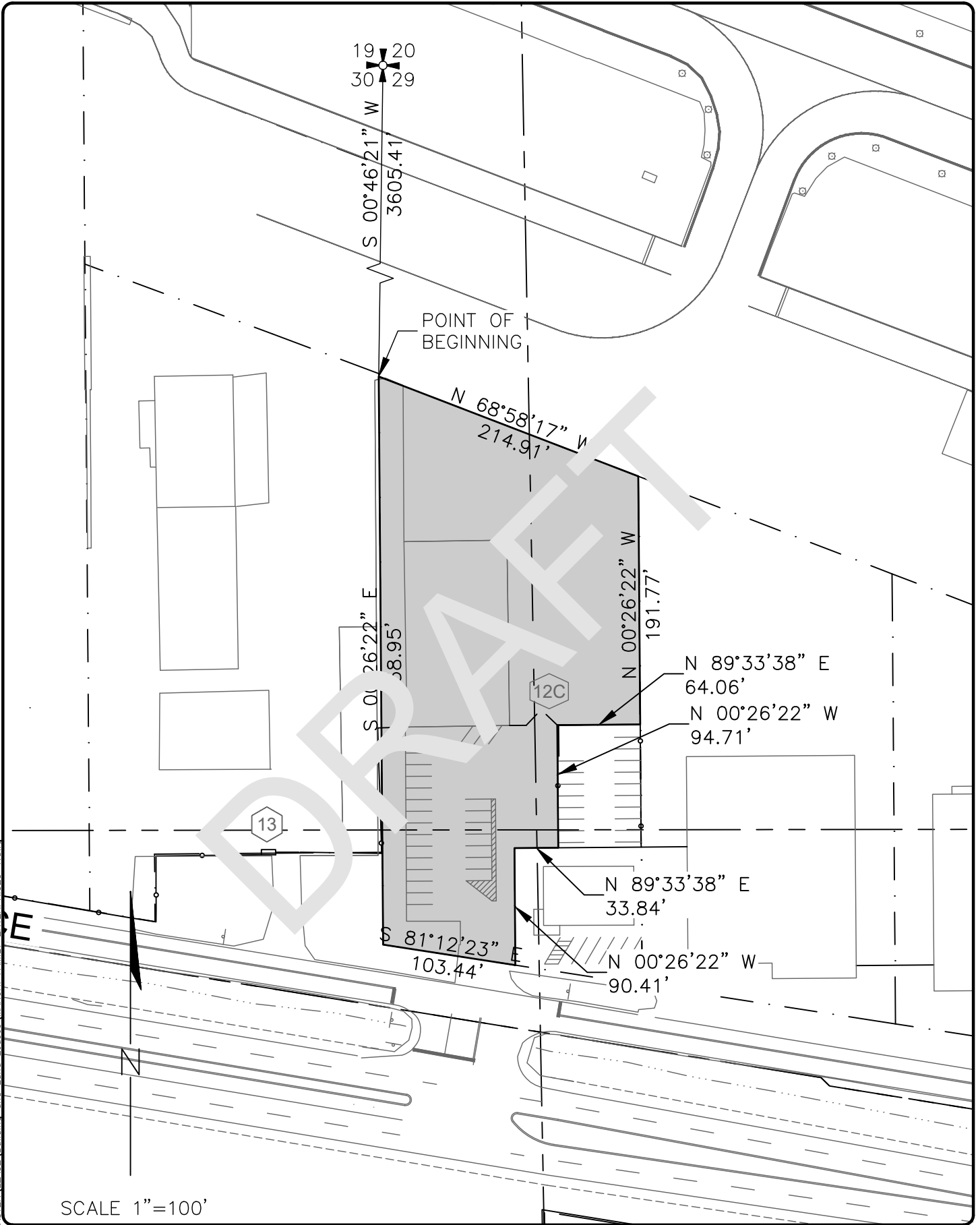
EXHIBIT A 1 of 3



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

ISSUE DATE: 04/2025

V:\2447\000-MASTER\LEASE\Building and Land Leases\MARCHI FAMILY ENTERPRISES 1.dwg



SCALE 1"=100'

MARCHI FAMILY ENTERPRISES, LLC

AVIATION AND TRANSIT DEPARTMENT-CITY OF BILLINGS

EXHIBIT A 2 of 3

 Morrison
Maierle

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

ISSUE DATE: 04/2025

DESCRIPTION

Main Parcel

Commencing at the Northeast Corner of Section 30, T. 1 N., R 26 E., P.M.M., Yellowstone County, Montana; thence, S 00°46'21" W a distance of 3605.41 feet to the Point of Beginning; thence, S 00°26'22" E a distance of 438.95 feet; thence, S 81°12'23" E a distance of 103.44 feet; thence, N 00°26'22" W a distance of 90.41 feet; thence, N 89°33'38" E a distance of 33.84 feet; thence, N 00°26'22" W a distance of 94.71 feet; thence N 89°33'38" E a distance of 64.06 feet; thence N 00°58'17" W a distance of 191.77 feet to the Point of Beginning.

Said Parcel containing 67,478 square feet.

DRAFT

V:\2447\000-MASTER\LEASE\Building and Land Leases\MARCHI FAMILY ENTERPRISES 1.dwg

MARCHI FAMILY ENTERPRISES, LLC

AVIATION AND TRANSIT DEPARTMENT-CITY OF BILLINGS

EXHIBIT A 2 of 2

 Morrison
Maierle

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

ISSUE DATE: 04/2025