

1 AVIATION GROUND LEASE

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3 THIS LEASE, made and entered into \_\_\_\_\_, by and between  
4 the following:

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

7 and

8 DANIEL W. WELLS AND JULANE WELLS, JOINT TENANTS,  
hereinafter designated "Lessee"

9 WITNESSETH

10 RECITALS

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

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

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

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

21 NOW THEREFORE, the parties hereto covenant and agree as follows:  
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1 ARTICLE I

2 PREMISES AND PRIVILEGES

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

6 Main Parcel – 1761 Aviation Place

7 Commercial Lot 4

8 Commencing at the Southeast Corner of Section 30, T. 1 N., R. 26 E., P.M.M.,  
9 Yellowstone County, Montana; thence N 24°07'54" W a distance of 1,791.29  
10 feet to the Point of Beginning; thence S 89°33'38" W a distance of 137.00 feet;  
11 thence S 00°26'22" E a distance of 90.00 feet; thence N 81°33'32" W a  
12 distance of 64.78 feet; thence N 00°05'22" W a distance of 80.00 feet; thence  
13 S 89°33'38" W a distance of 137.00 feet; thence N 00°26'22" W a distance of  
14 387.51 feet; thence N 89°17'41" E a distance of 259.17 feet; thence  
15 S 00°26'22" E a distance of 387.51 feet to the Point of Beginning.

16 Said Parcel containing 105,870.01 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 shall 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 furnisher of material.

9 C. Specific Privileges, Uses, and Rights. In addition to the general privileges,  
10 uses, and rights described above and without limiting the generality thereof, Lessor hereby grants to  
11 Lessee and sublessees the right to engage in commercial aviation activity on the premises as defined  
12 in subparagraphs 1 through 4 below subject to the conditions and covenants hereafter set out:

13 1) The conduct of a mail and freight forwarding business including vehicle  
14 transport, sorting or storage functions, and the use of all appropriate equipment  
15 required for this business.

16 2) The loading and unloading of aircraft in any lawful activity as  
17 incidental to the conduct of any services or operations outlined in this Paragraph C.

18 3) The maintenance of an office building on the premises necessary for the  
19 conduct of all approved activities.

20 4) The maintenance and minor repair of Lessee's, sublessee's, or hired  
21 contractor's aircraft and ground support equipment.

22 D. Concession, Uses, Services, and Activities Excluded. The following  
23 concessions, uses, services, and activities and the establishment thereof shall be specifically excluded  
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1 from this Lease:

- 2 1) Ground transportation for hire.
- 3 2) Vehicle rental services.
- 4 3) Equipment rental services.
- 5 4) Food sales (except the sale of tobacco, confections, and refreshments
- 6 through coin-operated vending machines).
- 7 5) Fuel sales (aircraft or vehicle).
- 8 6) On-site fuel storage, fuel storage facilities, including the storage of
- 9 fueling vehicles, unless specifically approved in writing by the Director of Aviation
- 10 and Transit.
- 11 7) Buying and selling of aircraft or vehicle parts and accessories therefore,
- 12 and aviation equipment of all descriptions, either retail, wholesale, or as a dealer.
- 13 8) Flight schools and flight instruction.
- 14 9) Storage of personal vehicles, campers, boats, trailers, motor homes, or
- 15 other recreational vehicles, or parts and accessories for such.
- 16 10) Major repairs, overhauls, restoration, body shop or painting work on
- 17 motorized vehicles and equipment. Any major aircraft repairs will be coordinated with
- 18 the Director of Aviation and Transit.
- 19 11) Outside storage of supplies, parts, oil, or oil collection containers.
- 20 12) Storage of any household items.
- 21 13) Use of the premises in a residential capacity of any nature, whether
- 22 temporary or otherwise.
- 23 14) Improper storage of any chemicals, solutions, solvents, or any
- 24 potentially hazardous, explosive, or flammable materials or substances. Improper

1 storage includes storage in violation of any applicable Federal, State, or local  
2 environmental law, regulation or rule presently in effect or promulgated in the future,  
3 as such laws, regulations or rules may be amended from time to time.

4 15) Off-premise parking.

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

9 F. Access/Inspection by Lessor. The Lessor or any person designated by the  
10 Lessor, shall at all times have reasonable access to the premises, for the purpose of examining and  
11 inspecting the same to determine Lessee's compliance with its obligations under this Lease and for  
12 purposes necessary, incidental to or connected with the performance of the Lessor's obligations  
13 hereunder, or in the exercise of Lessor's governmental functions. In the event of any emergency, the  
14 Lessor or its representatives shall have the right to take such action at the premises as they deem  
15 necessary for the protection of persons or property.

## 16 ARTICLE II

### 17 TERM OF LEASE

18 A. Term. The term of this Lease shall be for a period of ten (10) years,  
19 commencing on the 1st day of May 2025, and terminating on the 30th day of April 2035.

20 If during the term of the Lease, Lessee desires to make a substantial new capital  
21 investment in their facilities, the Lessor agrees to open the Lease for discussions regarding possible  
22 additional lease term appropriately related to the magnitude of the proposed new capital investment.

23 B. First Right of Refusal. At the end of the term hereof and provided Lessee is not  
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1 then in default of this Lease, has kept and performed all of its obligations and duties hereunder, and is  
2 current with the payment of all fees and charges, the Lessee shall have the first right to accept a new  
3 lease of the premises at the same rates and charges and under the same terms and conditions that the  
4 premises may be offered to any other person or entity. Lessor shall have the sole discretion as to the  
5 use of said premises and whether or not it will be relet at the end of said term. Provided, that ninety  
6 (90) days prior to the end of the term, Lessee shall give notice in writing to Lessor of intent to exercise  
7 the first right of refusal. Lessor upon election to relet said premises shall give Lessee notice in writing  
8 of its decision and the proposed terms for a new lease. Lessee shall have thirty (30) days in which to  
9 give Lessor notice in writing of acceptance of the terms for a new lease.

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

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14 ARTICLE III

15 RENTAL AND FEES

16 A. Ground Rental. For the land described in Article I, Paragraph A., Lessee shall  
17 pay to Lessor \$0.34 per square foot per annum for all ground included in this Lease, for an annual  
18 rental of \$35,995.80. Said rental shall be payable monthly in advance, without billing, on the first day  
19 of each month in an amount equal to one-twelfth of the annual rentals, or \$2,999.65.

20 B. Interest Penalty. Without waiving any other right or action available to the  
21 Lessor, in the event of default in the payment of Lease rentals herein, or any other rentals, fees, or  
22 charges owed Lessor, the amount due shall accrue interest at the rate of one and one-quarter percent  
23 (1.25%) per month from the date such rentals, fees, or charges were due and payable, until paid in full.

1 Said interest shall not apply with respect to items being contested in good faith by Lessee and which  
2 are resolved in Lessee's favor.

3 C. Annual Readjustment of Ground Rental. During the term of the Lease, the  
4 rental rate will be adjusted annually on the anniversary of the Lease using the average of the monthly  
5 percentage increases of the previous calendar year, as determined by the Department of Labor  
6 Consumer Price Index for All Urban Consumers (CPI-U), published by the Bureau of Labor Statistics.

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

11 D. Rental Adjustments to Market Value. On the fifth anniversary of the Lease and  
12 then on successive five-year anniversaries of the Lease, should any extensions of term be approved,  
13 the Lessor may conduct an analysis of the then-current lease rental rates for other on-Airport  
14 properties to determine the current market value of the property. Should the analysis identify that the  
15 then-current Lease rental rate is below market value for other on-Airport properties, the Lessor will  
16 notify Lessee six (6) months in advance of an impending Lease increase.

#### 17 ARTICLE IV

#### 18 OBLIGATIONS OF LESSOR

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

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

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

8 ARTICLE V

9 OBLIGATIONS OF LESSEE

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

16 B. Improvements. Lessee shall have the right to and shall provide for the future  
17 construction, alteration, expansion, and maintenance of its own improvements, in any lawful manner,  
18 upon or in the premises, for the purpose of carrying out any of the activities provided for herein, but  
19 shall obtain the prior written approval of Lessor for any such construction, alterations, or expansion.

20 C. Maintenance. Lessee shall, at its sole cost and expense, maintain the premises,  
21 improvements, and appurtenances thereto in a presentable condition free of refuse and debris  
22 consistent with good business practice and acceptable to Lessor. Lessee's maintenance responsibility  
23 shall include asphalt repair and snow removal on the premises.

1 D. Utilities. Lessee shall assume and pay for all costs or charges for utility  
2 services furnished to Lessee during the term thereof; provided, however, that Lessee shall have the  
3 right to connect to any available storm and sanitary sewers, water, electrical, or other utilities at  
4 Lessee's own cost and expense; and Lessee shall pay for any and all service charges incurred  
5 therefore. Lessee shall also provide an external water meter reading device in an external location of  
6 the leasehold structure approved by the Lessor; said meter reading device type shall be specified by  
7 Lessor. All utility services shall be installed underground.

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

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

23 H. Hazardous Substances. Lessee assumes full responsibility for its proper and  
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1 legal use, handling, storage, and disposal of any hazardous substances used or consumed in the  
2 occupancy or conduct of its business on the premises. "Hazardous substance" shall be interpreted  
3 broadly to mean any substance or toxic material, fuel or petroleum-based products, hazardous or toxic  
4 or radioactive substance, or other similar term by any applicable Federal, State, or Local  
5 environmental 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; and it shall be interpreted to include, but not  
7 be limited to, any substance which after release into the environment will or may reasonably be  
8 anticipated to cause sickness, death or disease. Lessee will hold Lessor harmless from and indemnify  
9 Lessor against and from any damage, loss, expenses, or liability to the extent resulting from any  
10 breach of these representations and warranty including all reasonable attorneys' fees and costs incurred  
11 as a result thereof.

12 ARTICLE

13 INSURANCE AND INDEMNIFICATION

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

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

8 B. Insurance. Lessee shall provide and keep in force for the term of this Lease a  
9 comprehensive general liability policy (occurrence form only), providing coverage for personal injury,  
10 bodily injury, death, and property damage, in amounts not less than \$2,000,000 per occurrence.

11 The comprehensive general liability policy shall be endorsed to name the City  
12 of Billings as a **PRIMARY ADDITIONAL INSURED**. The City of Billings' general liability policy  
13 will be excess and noncontributory. At the time of execution of this Lease, and annually thereafter,  
14 Lessee shall furnish a Certificate of Insurance and associated policy endorsements showing that  
15 required insurance is in force. Lessee shall provide notice to City of any changes to insurance or  
16 cancellation of any or all insurance at least thirty (30) calendar days in advance of such change or  
17 cancellation. Insurance coverage shall be maintained with insurance underwriters authorized to do  
18 business in the State of Montana, and that are satisfactory to the Lessor. The continuous maintenance  
19 by Lessee of all types of required insurance under this Lease is mandatory. Failure of the Lessee to  
20 maintain such insurance is a material breach of this Lease and does not amend this Lease, nor release  
21 the Lessee from any other obligations in this Lease.

22 If, in the Lessor's opinion, the minimum limits of the insurance coverage herein  
23 required become inadequate during the term of this Lease, Lessee agrees that it will increase such  
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1 minimum limits by reasonable amounts on request of the Lessor.

2 ARTICLE VII

3 TERMINATION, CANCELLATION, SUSPENSION, AND TRANSFER

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

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

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

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

21 In the event the Lessee elects not to remove the buildings and other structures,  
22 personal property, fixtures, machinery and equipment, and other improvements upon termination of  
23 the Lease, the disposition of the buildings and structures, personal property, fixtures, machinery and  
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1 equipment, and other improvements will be left to the sole discretion of the Lessor. If Lessor elects to  
2 remove the buildings and structures, personal property, fixtures, machinery and equipment, and other  
3 improvements because of failure of Lessee to do so, the cost of removal, demolition, disposal, and  
4 other related actions shall be at Lessee's expense.

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

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

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

1 C. Cancellation by Lessor.

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

4 a) Be in arrears in the payment of the whole or any part of the  
5 amounts agreed upon hereunder for a period of thirty (30) days after receipt of  
6 written notice of a past due payment.

7 b) File a voluntary petition of bankruptcy.

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

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

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

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

21 D. Suspension of Lease. During the time of war or declared national emergency,  
22 Lessor shall have the right to lease the landing area or any part thereof to the United States  
23 Government for military use. If any such lease is executed, any provisions of this instrument which  
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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 E. 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, Paragraph C., provided that written approval of the Lessor is obtained  
6 prior to any sublease, assignment, or transfer. As a condition of said approval, Lessor reserves the  
7 right to alter this Lease in any manner deemed necessary by Lessor. Any sublease, assignment, or  
8 transfer shall be subject to the same conditions, obligations, and terms as set forth herein, and as may  
9 be subsequently amended, and Lessee shall be responsible for the observance by its tenants and  
10 sublessees for the terms and covenants of this Lease, and any subsequent lease amendments. Lessee  
11 shall provide Lessor with a copy of any sublease.

12  
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,  
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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 to not  
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, and 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:  
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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) Air Force 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 Actions 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 VI, 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 by the laws of the State of Montana. Venue in any proceedings held  
11 hereunder shall be in the State of Montana Thirteenth Judicial District Court, Yellowstone County,  
12 Montana.

13 C. Taxes. Lessee shall pay any taxes or assessments which may be lawfully levied  
14 against Lessee's occupancy or use of the premises or any improvements placed thereon as a result of  
15 Lessee's occupancy. That Lessee, as independent contractor reserves the right to contest the levy of any  
16 tax or assessment which 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 Government relative to the  
20 administration, operation, or maintenance of the Airport, the execution of which has  
21 been or may be required as a condition precedent to the expenditure of Federal funds  
22 for the development of the Airport.

23 2) Notwithstanding any other prohibition or limitation of Lessee's right to  
24

1 sublease or assign its interest under this Lease, Lessor acknowledges and agrees that  
2 Lessee shall have the right to grant a security interest in its rights and interest under  
3 this Lease, with Lessor's written consent. Any mortgagee or beneficiary shall have the  
4 right to cure any default on the part of Lessee in the payment of rent hereunder and, in  
5 the event of default, to assume the Lessee's position under this Lease. In no event,  
6 shall Lessor be liable for the payment of the sum secured by such mortgage or trust  
7 indenture, nor for any expenses in connection with the same. Furthermore, such  
8 mortgage or trust indenture shall expressly provide that the mortgagor or beneficiary  
9 will seek no monetary judgment against Lessor. The mortgage or trust indenture shall  
10 also contain provisions requiring the holder of the indebtedness secured by such  
11 mortgage or trust indenture to mail to Lessor by certified mail written notice of each  
12 breach of covenant, default, or foreclosure given to Lessee by the holder of any  
13 indebtedness, mortgage or trust indenture affecting or applying to Lessee's interest  
14 under this Lease and to provide Lessor with a copy of the release when the  
15 indebtedness under such mortgage or trust indenture is satisfied.

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

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

22 G. Effect of Invalid Provision. If any term or provision of this Lease or the  
23 application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the  
24

1 remainder of this Lease, or the application of such terms or provisions to persons or circumstances  
2 other than those to which it is invalid or unenforceable, shall not be affected hereby, and each term  
3 and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

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

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

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

11 Daniel W. Wells and Julane Wells  
12 P.O. Box 80445  
13 Billings, MT 59108  
14 Telephone: (406) 672-3390  
15 E-mail: dan@wells.unc.com

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

17 I. Successors and Assignments. All of the terms, covenants, and agreements herein  
18 contained, or as subsequently amended from time to time, shall be binding upon and shall inure to the  
19 benefit of successors, assigns, and sublessees of the respective parties hereto.

20 IN WITNESS WHEREOF, this document has been duly executed by or on behalf of  
21 the parties hereto as of the date indicated below.  
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DATE: \_\_\_\_\_

ATTEST:

CITY OF BILLINGS

BY \_\_\_\_\_  
CITY CLERK

BY \_\_\_\_\_  
MAYOR

APPROVED AS TO FORM

LESSEE

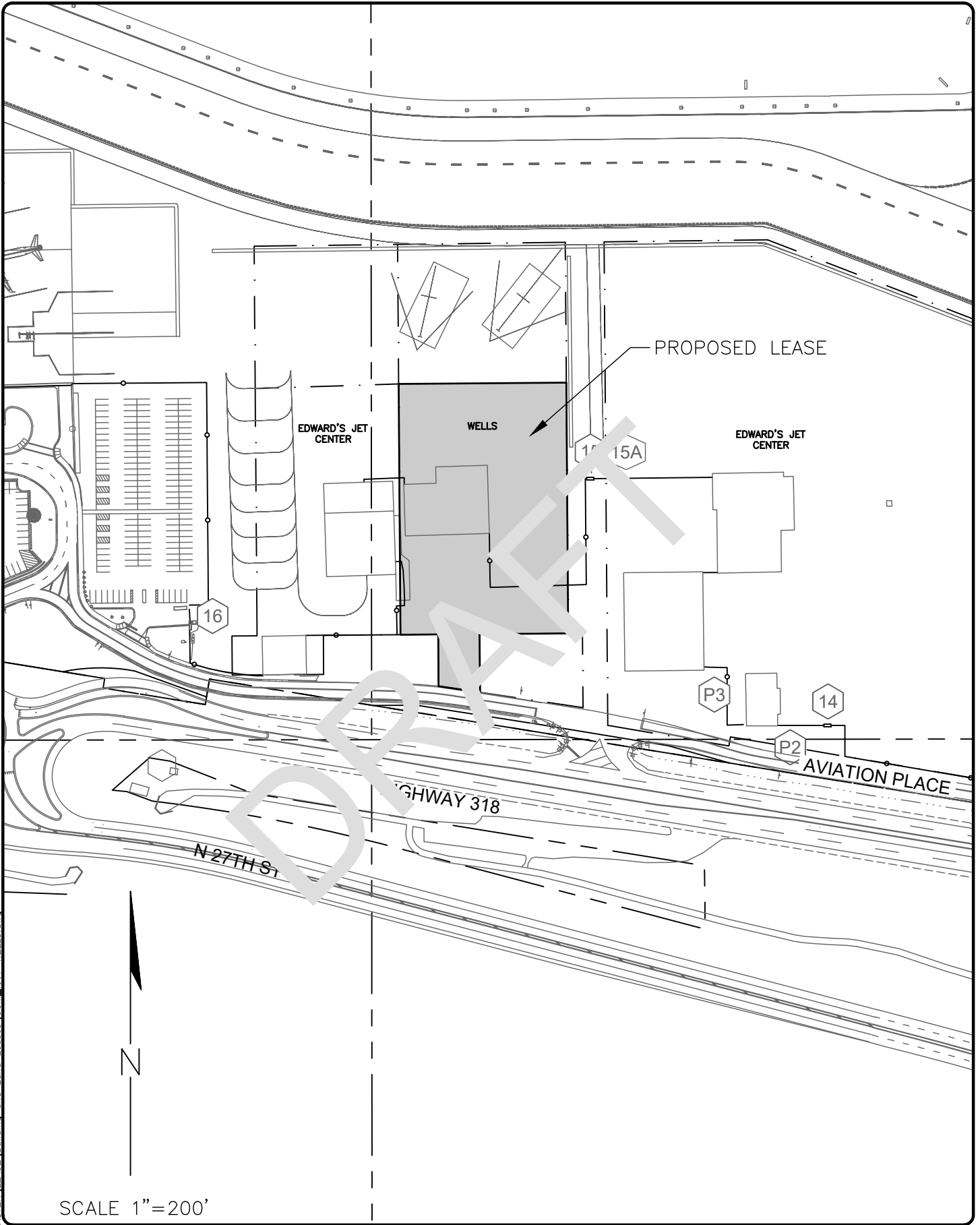
BY \_\_\_\_\_  
CITY ATTORNEY

BY \_\_\_\_\_  
DANIEL W. WELLS

P. \_\_\_\_\_  
JULANE WELLS

DRAFT

V:\2447\000-MASTER\LEASE\Building and Land Leases\COM\_lot4-WELLS.dwg



SCALE 1"=200'

# COMMERCIAL LOT 4 - WELLS LEASE

AVIATION AND TRANSIT DEPARTMENT-CITY OF BILLINGS

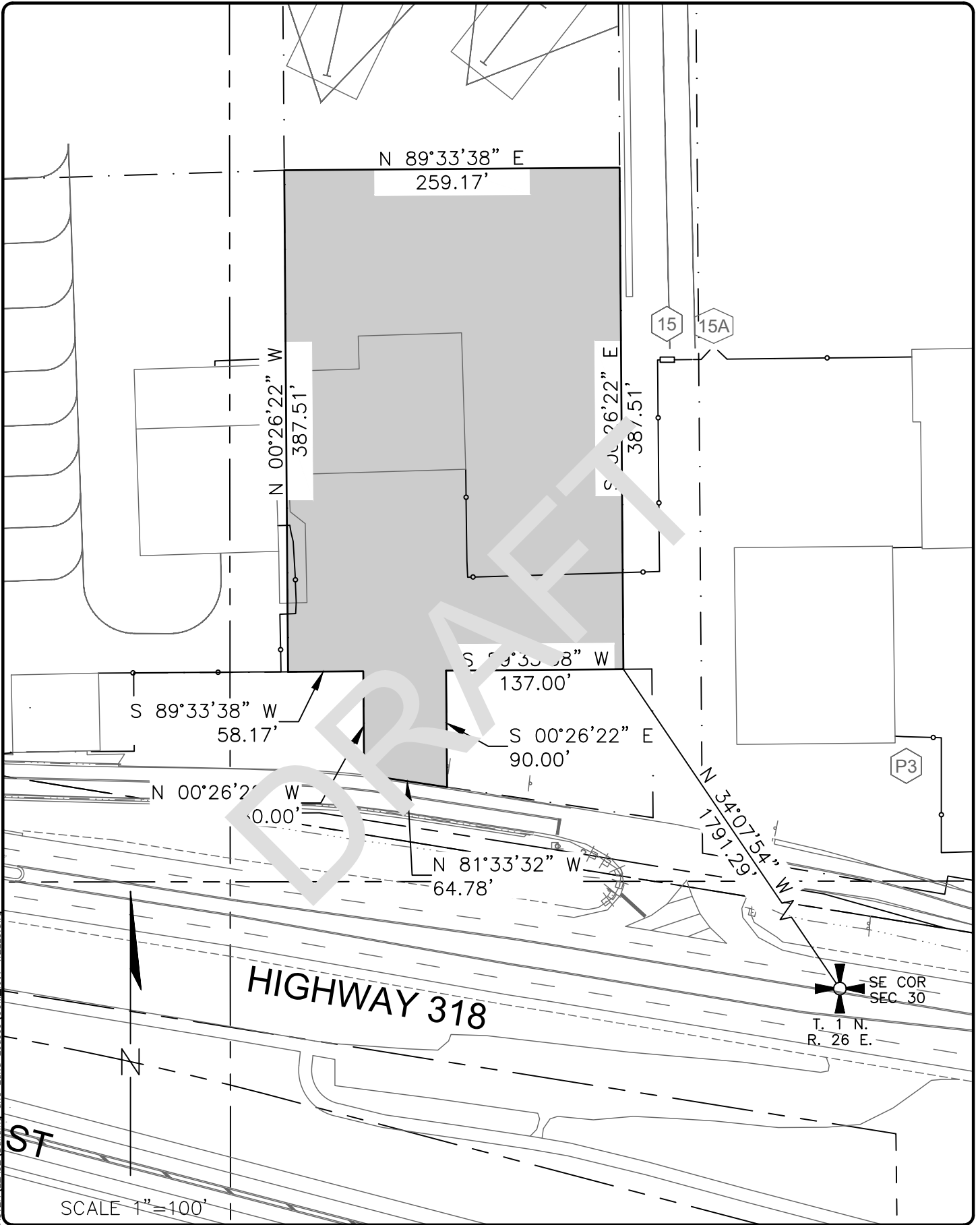
EXHIBIT A 1 of 3



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

ISSUE DATE: APRIL 2025

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COMMERCIAL LOT 4 - WELLS  
LEASE  
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: APRIL 2025

# DESCRIPTION

## Main Parcel

Commencing at the Southeast Corner of Section 30, T. 1 N., R. 26 E., P.M.M., Yellowstone County, Montana; thence N 34°07'54" W a distance of 1791.29 feet to the Point of Beginning; thence S 89°33'38" W a distance of 137.00 feet; thence S 00°26'22" E a distance of 90.00 feet; thence N 81°33'32" W a distance of 64.78 feet; thence N 00°26'22" W a distance of 80.00 feet; thence S 89°33'38" W a distance of 58.17 feet; thence N 00°26'22" W a distance of 387.51 feet; thence N 89°33'38" W a distance of 259.17 feet; thence S 00°26'22" E a distance of 387.51 feet to the Point of Beginning.

Said Commercial Lot 4 containing 105,370.01 square feet.

DRAFT

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COMMERCIAL LOT 4 – WELLS  
LEASE

AVIATION AND TRANSIT DEPARTMENT—CITY OF BILLINGS

EXHIBIT A 3 of 3

 Morrison  
Maierle

315 N. 25th Street, Suite 102  
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