

ROUNDUP AIRPORT BOARD

June 2, 2005

To Roundup Airport users and Lessee's:

There have been recent changes in the operation of the Roundup Airport. We have a new Airport Manager. He makes daily inspections of the airport, which includes operation and maintenance of all runway, taxiway and beacon lighting, runway condition, i.e. snow or ice and sees to their removal, issues airport NOTAM's as necessary, maintains general cleanliness of the ramp area, corrects any fuel system operational problems, and generally oversees all other airport needs.

The Roundup Airport currently has a Self Service aircraft fueling system that accepts most major credit cards. Conoco-Phillips 100LL aviation gasoline is available. Jet A will be available sometime in June or July, 2005. With the availability of aircraft fuel 24 hours a day, both local and transient aircraft can better utilize our well maintained and laid out airport. The Roundup Airport and its facilities are a necessary infrastructure for our community, and is something that we can all be proud of. In the past, the Roundup Airport did not always have a reliable fuel source. This lack of fuel was not only an inconvenience for our local airport users, but also a safety factor for transient aircraft.

Fuel prices at the Roundup Airport are competitive with other fuel facilities in the area. The 100LL price is below the average price of aviation gasoline within a 95 mile radius of Roundup. All local aircraft owners are encouraged to take advantage of this new convenient and safe aircraft fueling facility. Pass the word along to all of your friends in the aviation community. Their fuel business will support, and help finance your airport.

The new fueling facilities are the result of cost share grants from the F.A.A. Aviation Trust Fund, and the Montana Aeronautics Board. The Roundup Airport must produce enough revenue to pay the cost share for all airport runways, taxiways, lighting, and other facilities, and to operate, repair, maintain, and to update them. The current fuel price, and other airport rental revenues should do the job.

Lessee's that have personal fuel tanks are urged to use the airports fuel facilities. Hangar tanks can be a fire hazard, are subject to condensation and other fuel contamination. The fuel provided by the airport is clean, kept within storage time limits, well filtered, and safe for all aircraft.

The Roundup Airport is the exclusive **retail dealer** of all aircraft fuels sold on the Roundup airport. The Board has established a Fuel Flowage Fee of \$.05/gallon for all other fuels that are brought onto the Roundup airport for aviation use.

The Roundup Airport Board has determined that written leases for airport property is advantageous to both the airport and the lessee. The written leases will be for a period of twenty years, renewable for an additional twenty years. Having such a lease in writing will enable lessee's to obtain financing for buildings and improvements that may be necessary for their airport use. The written leases will become effective July 1, 2005. Lease rates are the same as last year. The new leases will be paid in advance for the coming year at the time of signing. (July 1, 2005 through June 30, 2006). They will be paid one year in advance on or before July 1st, of following years.

The Roundup Airport Board is desirous of maintaining a clean and neat facility. Hangar rules have been adopted that will work toward that end. Adherence to these simple rules will enhance the appearance of our airport and bring us all a sense of pride when we bring our guests to the airport to fly with us, or to meet friends and business associates who fly into our airport.

Enclosed are copies of Resolutions made by the Roundup Airport Board, with Joint Approval by the Musselshell County Commissioners. All Joint Resolutions are on file at the Musselshell County, Clerk and Recorders Office. Also enclosed is your copy of Non-Commercial ground lease. An additional page 1 of the lease is also enclosed for your use to rough in the information needed for your lease.

The Roundup Airport Board is planning to meet with the Lessee's to go over the new rules and lease requirements. We will inform you well in advance of that meeting date.

Respectfully,

Chairman

Airport Manager

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JOINT RESOLUTION NO. 1-3/00

Approved by the Roundup Airport Board, March 27, 2000
Recorded Musselshell County Clerk and Recorder March 28, 2005

BASIC LEASING AND ALTERATION/CONSTRUCTION REQUIREMENTS

PERMITS: - Permits for short time operation (5 Days) by any person, firm or business to conduct commercial activity on, at or upon the Roundup Airport may be obtained from the Roundup Airport Manager. An extended operating permit, use agreement, license, lease or sublease, shall be restricted to the activities specifically described in a permit agreement or lease, which lease and agreement shall be in a form satisfactory to the Roundup Airport Board.

LEASES: - The Roundup Airport Board will accept requests for a lease, use agreement, or operating permit on the Roundup Airport only after the requesting party puts forth in writing, the scope of the proposed operations, to include, but not limited to the following:

- a) The service to be offered and/or the nature of the business.
- b) When applicable, the amount and location of the land the requesting party desires to lease or use.
- c) When applicable, the building(s), space(s) and the location of the site he is requesting to lease.
- d) When applicable, the number, type and ownership of the aircraft intended to be used in the business.
- e) When applicable, the number, type and use of other major pieces of equipment intended for use in the business.
- f) The number of persons to be employed in the business located on the Roundup Airport.
- g) The hours and number of days per week of the proposed operation.
- h) And other pertinent information as the Roundup Airport Board may deem necessary.

LEASE REQUEST: All applications for a lease/use agreement, or operating permit at the Roundup Airport will be evaluated using the following criteria: (The Roundup Airport Board may, as physical planning and fiscal considerations dictate, add to, subtract from, or materially alter these criteria).

- a) The availability of the land/building (space) or other facilities necessary to accommodate the request.
- b) No conflicts or potential for conflicts may exist between the proposed use of any “Roundup Airport land use plan” currently in effect or being considered for the future.
- c) The requesting party must be willing to accept a lease/use agreement, or operating permit on the terms outlined by the Roundup Airport Board in the following areas;
 - 1) A lease, use/agreement or operating permit, the form and contents of which is devised by the Roundup Airport Board.
 - 2) The acceptance of the rate/fee charge to be made for the particular use.
- d) All applications for building alterations/construction, leases and building sites shall be in writing addressed to the Roundup Airport Manager, for consideration by the Roundup Airport Board.
- e) No construction may begin without Roundup Airport Board approval.

LEASE TRANSFER/ASSIGNMENT: No lease may be transferred or assigned without written permission of the Roundup Airport Board, nor may any portion of a lease its privileges or the ground so covered be subleased without the review and written permission of the Roundup Airport Board of the proposed sublease.

LEASE USE RESTRICTIONS: No part of the Roundup Airport and no improvement thereon shall be used or allowed to be used at any time for the manufacture, storage, distribution, serving or sale of any product or the furnishing of any service, in a manner which is unreasonable, noxious, offensive, an annoyance or nuisance to others on the Roundup Airport because of fumes, smoke, glare, soot, or dust which may become dangerous to public health and safety, or which may be illegal.

***RATES, FEES AND CHARGES
FOR USE OF ROUNDUP AIRPORT PROPERTY***

LEASE RATES FOR PRIVATE USE HANGAR LOTS:

Annual lease rate for land to be used for a private use hangar location: \$.025 per square foot of land contained in lot or parcel on which the hangar is located or is to be constructed. A lot or parcel of land for private hangars is defined as: that area from the taxiway entrance to the back line of the lots provided for hangar construction as the lot or parcel depth, by the width of the hangar plus ten (10) feet on both sides, or if there is less than twenty (20) feet measured between the adjoining hangar buildings one half of that distance will be used to compute the width of the lots. The width for hangars without adjacent hangars will include a ten (10) foot fire zone beyond the side(s) of the hangar building.

LEASE RATES FOR COMMERCIAL AVIATION BUILDING LOTS AND LAND PARCELS:

Annual lease rate for land to be used for a commercial use hangar location: \$.05 per square foot of land contained in the lot or parcel on which the hangar and other buildings or structures are located or are to be constructed, and all adjacent land needed for the commercial aviation enterprise. All commercial use hangars and buildings shall have a ten (10) foot fire zone beyond the sides of the structures. Adjacent land needed for the enterprise may include aircraft, vehicles, and equipment parking areas, and outside storage of materials approved by the Roundup Airport Board. Access to the commercial aviation enterprise will be determined by the Roundup Airport Board.

LEASE RATES FOR NON-AVIATION BUILDINGS SITES OR LAND PARCELS:

Annual lease rates for antenna's, buildings sites, or land parcels: \$125.00 per antenna, building lot or land parcel containing less than five hundred (500) square feet of land.

Rates for lots or parcels of land containing more that five hundred (500) square feet of land will be negotiated with the Roundup Airport Board.

FEES: - The rates, fees and charges will be established by the Roundup Airport Board and available in the Musselshell County Courthouse, or from the Roundup Airport Manager. All monies are payable to the Roundup Airport Board on the date incurred unless the provisions of a valid lease permit otherwise. Except for fees set by lease, the Roundup Airport Board reserves the right to increase, decrease or amend in any manner and without notice the existing fee structure, and may assess new charges from time to time as it may deem reasonable and proper and necessary for the general welfare of the Roundup Airport. If lease fees are changed, ALL leases will be likewise adjusted.

PENALTIES: - Any person, firm, partnership, association or corporation who shall violate the rules and regulations of the Roundup Airport Board may be subject to legal action.

HANGAR RULES:

STORAGE: - Hangars are primarily for storage of “**Aircraft**”.

Storage of aircraft service items is allowed. Flammable liquids, (includes gasoline, dope, cleaning solvents, etc.); ten gallon limit.

Paint and other flammables must be stored in vapor proof metal cabinet.

Gasoline in excess of ten gallons shall be stored in an acceptable tank outside of the hangar in accordance with existing fire codes.

Non-Aviation items: Concern here is that the hangars are **primarily for airplanes and aviation related items.** There is no restriction on a bicycle, motor bike or other small vehicle in the hangar. Primary concern is that the **hangars are for aircraft storage, and not warehouses!**

No automobiles, trucks, or other motor vehicles shall be parked in front of hangars except for service or delivery vehicles, and then only long enough to make delivery or provide service.

Tenants of hangars may park their own cars in the hangar when the aircraft is being flown.

PARKING AND CLEANLINESS: - Each operator and tenant shall be responsible for the orderly parking of aircraft in the areas adjacent to his hangar and for the cleanliness of the area he uses.

NON-STORAGE OF AIRCRAFT IN HANGARS: - Hangars are allowed on the Roundup airport for the **sole purpose** of storing **Aircraft**. Whenever a hangar owner does not have an aircraft to store in his hangar for a period of one-hundred and twenty (120) days he must: either offer the hangar for sale, sub-lease it for aircraft storage only, or clear out all contents other than aircraft related items and discontinue the use of the hangar. **Storage of other than Aircraft related items in hangars located on the Roundup Airport property is prohibited.**

LEASE REQUEST: All applications for a lease/use agreement, or operating/permit at the Roundup Airport will be evaluated using the following criteria: (The Roundup Airport Board may, as physical planning and fiscal consideration dictate, add to, subtract from or materially alter these criteria).

- a) The availability of the land/building (space) or other facilities necessary to accommodate the request.
- b) No conflicts or potential for conflicts may exist between the proposed use of any "Roundup Airport land use plan" currently in effect or being considered for the future.
- c) The requesting party must be willing to accept a lease/use agreement, or operating permit on the terms outlined by the Roundup Airport Board in the following areas;
 - 1) A lease, use/agreement or operating permit, the form and contents of which is devised by the Roundup Airport Board.
 - 2) The acceptance of the rate/fee charge to be made for the particular use.
- d) All applications for building alterations/construction, leases and building sites shall be in writing addressed to the Roundup Airport Manager, for consideration by the Roundup Airport Board.
- e) No construction may begin without Roundup Airport Board approval.

LEASE TRANSFER/ASSIGNMENT: No lease may be transferred or assigned without written permission of the Roundup Airport Board, nor may any portion of a lease, its privileges or the ground so covered be subleased without the review and written permission of the Roundup Airport Board of the proposed sublease.

LEASE USE RESTRICTIONS: No part of the Roundup Airport and no improvement thereon shall be used or allowed to be used at any time for the manufacture, storage, distribution, serving, or sale of any product or the furnishing of any service, in a manner which is unreasonable, noxious, offensive, an annoyance or a nuisance to others on the Roundup Airport because of fumes, smoke, noise, glare, soot, or dust which may become dangerous to public health and safety, or which shall be illegal.

End of Joint Resolution 1 – 3/00

JOINT RESOLUTION NO. 2-10/04

**Approved by the Roundup Airport Board, October 18, 2004
Recorded Musselshell County Clerk and Recorder March 28, 2005**

FUEL FLOWAGE FEE

There is a \$.05 per gallon flowage fee on all bulk aviation and car fuel brought on the airport.

- 1) The flowage fee of \$.05 per gallon will be paid to the Roundup Airport Board no later than 30 days following delivery of the fuel on the airport. A copy of the invoice from the vendor must accompany the payment.
- 2) Lessee shall provide and maintain accurate records of fuel flowage for aircraft. Such records shall be maintained according to generally accepted accounting principles. Lessor or its duly authorized representative shall have the right at all reasonable times during business hours to inspect the books, records and receipts of Lessee, and to verify Lessee's fuel flowage.
- 3) In the event that any flowage fee dispute may arise as to fuel delivered, the amount claimed due by Lessor shall be submitted to a Certified Public Accountant, agreeable to both parties, who shall determine the rights of the parties hereunder in conformity with generally accepted accounting principles. The fee due to said Certified Public Accountant for such service shall be paid by the unsuccessful party, or in the event the determination is partially in favor of each party, the fee shall be borne equally by the parties.

The rates, fees, and charges established by the Roundup Airport Board are posted in the Musselshell County Clerk and Records Office. All monies are payable to the Roundup Airport Board, at the office of the Musselshell County Treasurer, on the date incurred unless the provisions of a valid lease permit otherwise. Except for fees set by lease, the Roundup Airport Board reserves the right to increase, decrease, or amend in any manner and without notice the existing structure of lease fees and fuel flowage fees, and may assess new charges from time to time as it may deem reasonable and proper and necessary for the general welfare of the Roundup Airport. If lease fees are changed, all similar leases will be changed at the time of each lease renewal.

End of Joint Resolution No. 2-10/04

JOINT RESOLUTION NO. 3 - 3/05

**Approved by the Roundup Airport Board March 21, 2005
Recorded Musselshell County Clerk and Recorder March 28, 2005**

**EXCLUSIVE RETAIL AVIATION FUEL SALES
AT THE ROUNDUP, MONTANA AIRPORT**

Whereas: The Roundup Airport Board has invested heavily in providing aircraft fueling facilities to make aviation fuel available at the Roundup Airport. A necessary service to the flying public, in order that they may safely operate their aircraft into and out of the Roundup Airport. This service was not reliably provided in the past. Presently there is no other commercial source of aviation fuel available on the Roundup Airport.

And Whereas: The fuel availability at the Roundup Airport creates additional use of the airport from transient aircraft as well as local aircraft, thus enhancing the value of the Roundup Airport Board's past investment in all of the airport facilities.

And Whereas: Profits to the Roundup Airport Board from the sale of aviation fuels will contribute to the funding of the day to day operation of the airport as well making funding possible for future improvements to the airport and its facilities.

Therefore Be It Resolved: That the present and future policy of the Roundup Airport Board shall provide that the **Roundup Airport Board** will be the **Exclusive Retail Outlet for all Aviation Fuels sold at the Roundup, Montana Airport.**

End of Joint Resolution No. 3 - 3/05

JOINT RESOLUTION NO. 4 - 3/05

**Approved by the Roundup Airport Board March 21, 2005
Recorded Musselshell County Clerk and Recorder March 28, 2005**

**REQUIREMENT FOR ALL AIRPORT LAND USERS
TO ENTER INTO WRITTEN LEASES
WITH THE ROUNDUP AIRPORT BOARD**

Whereas: Current users of Roundup Airport property do not have written leases that spell out the terms for the use of that airport property, nor the fees and obligations required for the use of that property.

And whereas: It is the desire of the Roundup Airport Board that all Roundup Airport property users enter into written lease agreements with the Roundup Airport Board, that cover the property that they are currently leasing.

Therefore Be It Resolved: That all current Lessees of property upon the Roundup Airport enter into written Leases in the form prepared by the Roundup Airport Board.

Be It Further Resolved: That all current Lessees of property on the Roundup Airport must have their written leases completed prior to June 1, 2005.

Be I Further Resolved: That all future users of Roundup Airport Property will enter into the same form of written Lease prior to any use of Roundup Airport property.

End of Joint Resolution No. 4 - 3/05

Joint Resolution No. 5 - 4/05

**Approved by the Roundup Airport Board April 15, 2005
Recorded Musselshell County Clerk and Recorder April 18, 2005**

STANDARD HANGAR CONSTRUCTION REQUIREMENTS

Whereas: There has not been a standard for hangar construction and hangar appearance at the Roundup Airport in the past, resulting in a mix of multi-colored, attractive and unattractive buildings.

And Whereas: It is the desire of the Roundup Airport Board to standardize new hangar construction on the Roundup Airport in order to obtain and maintain a more appealing and businesslike appearance for the airport facility.

And Whereas: Modern construction techniques and materials are available to construct hangars of a standard size and shape and color that will enhance the appearance and utility of the Airport.

Therefore Be It Resolved: That the Roundup Airport Board shall provide to LESSEE'S, who are planning to build a new hangar, or are considering remodeling or replacing existing hangars, with the minimum hangar construction guidelines. Those guidelines will include type of building construction that is acceptable, standardized dimensions, roof style, door style, acceptable exterior covering material, and color.

Be It Further Resolved: That construction of a new building, or the reconstruction or replacement of an existing building cannot begin prior to the Roundup Airport Board approving the buildings plans.

End of Joint Resolution No. 5 - 4/05

**NON-COMMERCIAL ROUNDUP AIRPORT
GROUND LEASE**

**THIS NON-COMMERCIAL GROUND LEASE IS IDENTICAL TO THE COMMERCIAL
GROUND LEASE EXCEPT FOR PARAGRAPH 8**

THIS LEASE AGREEMENT made and entered into this _____
(date)

by and between the **ROUNDUP AIRPORT BOARD**, hereinafter referred to as “**LESSORS**”;
and; _____ (name)
hereinafter referred to as “**LESSEE**”

(address)

WITNESSETH:

That for and in consideration of the rents to be paid and the covenants and conditions to be kept and performed by the LESSEE, the LESSORS do hereby demise, lease and let unto the LESSEE that certain tract of land located on the **Roundup Airport, in Musselshell County, Montana**, described in Schedule A attached hereto and made a part hereof.

TO HAVE AND TO HOLD the leased premises for the period from;
_____ to _____, subject to the terms and conditions
(this date) (date 20 years later)
hereinafter set forth; provided however, that so long as LESSEE is not in default under this Lease Agreement, LESSEE shall have the option to renew this Lease Agreement for one additional term of 20 years by providing LESSORS with written notice at least **ninety (90) days** prior to the expiration of the original term. The extended term shall be on the same terms and conditions of this Lease Agreement, except the annual rental rate, annual rental adjustments, and any other fees and charges in effect during the extension term shall be applicable. If the LESSEE provides the LESSORS with written notice of the intention to exercise the option to renew, a written extension agreement shall be signed by the LESSORS and LESSEE.

LESSEE hereby covenants and agree to pay as and for rental of the said premises an annual rental of: \$ _____ (**\$0.025** per/square foot/per annum) **multiplied by** (_____ **square feet**) cash in advance. Square footage determined (*pursuant to Joint Resolution No. 1-3/00*)

(a) The pro-rated rental for the period from _____, through _____, in the amount of \$ _____ shall be paid upon execution and signing of this lease.

(b) All future annual rental payments shall be payable on or before **July 1** of each subsequent year during the term of this lease. (*note: July 1 thru June 30 is rental period*)

(c) All rental payments shall be non-refundable.

(d) LESSORS reserve the right to increase the annual rental next due, effective July 1 of each year during the term of this lease, in an amount not to exceed 10% of the previous year's rental. Prepayment of any rental shall not hinder this rent increase provision.

As additional consideration for obtaining said lease, LESSEE herein agrees as follows:

1. LESSEE covenants and agrees to pay any taxes and assessments which may be lawfully levied against LESSEE's occupancy or use of the premises or any personal property and improvements placed upon the leased premises.
2. LESSEE covenants and agrees that LESSEE has seen and inspected the premises and herewith agrees to accept same in its present condition as being adequate for LESSEE's purposes, and further agrees that no misrepresentations have been made to LESSEE by the LESSORS, their agents or attorneys.
3. LESSEE covenants and agrees that the premises hereby leased shall be used by the LESSEE for the sole purpose of providing an aircraft hangar for the storing, maintaining, and servicing LESSEE's aircraft, and that the leased premises shall be used for no other purpose without the express written consent of the LESSORS being first had and obtained.
4. LESSEE may construct a new aircraft hangar on the leased premises, subject to the requirements of the Roundup Airport Rules adopted by the LESSORS (*pursuant to Joint Resolution No. 5-4/05*), and any amendments thereto, as well as any applicable state, federal and local laws codes, ordinances, rules and regulations. The construction of the LESSEE's aircraft hangar shall be completed within **six (6) months** of the signing of this lease. Failure to complete the structure during said period shall constitute a default. A Performance Bond, or other suitable guarantee acceptable to LESSORS, shall be provided by the LESSEE to the LESSORS in an amount equal to the construction costs and labor to guarantee the completions of the construction and the payment of wages and services associated with the construction.
5. All improvements of any kind that may be placed upon said premises, either of a temporary or permanent nature, shall be the total and complete responsibility of the LESSEE. Any permanent improvements shall become and remain the property of the LESSORS at the expiration of this lease except as hereinafter specified.
6. LESSEE further covenants and agrees to comply during the term of this lease with the Roundup Airport Rules adopted by the LESSORS (*pursuant to Joint Resolution No. 1-3/00*) and any amendments thereto adopted prior to or subsequent to the effective date of this Lease Agreement, and with all local, state and federal laws, codes, ordinances, rules and regulations applicable to the LESSEE's use of the leased premises at the Roundup Airport.
7. LESSORS shall stand indemnified by LESSEE as herein provided. It is expressly understood and agreed that in the use of the Roundup Airport, in the erection or construction of any improvements thereon, and in the exercise or enjoyment of the privileges herein granted, LESSEE shall indemnify and save harmless the LESSORS from

any and all liabilities whatsoever, including suits, attachments, claims or damages, reasonable attorney's fees and cost that may result to the LESSORS because of any negligence, act or omission on the part of the LESSEE, and shall indemnify LESSORS against any and all mechanics and material men's liens or any other types of liens imposed upon the premises.

LESSEE shall promptly, after the execution of this lease, provide public liability insurance in a minimum amount of \$1,000,000.00 per occurrence for property damage, personal injury and or death growing out of any one accident or other cause.

LESSORS shall be named as co-insureds.

LESSEE shall maintain said insurance with insurance underwriters authorized to do business in the State of Montana satisfactory to LESSORS. All policies shall name LESSORS, its officers, servants and agents and employees as additional insureds as their interests shall appear. LESSEE shall furnish LESSORS with a certificate from the insurance carrier showing such insurance to be in full force and effect during the entire term of this lease, or shall deposit with LESSORS copies of said policies immediately upon execution of this Agreement.

8. LESSEE agrees and understands that:
 - (a) no storage of materials or vehicles outside of hangars is allowed, except for aircraft fuel as noted below.
 - (b) Tenants of hangars may park their own cars behind the hangar when their aircraft is being flown, or they are working on or servicing their aircraft.
 - (c) No automobiles, trucks or other motor vehicles shall be parked in front of hangars, except for delivery vehicles, and then only long enough to make delivery or to provide service.
 - (d) LESSEE may store aircraft service items in the hangar. Paint and other flammable liquids, such as aircraft dope, cleaning solvents, etc. must be stored in a vapor proof metal cabinet.
 - (e) LESSEE shall not store Non-Aviation related items in hangar.
 - (f) LESSEE may store aircraft fuels to be used exclusively for fueling LESSEE's aircraft. Such fuels shall be stored in an acceptable tank outside of the hangar in accordance with existing fire codes. Such aircraft fuels are subject to the fuel flowage fees imposed by the LESSOR. **(pursuant to Joint Resolution No.2-10/04)**
 - (g) LESSEE shall have on the premises a fire extinguisher that meet the requirement of the existing fire codes.

9. LESSOR represents and warrants that the premises have not been used as a land fill or dump and has not been used for the storage, release or disposal of petroleum, asbestos, or hazardous waste or substances, as define under federal, state and local laws, regulations and ordinances (referred to collectively herein as Hazardous Substances). LESSOR will indemnify, defend and hold harmless LESSEE from any and all claims, damages, fines,

judgments, penalties, costs, liabilities, or losses (including without limitation a decrease in the value of the Premises or Building, and any and all sums paid for settlement of claims, attorneys, consultant and expert fees), arising as a result of such contamination by LESSOR, its employees, invitees, and customers.

10. LESSEE shall not permit the premises to be used as a land fill or dump and will not release or dispose of petroleum, asbestos, or hazardous waste or substances, as defined under federal, state and local laws, regulations and ordinances (referred to collectively herein as Hazardous Substances).
LESSEE will indemnify, defend and hold harmless LESSOR from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including without limitation a decrease in value of the Premises or Building, and any and all sums paid for settlement of claims, attorneys, consultant and expert fees), arising as a result of such contamination by LESSEE, its employees, invitees, and customers.
11. LESSEE shall not permit the existence of any nuisance on said premises; LESSEE, at LESSEE's sole cost and expense, shall keep the leased premises in a neat and clean condition and shall arrange for the removal and disposal of all garbage, refuse, debris and other waste matter from the leased premises; and further LESSEE, at LESSEE's sole cost and expense, shall mow or otherwise control all grass and weeds on the leased premises. In the event that LESSEE fails to maintain the premises in the above described manner, the LESSOR shall at the cost and expense to the LESSEE, perform the necessary remedies to bring the premises into compliance.
12. LESSEE further covenants and agrees that LESSEE will not assign, sublet or sublease all or any part of the leased premises or this Lease Agreement during the primary term of said lease without first having obtained written consent of the LESSORS thereto and LESSORS agree that they will not unreasonably withhold consent..
13. All notices hereunder to be given by LESSORS to LESEE shall be sufficient if personally served upon LESSEE or served by certified mail, postage prepaid, addressed to LESSEE at LESSEE's address stated above. All notices hereunder to be given by LESSEE to LESSORS shall be sufficient if personally served upon the Musselshell County Clerk and Recorder or served by certified mail, postage prepaid, addressed to:

Musselshell County Clerk and Recorder
Attention Roundup Airport Board
Musselshell County Courthouse
506 Main Street
Roundup, MT 59072

A notice served by mail shall be deemed served when deposited in any United States Post Office. Any change of address shall not be effective unless served

upon the parties in the same manner as the notice referred to herein. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of notice.

14. It is agreed that any structure or improvements or equipment belonging to the LESSEE herein shall be determined by LESSORS whether to be removed promptly by LESSEE upon termination of this lease, or if it is not removed it shall become the property of the LESSOR. If it is determined that improvements or equipment belonging to LESSEE are to be removed, LESSEE shall have an additional thirty (30) days after termination of the lease within which to affect this removal, including the removal of any cements foundations or other footings used to support buildings and equipment and thereafter to return the leased land to a smooth and level condition. In case of the failure of the LESSEE to do so within the period set forth herein, then any structures remaining shall become the property of the LESSOR to dismantle and to remove the same and restore the premises to its former state at the expense of the LESSEE without incurring any liability therefore.
15. Any sum which under the provisions of this lease LESSEE has agreed to pay shall constitute, when due and unpaid, a lien enforceable at law by LESSORS upon any building, improvements or property of LESSEE located on said premises.
16. This lease shall be subordinate to the provisions of any existing or future agreements between LESSORS and the United States or the State of Montana relative to administration, operation, or maintenance of the Roundup Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of the Roundup Airport.
17. LESSEE, for LESSEE, LESSEE,s personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree:
 - (a) that no person, on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicap, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Roundup Airport facilities, or the exercise of its rights and privileges under this agreement;
 - (b) that, in the construction of any improvements on behalf of LESSEE an the furnishing of services, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicap;
 - (c) that LESSEE shall use the Roundup Airport facilities in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

18. LESSORS shall have reasonable access to the leased premises for the purposes of examining or inspecting the same. LESSORS shall give LESSEE at least twenty-four (24) hours notice of the intent to enter and may enter only at reasonable times. In the event of fire or other emergency LESSOR may enter the premises to attend to the emergency situation.
19. All of the covenants and promises made by LESSEE herein are material conditions for the granting of this lease. If LESSEE fails to pay the rent or any other sum owed under the terms and conditions of this lease and such default continues for a period of thirty (30) days after LESSORS serve written notice of said default on LESSEE, LESSORS may declare this lease terminated and take immediate possession of the premises. If LESSEE defaults in the performance of any of the conditions of this lease, and such default continues for a period of thirty (30) days after LESSORS serve written notice of said default on LESSEE, LESSORS may declare this lease terminated and take immediate possession of the premises.

It is agreed that the failure of LESSORS to declare this lease terminated or to reenter and take possession upon the default of LESSEE for any of the reasons set out shall not operate to bar or destroy the right of LESSORS to terminate this lease by reason of any subsequent violation of the terms of this lease by LESSEE.

20. LESSEE shall, upon termination of this lease, give and surrender peaceably possession of said premises to LESSORS without notice from LESSORS.
21. Unless terminated earlier as provided herein, this lease shall terminate at the end of the specified term without notice by either party. A holding over by LESSEE, LESSEE, assigns or subleases beyond the expiration of the term shall not be permitted without the written consent of the LESSORS and then only on a month to month basis.
22. All of the clauses of this Lease Agreement are distinct and severable, and if any clause shall be deemed illegal, void, or unenforceable, it shall not affect the validity, legality, or enforceability of any other clause or portion of this Lease Agreement.
23. All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.
24. All disputes and differences arising out of this lease shall be settled and finally determined in the City of Roundup, State of Montana, by arbitrator (it being understood the LESSOR is one party and the LESSEE another party). If the two arbitrators so appointed cannot agree within the month after their appointment, they will select a third arbitrator. The decision in writing of the three arbitrators, or any two of them, shall be final and binding upon the parties therein, who shall conform to and abide by said decision. If either party fails to appoint its arbitrator within fourteen (14) days after notice in writing requiring him to do so, the arbitrator appointed by the other party shall act for both; his decision in writing shall be final and binding upon both parties, as if he had been appointed by

consent, and both parties thereto shall conform to and comply with therewith.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals to three copies of this Agreement interchangeably, either of which may for all intents and purposes be used as an original, the day and year hereinabove set forth.

LESSORS:

ROUNDUP AIRPORT BOARD

Roundup, Montana

By _____,
_____, Chairman

SUBSCRIBED AND SWORN TO before me this ____ day of _____,
20__.

(NOTORIAL SEAL)

Notary Public for the State of Montana
Residing at: Roundup, Montana
My commission Expires: _____

LESSEE:

SUBSCRIBED AND SWORN TO before me this ____ day of _____,
20__.

(NOTORIAL SEAL)

Notary Public for the State of Montana
Residing at: Roundup, Montana
My commission Expires: _____

**COMMERCIAL ROUNDUP AIRPORT
GROUND LEASE**

**THIS COMMERCIAL GROUND LEASE IS IDENTICAL TO THE NON-COMMERCIAL
GROUND LEASE EXCEPT FOR PARAGRAPH 8**

THIS LEASE AGREEMENT made and entered into this _____
(date)

by and between the **ROUNDUP AIRPORT BOARD**, hereinafter referred to as “LESSORS”;
and; _____(name)
hereinafter referred to as “LESSEE”

(address)

WITNESSETH:

That for and in consideration of the rents to be paid and the covenants and conditions to be kept and performed by the LESSEE, the LESSORS do hereby demise, lease and let unto the LESSEE that certain tract of land located on the **Roundup Airport, in Musselshell County , Montana**, described in Schedule A attached hereto and made a part hereof.

TO HAVE AND TO HOLD the leased premises for the period from;
_____ to _____, subject to the terms and conditions
(this date) (date 20 years later)
hereinafter set forth; provided however, that so long as LESSEE is not in default under this Lease Agreement, LESSEE shall have the option to renew this Lease Agreement for one additional term of 20 years by providing LESSORS with written notice at least **ninety (90) days** prior to the expiration of the original term. The extended term shall be on the same terms and conditions of this Lease Agreement, except the annual rental rate, annual rental adjustments, and any other fees and charges in effect during the extension term shall be applicable. If the LESSEE provides the LESSORS with written notice of the intention to exercise the option to renew, a written extension agreement shall be signed by the LESSORS and LESSEE.

LESSEE hereby covenants and agree to pay as and for rental of the said premises an annual rental of: \$ _____ (**\$0.025** per/square foot/per annum) **multiplied by** (_____ **square feet**) cash in advance. Square footage determined (**pursuant to Joint Resolution No. 1-3/00**)

(a) The pro-rated rental for the period from _____, through _____, in the amount of \$ _____ shall be paid upon execution and signing of this lease.

(b) All future annual rental payments shall be payable on or before **July 1** of each subsequent year during the term of this lease. (***note: July 1 thru June 30 is rental period***)

(c) All rental payments shall be non-refundable.

(d) LESSORS reserve the right to increase the annual rental next due, effective July 1 of each year during the term of this lease, in an amount not to exceed 10% of the previous year's rental. Prepayment of any rental shall not hinder this rent increase provision.

As additional consideration for obtaining said lease, LESSEE herein agrees as follows:

3. LESSEE covenants and agrees to pay any taxes and assessments which may be lawfully levied against LESSEE's occupancy or use of the premises or any personal property and improvements placed upon the leased premises.
4. LESSEE covenants and agrees that LESSEE has seen and inspected the premises and herewith agrees to accept same in its present condition as being adequate for LESSEE's purposes, and further agrees that no misrepresentations have been made to LESSEE by the LESSORS, their agents or attorneys.
11. LESSEE covenants and agrees that the premises hereby leased shall be used by the LESSEE for the sole purpose of providing an aircraft hangar for the storing, maintaining, and servicing LESSEE's aircraft, and that the leased premises shall be used for no other purpose without the express written consent of the LESSORS being first had and obtained.
12. LESSEE may construct a new aircraft hangar on the leased premises, subject to the requirements of the Roundup Airport Rules adopted by the LESSORS (*pursuant to Joint Resolution No. 5-4/05*), and any amendments thereto, as well as any applicable state, federal and local laws codes, ordinances, rules and regulations. The construction of the LESSEE's aircraft hangar shall be completed within **six (6) months** of the signing of this lease. Failure to complete the structure during said period shall constitute a default. A Performance Bond, or other suitable guarantee acceptable to LESSORS, shall be provided by the LESSEE to the LESSORS in an amount equal to the construction costs and labor to guarantee the completions of the construction and the payment of wages and services associated with the construction.
13. All improvements of any kind that may be placed upon said premises, either of a temporary or permanent nature, shall be the total and complete responsibility of the LESSEE. Any permanent improvements shall become and remain the property of the LESSORS at the expiration of this lease except as hereinafter specified.
14. LESSEE further covenants and agrees to comply during the term of this lease with the Roundup Airport Rules adopted by the LESSORS (*pursuant to Joint Resolution No. 1-3/00*) and any amendments thereto adopted prior to or subsequent to the effective date of this Lease Agreement, and with all local, state and federal laws, codes, ordinances, rules and regulations applicable to the LESSEE's use of the leased premises at the Roundup Airport.
15. LESSORS shall stand indemnified by LESSEE as herein provided. It is expressly understood and agreed that in the use of the Roundup Airport, in the erection or construction of any improvements thereon, and in the exercise or enjoyment of the privileges herein granted, LESSEE shall indemnify and save harmless the LESSORS from

any and all liabilities whatsoever, including suits, attachments, claims or damages, reasonable attorney's fees and cost that may result to the LESSORS because of any negligence, act or omission on the part of the LESSEE, and shall indemnify LESSORS against any and all mechanics and material men's liens or any other types of liens imposed upon the premises.

LESSEE shall promptly, after the execution of this lease, provide public liability insurance in a minimum amount of \$1,000,000.00 per occurrence for property damage, personal injury and or death growing out of any one accident or other cause.

LESSORS shall be named as co-insureds.

LESSEE shall maintain said insurance with insurance underwriters authorized to do business in the State of Montana satisfactory to LESSORS. All policies shall name LESSORS, its officers, servants and agents and employees as additional insureds as their interests shall appear. LESSEE shall furnish LESSORS with a certificate from the insurance carrier showing such insurance to be in full force and effect during the entire term of this lease, or shall deposit with LESSORS copies of said policies immediately upon execution of this Agreement.

16. LESSEE agrees and understands;

- a. That storage of vehicles and materials outside of hangars shall be those required solely for the purpose of conducting the LESSEE's **aviation related business enterprise**.
- b. It is mutually covenanted and agreed that the LESSEE shall use said premises only for the operation of its air service business and other kindred services as may be found reasonably necessary to the carrying on of said air service business.
- c. It being understood that this shall include the right to store aircraft fuels to be used **exclusively for fueling LESSEE's aircraft**. Such aircraft fuels are subject to the fuel flowage fees imposed by the LESSOR. **Pursuant to Joint Resolution No. 2-10/04**.
- d. LESSEE's aircraft fuels shall be stored in an acceptable tank outside of the hangar in accordance with existing fire codes.
- e. The retail sale of aircraft fuels to local and transient aircraft is the exclusive domain of the LESSOR on the Roundup Airport. **Pursuant to Joint Resolution No. 3-3/05**.
- f. LESSEE shall have on the premises the necessary fire extinguishers to comply with existing fire codes.

17. LESSOR represents and warrants that the premises have not been used as a land fill or dump and has not been used for the storage, release or disposal of petroleum, asbestos, or hazardous waste or substances, as define under federal, state and local laws, regulations and ordinances (referred to collectively herein as Hazardous Substances). LESSOR will indemnify, defend and hold harmless LESSEE from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including without limitation a decrease in the value of the Premises or Building, and any and all sums paid for settlement of claims, attorneys, consultant and expert fees), arising as a result of such contamination by LESSOR, its employees, invitees, and customers.

18. LESSEE shall not permit the premises to be used as a land fill or dump and will not release or dispose of petroleum, asbestos, or hazardous waste or substances, as defined under federal, state and local laws, regulations and ordinances (referred to collectively herein as Hazardous Substances).
LESSEE will indemnify, defend and hold harmless LESSOR from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including without limitation a decrease in value of the Premises or Building, and any and all sums paid for settlement of claims, attorneys, consultant and expert fees), arising as a result of such contamination by LESSEE, its employees, invitees, and customers.
20. LESSEE shall not permit the existence of any nuisance on said premises; LESSEE, at LESSEE's sole cost and expense, shall keep the leased premises in a neat and clean condition and shall arrange for the removal and disposal of all garbage, refuse, debris and other waste matter from the leased premises; and further LESSEE, at LESSEE's sole cost and expense, shall mow or otherwise control all grass and weeds on the leased premises. In the event that LESSEE fails to maintain the premises in the above described manner, the LESSOR shall at the cost and expense to the LESSEE, perform the necessary remedies to bring the premises into compliance.
21. LESSEE further covenants and agrees that LESSEE will not assign, sublet or sublease all or any part of the leased premises or this Lease Agreement during the primary term of said lease without first having obtained written consent of the LESSORS thereto and LESSORS agree that they will not unreasonably withhold consent..
22. All notices hereunder to be given by LESSORS to LESEE shall be sufficient if personally served upon LESSEE or served by certified mail, postage prepaid, addressed to LESSEE at LESSEE's address stated above. All notices hereunder to be given by LESSEE to LESSORS shall be sufficient if personally served upon the Musselshell County Clerk and Recorder or served by certified mail, postage prepaid, addressed to:
- Musselshell County Clerk and Recorder
Attention Roundup Airport Board
Musselshell County Courthouse
506 Main Street
Roundup, MT 59072
- A notice served by mail shall be deemed served when deposited in any United States Post Office. Any change of address shall not be effective unless served upon the parties in the same manner as the notice referred to herein. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of notice.
23. It is agreed that any structure or improvements or equipment belonging to the LESSEE herein shall be determined by LESSORS whether to be removed

promptly by LESSEE upon termination of this lease, or if it is not removed it shall become the property of the LESSOR. If it is determined that improvements or equipment belonging to LESSEE are to be removed, LESSEE shall have an additional thirty (30) days after termination of the lease within which to affect this removal, including the removal of any cements foundations or other footings used to support buildings and equipment and thereafter to return the leased land to a smooth and level condition. In case of the failure of the LESSEE to do so within the period set forth herein, then any structures remaining shall become the property of the LESSOR to dismantle and to remove the same and restore the premises to its former state at the expense of the LESSEE without incurring any liability therefore.

24. Any sum which under the provisions of this lease LESSEE has agreed to pay shall constitute, when due and unpaid, a lien enforceable at law by LESSORS upon any building, improvements or property of LESSEE located on said premises.
25. This lease shall be subordinate to the provisions of any existing or future agreements between LESSORS and the United States or the State of Montana relative to administration, operation, or maintenance of the Roundup Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of the Roundup Airport.
26. LESSEE, for LESSEE, LESSEE,s personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree:
 - (d) that no person, on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicap, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Roundup Airport facilities, or the exercise of its rights and privileges under this agreement;
 - (e) that, in the construction of any improvements on behalf of LESSEE an the furnishing of services, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicap;
 - (f) that LESSEE shall use the Roundup Airport facilities in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
27. LESSORS shall have reasonable access to the leased premises for the purposes of examining or inspecting the same. LESSORS shall give LESSEE at least twenty-four (24) hours notice of the intent to enter and may enter only at reasonable times. In the event of fire or other emergency LESSOR may enter the premises to attend to the emergency situation.
28. All of the covenants an promises made by LESSEE herein are material conditions

for the granting of this lease. If LESSEE fails to pay the rent or any other sum owed under the terms and conditions of this lease and such default continues for a period of thirty (30) days after LESSORS serve written notice of said default on LESSEE, LESSORS may declare this lease terminated and take immediate possession of the premises. If LESSEE defaults in the performance of any of the conditions of this lease, and such default continues for a period of thirty (30) days after LESSORS serve written notice of said default on LESSEE, LESSORS may declare this lease terminated and take immediate possession of the premises.

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25. LESSEE shall, upon termination of this lease, give and surrender peaceably possession of said premises to LESSORS without notice from LESSORS.
26. Unless terminated earlier as provided herein, this lease shall terminate at the end of the specified term without notice by either party. A holding over by LESSEE, LESSEE,s assigns or subleases beyond the expiration of the term shall not be permitted without the written consent of the LESSORS and then only on a month to month basis.
27. All of the clauses of this Lease Agreement are distinct and severable, and if any clause shall be deemed illegal, void, or unenforceable, it shall not affect the validity, legality, or enforceability of any other clause or portion of this Lease Agreement.
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29. All disputes and differences arising out of this lease shall be settled and finally determined in the City of Roundup, State of Montana, by arbitrator (it being understood the LESSOR is one party and the LESSEE another party). If the two arbitrators so appointed cannot agree within the month after their appointment, they will select a third arbitrator. The decision in writing of the three arbitrators, or any two of them, shall be final and binding upon the parties therein, who shall conform to and abide by said decision. If either party fails to appoint its arbitrator within fourteen (14) days after notice in writing requiring him to do so, the arbitrator appointed by the other party shall act for both; his decision in writing shall be final and binding upon both parties, as if he had been appointed by consent, and both parties thereto shall conform to and comply with therewith.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals to three copies of this Agreement interchangeably, either of which may for all intents and purposes be used as an original, the day and year hereinabove set forth.

LESSORS:

ROUNDUP AIRPORT BOARD

Roundup, Montana

By _____,
_____, Chairman

SUBSCRIBED AND SWORN TO before me this ____ day of _____,
20__.

(NOTORIAL SEAL)

Notary Public for the State of Montana
Residing at: Roundup, Montana
My commission Expires:_____

LESSEE:

SUBSCRIBED AND SWORN TO before me this ____ day of _____,
20__.

(NOTORIAL SEAL)

Notary Public for the State of Montana
Residing at: Roundup, Montana
My commission Expires:_____