

NONCOMMERCIAL AVIATION GROUND LEASE
Between HELENA REGIONAL AIRPORT AUTHORITY
AND _____

THIS LEASE AGREEMENT, made and entered into this 1st day of _____, 202_ by and between the following: **HELENA REGIONAL AIRPORT AUTHORITY** (“Authority”) and _____ (“Lessee”).

RECITALS

1. The Authority owns and operates HELENA REGIONAL AIRPORT (hereinafter called the Airport) situated in the City of Helena, Montana; and
2. The Authority deems it advantageous to itself and the operation of the Airport to lease to the Lessee a certain parcel of land hereinafter described for the purpose of constructing a hangar thereon in connection with Lessee's operations, together with certain privileges, rights, uses, and interests; and
3. Lessee wishes to engage in certain noncommercial aviation activities, proposes to lease on a net basis from Authority said parcel of land and to avail itself of the same privileges, rights, uses, and interests contemplated herein; and
4. Lessee has indicated a willingness and ability to properly keep, maintain, and improve said land in accordance with standards established by Authority.

NOW THEREFORE, the Parties hereto covenant and agree as follows:

ARTICLE I

PREMISES AND PRIVILEGES

A. Description of the Premises. Authority hereby leases to Lessee and Lessee hereby hires and takes from Authority that certain parcel of real property, together with improvements (hereinafter called the premises), for its exclusive use, specifically described as follows: A parcel of land under the hangar measuring __ feet X __ feet totaling _____ square feet, and _____ square feet of area surrounding the hangar as shown on Exhibit A attached hereto.

B. General Privileges, Uses, and Rights. Authority hereby grants to Lessee the following general privileges, uses, and rights, all of which shall be subject to the terms, conditions, and covenants herein set forth.

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

2. The right of ingress to and egress from the premises over and across public roadways serving the Airport for Lessee. Said right shall be subject to such ordinances, rules, and regulations as now or may hereafter have application at the Airport.

3. Lessee shall have no right to use said premises for residential purposes, or as an apartment, or for any overnight accommodations unless such use shall be authorized by a subsequent rule or regulation of the Authority.

4. Primary use of hangar is for non-commercial aircraft storage. See Article V (h) for additional details.

5. Hangar is approved for non-commercial use only. If commercial uses are desired in the future, those uses must comply with all Airport Minimum Standards in force at the time of application for changed use and require approval of the Airport Authority prior to engaging in any commercial activities. Examples of some commercial activities may include flight training, air ambulance services, aircraft repair stations, on demand charters, etc.

ARTICLE II

TERM OF LEASE

A. Term. The term of this Lease shall be for a period of 20 years, commencing on the 1st day of _____, 202_ and terminating on the _____ day of _____, 204_.

B. Five-Year Renewals. The Lessee shall have the right to renew this lease for an indefinite number of additional five (5) year terms at the same rates and charges that the premises may be offered to any other person or entity. In the event Lessee wishes to renew this lease at the end of the original or at the end of any five-year renewal term, Lessee shall give written notice to the Authority at least 60 days prior to the end of the term of its intent to renew the lease. If such notice is not timely given, this lease shall terminate in accordance with Article VII.

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

ARTICLE III
RENTAL AND FEES

A. Ground Rental. For the land described in Article I, Paragraph A, Lessee shall pay to Authority an annual rental of \$0.1651 per square foot per annum (FY2024) for all ground under the building footprint included in this lease. Additionally Lessee shall pay for adjacent land around the building for other uses at an annual rental rate of \$0.0825 per square foot per annum (FY2024). Said rental shall be payable monthly, quarterly, semiannually, or annually in advance without billings on the first day of each such period in an amount equal to one-twelfth, one-fourth, one-half, or the whole of the annual rental, as the case may be. The current lease amount is equal to \$_____ with annual escalation based on Consumer Price Index as illustrated in Article III, Section C. This rate will be in place until the fiscal year ends June 30th, at which point the aforementioned escalation is applied.

B. One-Time Utility Fee. The Lessee is required to pay a one-time utility fee in the amount of Two-Thousand Dollars (\$2,000.00) for each lot described in Article I, Paragraph A. This fee covers a proportionate share of the overall base electric and gas services that the Airport paid to have brought into the vicinity of the hangar development area. The cost of connecting the hangar to these nearby utility stubs is an additional cost above this connection fee and will be the responsibility of the Lessee to coordinate with the utility company and pay the cost of.

C. Annual Adjustment of Rental. On July 1 each year, Lessee covenants and agrees to pay to the Authority as the rental for each square foot for that lease year an amount equal to the product obtained by multiplying the base rent by a fraction, the numerator of which is the "Consumer Price Index - Seasonally Adjusted U.S. City Average For All Items For all Urban Consumers (1967 = 100)," published monthly in the "Monthly Labor Review" ("CPI-U"), for the first calendar month of each such lease year, and the denominator of which is the CPI-U for the first full calendar month of the first lease year of this agreement, which is June 2021. The rental calculated under this paragraph shall be rounded to the nearest one-tenth of one cent.

If the CPI-U is discontinued, the "Consumer Price Index - Seasonally Adjusted U.S. City Average For All Items For Urban Wage Earners and Clerical Workers (1967 = 100)," published monthly in the "Monthly Labor Review" by the Bureau of Labor Statistics of the United States Department of Labor ("CPI-W"), shall be used for making the computation in the preceding paragraph.

If the CPI-W is discontinued, comparable statistics on the purchasing power of the consumer dollar published by the Bureau of Labor Statistics of the United States Department of Labor shall be used for making the computation in the preceding paragraph. If the Bureau of Labor Statistics shall no longer maintain statistics on the purchasing power of the consumer dollar, comparable statistics published by a responsible financial periodical or recognized authority selected by the Authority shall be used for making the computation in the preceding paragraph. If the base year "(1967 = 100)" or other base year used in computing the CPI-U is changed, the figures used in making the adjustment in the preceding paragraph shall be changed accordingly, so that all increases in the CPI-U are taken into account notwithstanding any such change in the base year.

ARTICLE IV

OBLIGATIONS OF AUTHORITY

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

B. Condition and Maintenance of Premises. Authority shall assume no responsibility for the condition of the demised premises after delivery of premises to Lessee. Authority shall maintain all existing roads on the Airport giving access to the leased premises in good and adequate condition for use by cars and trucks.

C. Snow Removal: HRAA will clear snow from the ramps adjacent to hangars after storm events as soon as practicable. HRAA will get as close as safely possible to the hangar door with the remainder being the responsibility of the tenant.

ARTICLE V

OBLIGATIONS OF LESSEE

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

B. Improvements. Lessee shall have the right to and shall provide for the premises construction, erection, and maintenance of its own improvements in any lawful manner upon or in the premises for the purpose of carrying out any of the activities provided for herein but shall require the written approval of Authority for any such activities, which approval shall not be unreasonably withheld.

C. Maintenance. Lessee shall, at its sole cost and expense, maintain the premises and the building, improvements, and appurtenances thereto in a presentable condition free of refuse and debris consistent with good business practice. This includes the apron area that connects to the nearest adjacent taxiway.

D. Utilities. Lessee shall assume and pay for all costs or charges for utility services furnished to Lessee during the term thereof; provided, however, that Lessee shall have the right to connect to any available storm and sanitary sewers and water and utility outlets (if available) at its own cost and expense; and Lessee shall pay for any and all service charges incurred therefore. Lessee is also responsible for utility connection fees as illustrated in Article III, Section B.

E. Trash, Garbage, Etc. Lessee shall provide a complete and proper arrangement for the adequate sanitary handling and disposal of all trash, garbage, and other refuse occurring as a result of the lease. Lessee shall provide and use lessor-approved receptacles for all garbage, trash, and other refuse and shall place them on the premises in a location acceptable to the Department of Sanitation for their removal. Piling of boxes, cartons, barrels, or other similar items in an unsightly or unsafe manner on or about the premises is forbidden.

F. Signs. Lessee shall not maintain on the premises any billboards or advertising signs.

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

H. Apron Connection to Adjacent Hangar Parcel. Lessee is required to pave half the distance between Lessee's leased hangar parcel and adjacent neighboring hangar parcels to each side (if applicable) as illustrated in Exhibit A. This includes the apron which connects to the nearest adjacent taxiway.

I. Restriction on Use of Hangars and Adjacent Leased Property for Non-Aeronautical Purposes. Lessee is required to comply with all Federal Aviation Administration rules outlining approved uses of airport hangars and airport property under FAA 2014 – 0463. This includes the prohibition of using hangars as a residence. It also limits non-aeronautical items can be stored inside or around the outside of the hangar, to ensure the primary use is for aircraft storage and aviation related uses. Items not directly associated with aircraft operations or the specific commercial aviation use (applicable to commercial aviation leases only) are not allowed to be parked outside adjacent to the hangar. Personal non-aeronautical items such as boats, campers, trailers, etc... are not to be stored on airport property adjacent to hangars. These items may be stored inside the hangar provided they do not impede the ability to get aircraft in/out of the hangar and that the hangar's primary use is for storage of aircraft. Using hangars specifically for storage of non-aeronautical items only is prohibited.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

A. Indemnification. Authority shall stand indemnified by Lessee as herein provided. It is expressly understood and agreed that Lessee is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that Authority shall in no way be responsible, therefore. It is further agreed that in the use of the 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 defend and save harmless the Authority from any and all losses that may result to the Authority because of any negligence, act, or omission on the part of the Lessee, and shall indemnify and defend Authority against any and all mechanics' and materialmen'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 \$300,000 per occurrence for property damage, personal injury, and/or death growing out of any one accident or other cause. The Authority shall be named as coinsured.

Lessee shall maintain said insurance with insurance underwriters authorized to do business in the State of Montana satisfactory to Authority. All policies shall name Authority, its officers, servants, and agents and employees as additional insureds as their interests shall appear. Lessee shall furnish Authority 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 Authority copies of said policies immediately upon execution of this agreement.

ARTICLE VII
EXPIRATION AND TERMINATION OF LEASE, DEFAULT REMEDIES AND
ASSIGNMENT

A. Expiration. This Lease shall expire and terminate without any notice by either party at the end of the initial term or any extension thereof made in accordance with Article II, Section B. A holding over by the Lessee, its assigns, or sublessees beyond the expiration of the term shall not be permitted without the written consent of the Authority and then only on a month-to-month basis.

1. Upon expiration or sooner termination of this Lease, Lessee shall remove all movable furniture, fixtures, machinery, and equipment and all other personal property located or installed by it on the premises and surrender the premises to Authority in good order and repair and in a clean and sanitary condition, subject to reasonable wear and tear. Lessee shall be responsible for all costs necessary to restore the premises to such condition. In the event Lessee fails to remove such property from the premises, Authority may remove and dispose of such property as provided in paragraph C (iii) of this Article VII.

B. Termination by Lessee. This Lease shall be subject to termination by Lessee after the happening of one or more of the following events:

1. The permanent abandonment of the Airport as an air terminal.

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

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

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

remedy same. Lessee may exercise such right of termination by written notice to Authority at any time after the lapse of the applicable periods of time, and this Lease shall terminate as of that date. Rental due hereunder shall be payable only to the effective date of such termination. Upon termination under the provisions of this paragraph, Lessee shall have the same rights and obligations as described in Paragraph A section 1.

C. Lessee's Default; Authority's Default Remedies

1. The following shall constitute events of default by Lessee entitled the Authority, at its option, to exercise any of the default remedies specified in paragraph C section 2 of this Article VII.

(i) Lessee's failure to perform any of the covenants, conditions or other obligation of Lessee under this Lease, including without limitation payment of any rental payments or other amounts required under this Lease, and fail to cure such default for a period of thirty (30) days written notice from Authority of said default; provided, however, that no notice and opportunity to cure shall be required with respect to any default consisting of Lessee's failure to pay rent or fees at the time due hereunder for the third or any subsequent occasion in any lease year, or Lessee's voluntarily abandonment, desertion, vacating of the premises or discontinuation of its operations on the premises;

(ii) Lessee becomes insolvent or takes benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors; files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement for reorganization or the readjustment of its indebtedness under the federal Bankruptcy Law or under any other law or statute of the United States or any of its states, or consents to the appointment of a receiver, trustee, or liquidator of all, or substantially all, of its property; is the subject of an involuntary petition under any part of the federal Bankruptcy Law or any action under any present or future insolvency law not dismissed within sixty (60) days.

(iii) Lessee transfers, assigns or subleases of any of Lessee's rights or interests under this Lease, without the prior written consent of Authority;

(iv) Lessee fails to remove within sixty (60) days any lien filed against the premises because of any act or omission of Lessee; or

(v) Lessee voluntarily abandons, deserts or vacates the premises or discontinues its operations in the premises, which shall include without limitation Lessee's absence or fail to operate its business for a period of five (5) or more consecutive days while in default in the performance of any term, obligation or condition of this Lease.

2. Upon the occurrence of an Event of Default, the Authority may elect to: (i) continue the lease in effect and enforce all its rights and remedies hereunder, including the right to recover the rent as it comes due, (ii) at any time, terminate all of Lessee's rights hereunder and recover from Lessee all damages the Lessor may incur by reason of the breach of this Agreement, including Authority's costs and attorneys' fees; or (iii) continue the lease in effect and, without demand or notice, immediately re-enter and take possession of the premises or any part thereof and the improvements on the premises, expel the Lessee (and anyone claiming through or under the Lessee) therefrom, remove the personal property of either as provided in paragraph C, section 3 of this Article VII, and in the event of such reentry, Authority may re-let the premises along with the improvements on the premises, in Authority's or Lessee's name for the account of Lessee, for such period of time and at such other terms and conditions as Authority, in its discretion, may determine, and collect and receive the rents for the premises and improvements. In the event Authority elects to retake possession as provided herein, Lessee shall continue to pay Authority all rent which would be payable under this Lease if repossession had not occurred, minus the net proceeds, if any, from any re-letting of the premises and improvements after deducting all expenses of incurred by Authority in re-letting the premises and improvements. Re-entry or re-taking possessions of the premises and improvements by Authority under this subsection shall not be construed as an election on Authority's part to terminate this Lease, unless a written notice of termination is provided by Authority to Lessee.

3. If Lessee fails to remove from the premises any moveable furniture, fixtures, machinery, equipment or other personal property, Authority may: (i) immediately dispose of any trash or personal property that is hazardous, perishable, or valueless; and (ii) remove and store any remaining moveable furniture, fixtures, machinery, equipment or other personal property at Lessee's expense. Upon such disposal, removal and storage, Authority shall notify Lessee in writing of such disposal, removal or storage, that Lessee is required to pay all removal and storage costs as a condition of return of such property

to Lessee, and that such property will be sold or otherwise disposed of if Lessee fails to pay all such costs and retrieve all such property within ten (10) days of such notice. The Authority may charge a reasonable storage and labor charge if the property is stored by the Authority, plus the cost of removal of the property to the place of storage. The Authority may store the property in a commercial storage company, in which case the storage cost includes the actual storage charge plus the cost of removal of the property to the place of storage. The Authority may dispose of the property after taking such actions by selling all or part of the property at a public or private sale, or destroying or otherwise disposing of all or part of the property if the Authority reasonably believes that the value of the property is so low that the cost of storage or sale exceeds the reasonable value of the property. The Authority is entitled to payment of all removal and storage costs before the Lessee may remove the property. After payment of such removal and storage costs, any remaining sale proceeds may be applied to any other obligation under the Lease, including unpaid rent, cleaning charges and reasonable costs and attorney's fees, and any remaining proceeds shall be paid to Lessee. The Authority shall have no liability to Lessee for or with respect to property removed or disposed of in accordance with this paragraph.

4. If Lessee abandons or vacates the premises while in default of the payment of rent, the Authority may consider any personal property left on the premises to be abandoned and may dispose of the same as provided in paragraph herein. In the event the Authority reasonably believes that such abandoned property has no value, it may be discarded. All property on the premises is subject to a lien in favor of the Authority for the payment of all sums due hereunder, to the maximum extent allowed by law.

5. It is agreed that failure of Authority to declare this lease terminated to reenter to take possession upon the default of Lessee or to exercise any other available remedy for any event of default shall not operate to bar or destroy the right of Authority to exercise any available remedy based upon any subsequent event of default

D. Title to Improvements. Title to any improvements constructed by Lessee shall remain in Lessee until termination or cancellation under this Article VII. Upon termination or cancellation, Lessee shall have thirty (30) days to remove any such improvements from the leased premises; Lessee shall return the premises to the condition they were in at the commencement of the lease.

If Lessee does not remove such improvements within thirty (30) days, title thereto shall revert to the Authority, and Lessee shall have no further interest therein.

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

F. Subleasing & Transferring. The Lessee shall have the right to sell, sublease, assign, or transfer all or any part of the premises for the same purpose established in this lease, provided written approval of the Authority is obtained, which approval shall not be unreasonably withheld. Any sublessee shall be subject to the same conditions, obligations, and terms as set forth herein, and Lessee shall be responsible for the observance by its tenants and sublessees for the terms and covenants of this lease.

ARTICLE VIII

GENERAL PROVISIONS

A. Attorney's Fees. In the event either party engages the services of an attorney to enforce any provisions hereof or to secure payments, the prevailing party shall receive from the other party all costs, charges, and expenses, including reasonable attorney's fees.

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

C. Subordination of Lease.

1. This lease shall be subordinate to the provisions of any existing or future agreements between Authority and the United States relative to the administration, operation, or maintenance of the Airport, the executive of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

2. Any mortgagee or beneficiary shall have the right to cure any default on the part of Lessee in the payment of rent hereunder and, in the event of default, to assume the Lessee's position under this lease. Authority in no event shall be liable for the payment of the sum secured by such mortgage or trust indenture, nor for any expenses in connection with the

same. Furthermore, such mortgage or trust indenture shall expressly provide that the mortgagor or beneficiary will seek no money judgment against Authority. The mortgage or trust indenture shall also contain provisions requiring the holder of the indebtedness secured by such mortgage or trust indenture to mail to Authority by certified mail a copy of each notice of breach of covenant, default, or foreclosure given by the holder or the trustee under such mortgage or deed of trust.

D. Nondiscrimination. Lessee, for itself, its 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, denied the benefits of, or be otherwise subjected to discrimination in the use of 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 and 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, gender, age, or physical or mental handicap; (c) that Lessee shall use the 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.

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

F. Notices. Notices to Authority provided for herein shall be sufficient if sent by certified mail, postage prepaid, addressed to:

Helena Regional Airport Authority
2850 Mercer Loop
Helena, MT 59602

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

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

G. Successors and Assigns. All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of successors, assignees, and sublessees of the respective parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands this _____ day of _____, 202_.

HELENA REGIONAL AIRPORT AUTHORITY

ATTEST: _____

By: _____

JEFF WADEKAMPER, Airport Director

LESSEE
