

COMMERCIAL AVIATION GROUND LEASE
BETWEEN
HELENA COLLEGE UNIVERSITY OF MONTANA and THE HELENA REGIONAL AIRPORT
AUTHORITY

This lease is made and entered into this ____ day of _____, 20 __, by and between the HELENA REGIONAL AIRPORT AUTHORITY (hereinafter “Authority” or “Lessor”) and HELENA COLLEGE UNIVERSITY OF MONTANA, 3232 Airport Road, Helena, Montana 59602 (hereinafter “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 in connection with Lessee's operations, together with certain privileges, rights, uses, and interests; and
3. Lessee wishes to engage in certain commercial 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

For and in consideration of the terms, conditions and covenants of this lease to be performed by Lessee, all of which Lessee accepts, the Authority leases to Lessee and Lessee hires and leases from the Authority certain property, together with the improvements thereon (hereinafter “leased premises”), and certain attendant privileges, uses and rights, as hereinafter specifically set out.

A. Description of Premises Leased. The premises are more particularly described and set forth in layout plan showing square footage -- Exhibit A -- attached hereto.

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

1. The general use of all public Airport facilities and improvements which are now or may hereafter be connected with or appurtenant to the Airport, except as hereinafter provided, to be used by Lessee for commercial aeronautical activities and fixed base operations, 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, roadways, sidewalks, navigational and avigational aids, lighting facilities, or other public facilities appurtenant to the Airport.

2. The right of ingress to and egress from the leased premises over and across public roadways serving the Airport for Lessee, its agents and servants, patrons and invitees, suppliers of service, and furnishers of material. This right shall be subject to such ordinances, rules, and regulations as now or may hereafter have application at the Airport.

C. Description of Specific Privileges, Uses and Rights. In addition to the general privileges, uses and rights hereinbefore described and without limiting the generality thereof, the Authority grants to Lessee the right to engage in commercial aeronautical activities, as defined in Paragraph D below, subject to the conditions and covenants hereinafter set forth.

D. Definition of “Commercial Aeronautical Activities”. Commercial aeronautical activities are defined as those activities that involve the sale of aeronautical services for profit to the general public. These aeronautical activities shall include:

1. The training on the Airport of personnel in the employ of Lessee and/or its tenants and the training on the Airport of members of the general public generally as students or otherwise in any art, science, craft or skill pertaining directly or indirectly to aircraft.
2. The operation of schools for the instruction of flying, navigation, mechanics, aircraft design, theory and construction.

F. Concessions Excluded. The following concessions and establishment therefor are specifically excluded from this lease, and Lessee shall not conduct any of such activities on the leased premises:

1. Any activity not in accordance with the Land/Use Airport Layout Plan or Airport Minimum Standards.

G. Conditions of Granting Lease. The granting of this lease and its acceptance by Lessee are conditioned upon the following covenants:

1. That a proper application in accordance with the Minimum Standards, adopted and amended from time to time by the Authority, has been submitted and the terms and conditions set forth in the Standards shall have original and continued compliance.
2. That no functional alteration of the premises shown on Exhibit A or functional change in the uses of such premises shall be made without the specific written consent of Lessee herein.
3. That the right to use said public Airport facilities in common with others authorized to do so shall be exercised only subject to and in accordance with the laws of the United States of America, the State of Montana, the County of Lewis & Clark, and the City of Helena; the rules and regulations promulgated by their authority with reference to aviation and air navigation; and all reasonable and applicable rules, regulations and ordinances of Lessor now in force or hereby prescribed or promulgated by charter authority or by law.

H. Conditions Under Federal Law. The granting of this lease and its acceptance by Lessee are conditioned upon the following additional covenants:

1. It is clearly understood by the Lessee that no right or privilege has been granted which would operate to prevent any person, firm, or corporation operating aircraft on the Airport from performing any services on its own aircraft with its regular employees (including, but not limited to, maintenance and repair) that it may choose to perform.
2. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right.
 - a. The Lessee assures that it will undertake an affirmative action program, as required by 14 CFR, Part 152, Subpart E, to ensure that no person shall, on the grounds of race, creed, color, national origin or sex, be excluded, on these grounds, from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered organizations provide assurance to the Lessees that they similarly will undertake affirmative action programs and that they will require assurances from their suborganization, as required by 14 CFR, Part 152, Subpart E, to the same effect.
 - b. The Lessee agrees to comply with any affirmative action plan or steps for equal employment opportunity required by 14 CFR, Part 152, Subpart E, as part of the affirmative action program or by any federal, state, or local agency or court, including those resulting

from a conciliation agreement, a consent, decree, court order, or similar mechanism. The Lessee agrees that a state or local affirmative action plan will be used in lieu of any affirmative action plan or steps required by 14 CFR, Part 152, Subpart E, only when they fully meet the standards set forth in 14 CFR 152.409. The Lessee agrees to obtain similar assurance from its covered organizations and to cause them to require a similar assurance of their covered suborganizations, as required by 14 CFT, Part 152, Subpart E.

ARTICLE II

TERM OF LEASEHOLD

- A. Term. The term of this Lease shall be for a period of thirty (30) years, commencing on _____, 20__ and terminating _____, 20__.
- B. Renewals. The Lessee shall have the right to renew this lease for two ten- (10-) year terms at rates and charges negotiated at the time of renewal. In the event Lessee wishes to renew this lease at the end of the original or at the end of any renewal term, Lessee shall give written notice to the Authority at least sixty (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 VIII. Authority is precluded by statute from entering into a lease for more than 40 years. Therefore, the maximum term of this lease with renewals is 40 years. If the lease is renewed for both renewal periods, bringing the term of this lease with renewals to 40 years, Lessee may seek a new lease to commence at the expiration of this lease by giving written notice to the Authority, at least 180 days prior to expiration, that Lessee desires to negotiate a new lease. If there are no uncured defaults by Lessee under the expiring lease, the Authority will issue Lessee a new lease on terms consistent with the Airport rules, Montana statutes and Federal Aviation Administration Assurances.
- C. National Emergency. In the event the rights and privileges of the parties 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

RENTALS AND FEES

- A. General. For the facilities herein leased, Lessee shall pay to the Authority a fixed annual rental as hereinafter specifically set forth. Land leased under buildings is 10,000 square feet at an initial

rate of \$0.1651 / square foot = \$1,651.00/year. Adjacent land for access road, parking and aircraft apron space is 40,920 square feet at an initial rate of \$0.0825/sq. ft. = \$3,375.90 / year.

B. Ground and Building Rent for Basic Lease Term. Lessee shall have the shared use of ramp areas designated on Exhibits A.

D. Annual Adjustment of Rent. On July 1 of each year, Lessee covenants and agrees to the Authority as the rental for each square foot for that lease year an amount equal to fifty percent (50%) of 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 Consumers (1967 = 100)”, published monthly in the “Monthly Labor Review” (“CPI-U”), for the first calendar month of the first lease year of this agreement, which is January 2005. The rental calculated under this paragraph shall be rounded to the nearest one-tenth (1/10) of one cent.

If the CIP-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 dollars, 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.

E. Late Payment Charge. If any of the rentals and fees provided in this lease are not paid when due, an additional late payment charge of fifteen percent (15%) per annum of the amount of such unpaid rentals and fees shall be paid for the period they remain unpaid.

F. Contract Security. If at any time during the term of this Lease the Lessee’s lease payment(s) shall become ninety (90) days past due and are not paid in full within thirty (30) days upon receiving a thirty- (30-) day written notice, the Lessor shall have the option to require a contract security deposit in an amount equal to first and last months’ rent to guarantee the faithful performance of its obligations

under the said agreement and the payment of all fees and charges under the terms hereof. The Authority shall deposit the sum to its general fund account and shall credit Lessee with the interest allocated to the amount on deposit. If Lessee defaults in any of its obligations hereunder, the Authority has the right to use so much of said contract account as is necessary in the Authority's judgment for the purpose of effecting performance of such obligations and reimbursing the Authority for any and all expenses the Authority has incurred or will incur by reason of said default. If the Authority has applied all or part of the contract security account for the purpose of making the expenditures, payments or reimbursements which Lessee was itself required to make, then such application of money by the Authority shall not be deemed to have cured the default of Lessee, and Lessee shall be deemed in default unless and until the amount drawn by the Authority from the contract security account has been promptly reinstated. Upon the expiration of the lease and surrender of the premises to the Authority in accordance with the terms hereof, the contract security account shall be forthwith returned or canceled.

G. Time and Payment of Rentals. The building rental shall be paid monthly in advance on the first day of each month in a sum equal to one-twelfth (1/12) of the annual rental due under Paragraph B.

H. Self - Fueling Certifications. If the Lessor decides to self-fuel instead of purchasing aircraft fuel from an on-site FBO, Lessees shall comply with all Airport Authority, City, County, State and Federal Aviation Administration aircraft fueling regulations and shall provide fueling certification reports for all personnel and equipment, including fuel storage as may be required. The Authority reserves the right to cancel Lessee's fueling authority if Lessor fails to comply with FAA certification requirements.

I. Fuel Flowage Fees. The parties hereto agree that an initial fuel flowage fee of seven and one-half cents (\$0.080) per gallon shall be paid by Lessee to the Authority. The Authority reserves the right to change the fuel flowage fee from time to time. Lessee will provide the Authority with a written monthly report of fuel dispensed each calendar month by furnishing to the Airport Director, by the first day of the following month, the information on a form to be provided by the Authority.

Lessee will also pay the fuel flowage fee on fuel consumed by Lessee.

Said flowage fee shall be non-assignable by Lessee without the written consent and approval of the Authority. The fuel flowage fee shall be established by the Authority from time to time.

ARTICLE IV

OBLIGATIONS OF THE AUTHORITY

A. Clear Title. The Authority covenants and agrees that at and until the granting and delivery of the lease, the Authority has full right and authority to lease the same as herein set forth.

The Authority further covenants that all things have happened and have been done to make its granting of this lease effective, and the Authority warrants to Lessee peaceful possession and quiet enjoyment of the premises during the term thereof upon performance of Lessee's covenants herein.

B. Operation as a Public Airport. The Authority covenants and agrees that during the term hereof it will operate and maintain the Airport and its public Airport 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. Thereafter, the Authority may, but shall not be obligated to, maintain the Airport under the terms of this lease.

ARTICLE V

OBLIGATIONS OF LESSEE

A. Condition of Premises. Lessee accepts the leased premises in its condition as of the date of this Agreement and without expense to the Authority.

B. Modification. Lessee agrees that in the event it shall become necessary to make changes upon the leased premises or within the buildings covered by this Lease of any wiring, natural gas, or other installations, Lessee will promptly make such changes and installations at its sole expense as required, provided such changes are required by the Lessee.

C. Maintenance of Airport-Owned Facilities. The Lessee will maintain Airport owned properties to Lessee as follows:

1. The Authority will maintain all asphalt and concrete aircraft parking apron area, except the pavement that connects the nearby concrete apron to the hangar door area, which will solely be the responsibility of the Lessee.

2. H. Utilities. Lessee will, at its own expense, provide all utility services, including, but not restricted to, electricity, water, sewer, natural gas, and telecommunications. Lessee may connect to existing sources of supply. The Authority makes no representation that existing sources of supply to the site are completely adequate for Lessee's purposes as they may be during the term of this Lease. Any extension or alteration of the sources of supply to accommodate the needs of the Lessee shall be made by Lessee without expense to the Authority. Lessee will be responsible to and deal directly with the

utility companies or other agencies from whom electrical current, gas, water, telephone, or other utility is procured. Lessee will not permit the establishment of any liens or similar encumbrances on the premises by reason of failure or refusal to make payment for such electrical current, gas, water, telephone, or other utility.

I. Trash and Garbage Removal. Lessee shall provide a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage, and other refuse caused as a result of the operation of its business. Lessee shall provide and use suitable covered metal receptacles for such garbage, trash, and other refuse and shall place them on the premises in a location acceptable to the Lessor. Piling of boxes, cartons, barrels, or other similar items, in an unsightly or unsafe manner on or about the leased premises, or anywhere on Airport property, shall not be permitted.

J. Signs. Lessee shall not maintain upon the outside of any improvements on the leased premises any billboards or advertising signs; provided, however, that Lessee may maintain on the outside of the leased buildings its names or sign, the size, location and design of which shall be subject to prior written approval of the Authority and permitting under City of Helena.

K. Nondiscrimination.

1. No person, on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. In the construction of any improvements on, over, or under such land and furnishing of services thereon, no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.

C. Lessee shall use the premises in compliance with all other requirements imposed 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 6 of the Civil Rights Act of 1964 as said regulations may be amended.

L. Field Use Charges. Nothing herein shall be deemed to relieve the Lessee's patrons, invitees, and others from field use charges, including fuel flowage fees, as are levied generally by the Authority directly upon the operation of aircraft. The Lessee shall not be charged any aircraft landing fees for aircraft under 10,000 pounds gross weight.

M. Provisions of Records. Lessee agrees that it will maintain, and make available to the Authority, records as to the aircraft and owners thereof based at the Lessee's facility. Lessee will, on the date of commencement of the term of this lease, file with the Authority its schedules of rates and charges covering hangar rental fees and charges for fuel. Any charges, revisions, or additions to the original schedule so filed shall immediately be filed with the Authority in the office of the Airport Director. Should the Authority require the Lessee to collect fees for the use of public areas of the Airport, Lessee shall report and pay over to the Authority all fees collected, and the Lessee shall be reimbursed for the cost of the collections plus a reasonable service fee as determined by normal accounting procedures and established by separate agreement.

N. Taxes. Lessee agrees to pay all lawful taxes and assessments which, during the term hereof or any extension, may become a lien or which may be levied by the state, county, city or other tax-levying body upon the premises or upon any taxable interest by Lessee acquired in this Lease or any taxable possessory right which the Lessee may have in or to the premises or facilities hereby or the improvements thereon by reason of its occupancy thereof, as well as all taxes on all taxable property, real or personal, owned by Lessee in or about said premises. Upon making such payments, Lessee shall give to the Authority a copy of the receipts and vouchers showing such payment. Upon any termination of tenancy, all taxes then levied or then a lien on any of said property or taxable interest therein shall be paid in full without proration by Lessee forthwith or as soon as a statement thereof has been issued by the tax collector.

O. Fire Prevention. Lessee shall exercise due and reasonable care and caution to prevent and control fire on the premises and to that end shall install suitable fire extinguishers throughout the premises in accordance with the rules and regulations as set forth by the fire marshal. All paints and oils shall be stored in suitably protected out-buildings or compartments in accordance with rules and regulations as set forth by the fire marshal.

P. Fire Insurance. Lessee shall secure and maintain, at its own and sole expense, fire insurance on the premises, naming the Airport Authority as an additional insured.

Q. Liens. Lessee shall not encumber the title of the land by mortgage, pledge, lien, or otherwise. Lessee agrees to pay, when due, all sums of money that become due for, or are purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with Lessee's consent to be furnished to or for the Lessee in, upon, or about the premises herein, which may be secured by mechanic's, materialmen's, or other lien against the premises

herein or the Authority's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Lessee may, in good faith, contest any mechanics' or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest.

R. Rules and Regulations. The Authority may, from time to time, adopt and enforce reasonable rules and regulations and reasonable amendments thereto with respect to the use of the Airport which shall provide for the safety of those using the Airport, and the Lessee agrees to observe and obey the same. Lessee shall assume responsibility for administering tenant security regulations as outlined in Transportation Security Administration ("TSA") documents.

S. 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.

T. 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 and/or apron.

U. 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 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
RIGHTS OF THE AUTHORITY

A. Right to Enter by the Authority. The Authority may enter upon the premises now and hereafter exclusively to Lessee hereunder at any reasonable time for any purposes necessary, extended to or connected with the performance of its obligations hereunder, in the exercise of its governmental functions, for the collection of established Airport use fees, or in the event of an emergency. The Authority shall have the right to install, lay, construct, repair, maintain, and operate such sanitary sewer, sewage drains, storm water sewers, pipelines, manholes, connections; water, oil, and gas pipelines; and telephone and telegraph power lines and such other appliances and appurtenances necessary or convenient to use in connection herewith over, in, upon, through, across, and along premises or any part thereof as will not interfere with Lessee's operations hereunder and to enter thereupon for any and all such purposes.

The Authority reserves the right at any reasonable time to enter upon the said premises, either in person or through its designated agents or employees, for the purposes of inspecting said premises and ascertaining the condition of the same.

B. Payments by the Authority Recoverable from Lessee. The Authority shall have the right during the lease term to pay any taxes, assessments, water, sewer, or other charges on premises and reversionary interest therein remaining unpaid after the same have become due and payable; and the amount paid shall be additional rent due from Lessee at the next rent payment day after any such payment with interest thereon at the rate of eighteen percent (18%) per annum from the date of payment thereof by the Authority until the repayment thereof to the Authority by Lessee.

ARTICLE VII
INDEMNITY AND INSURANCE

A. Indemnity. Lessee agrees fully to indemnify, safe, and hold harmless, the Authority, its Commissioners, officers, agents, or employees from and against all claims and actions and all expenses incidental to the investigation and defense thereof, based upon or arising out of damages or injuries to third persons or their property, caused by the fault or negligence in whole or in part of Lessee, its agents, subtenants, or employees in the use or occupancy of the premises hereby ; provided that the Authority shall give to Lessee prompt and reasonable notice of any such claims or actions, and Lessee shall have

the right to investigate, compromise, and defend same; and provided such claim is not the result of a negligent act of the Authority.

B. Insurance. Lessee shall procure and keep in full force and effect at all times during the term of this lease, at Lessee's sole expense, a policy or policies of public liability and property damage insurance (including product liability coverage) satisfactory to the Authority and to protect the Authority against any liability which it may have or which may accrue against it to and in favor of any person or entity, incident to the use of or resulting from any accident occurring on or about the use of or resulting from any accident occurring on or about said premises, the airfield, the roadways, the driveways, or other public places used by the Lessee in the operation of its business at the Airport, in the amount of not less than Two Million Dollars (\$2,000,000.00) combined single limit or split limits equal to and not less than Two Million Dollars (\$2,000,000.00) each personal injury and property damage with respect to each occurrence. Such insurance shall contain contractual coverage sufficiently broad to insure the provisions of Paragraph 7A entitled "Indemnity".

Lessee shall furnish to the Authority policies or certificates evidencing the date, amount and type of insurance that has been procured pursuant to this Lease. All policies of insurance shall provide for not less than thirty (30) days' written notice to the Authority and Lessee before such policy may be revised or cancelled.

ARTICLE VIII

DEFAULT

A. Events of Default. The following shall be events of default under the provisions of this lease.

1. Default in Rent. Failure of Lessee to pay any rent or other charge within ten (10) days after it is due.
2. Default in Other Covenants. Failure of Lessee to comply with any term or condition or fulfill any obligation of this Lease (other than the payment of rent or other charges) within thirty (30) days after written notice by the Authority specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the thirty- (30-) day period, this provision shall be complied with if Lessee begins correction of the default within the thirty- (30-) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.
3. Insolvency. Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or

the appointment of a receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution of the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy of execution within ten (10) days.

4. Abandonment. Failure of the Lessee for fifteen (15) days or more to occupy the property for one or more of the purposes permitted under this Lease unless such failure is excused under the provisions of this Lease.

B. Remedies on Default. In the event of a default, the Authority, at its option, may terminate the lease by notice in writing by certified mail to Lessee. The notice may be given before or within thirty (30) days after the running of the grace period for default and may be included in a notice of failure of compliance. If the property is abandoned by Lessee in connection with a default, termination shall be automatic and without notice.

In the event of termination on default, the Authority shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages:

1. Any excess of (a) the value of all of Lessee's obligations under this Lease, including the obligation to pay rent, from the date of default until the end of the term, less (b) the reasonable rental value of the property for the same period figured as of the date of the default.
2. The reasonable costs of reentry and reletting including, without limitation, the cost of any cleanup, refinishing, and removal of Lessee's property and fixtures, or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition; any remodeling costs, attorney fees, court costs, broker commissions, and advertising cost.
3. The loss of reasonable rental value from the date of default until a new tenants has been, or, with the exercise of reasonable efforts, could have been, secured.

C. Re-entry After Termination. If the lease is terminated for any reason, Lessee's liability to the Authority for damages shall survive such termination, and the rights and obligations of the parties shall be as follows:

1. Lessee shall vacate the property immediately, remove any property of Lessee, including any fixtures which Lessee is required to remove at the end of the lease term, but only after written consent of the Authority for removal of any such remaining property is obtained, perform any cleanup, alterations, or other work required to leave the property in the condition required at the end of the term, and deliver all keys to the Authority.
2. The Authority may reenter, take possession of the premises, and remove any person or property by legal action or by self-help with the use of reasonable force and without liability for damages.

D. Reletting. Following reentry or abandonment, the Authority may relet the premises and in that connection may:

1. Make any suitable alterations or refurbish the premises, or both, or change the character or use of the premises, but the Authority shall not be required to relet for any use or purpose (other than that specified in the lease) which the Authority may reasonably consider injurious to the premises, or to any tenant which the Authority may reasonably consider objectionable.
2. Relet all or part of the premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

ARTICLE IX

GENERAL PROVISIONS

A. Arbitration. In any event and notwithstanding any other provisions made in this lease, the Authority and Lessee will submit to arbitration any question or dispute, except nonpayment of rentals, arising between said parties as to the interpretation of any term, condition, or covenant herein contained or with respect to any matter of compliance or noncompliance with the terms hereof. The Authority and Lessee shall each select one arbitrator and the two so chosen shall then select a competent and disinterested person to serve as a third arbitrator; the arbitrators together shall then consider the question(s) or the dispute(s) submitted to them in writing by the parties hereto, and the decision in writing of any two shall determine the particular question or dispute under consideration. The parties hereto shall bear equally the expense of arbitration.

B. Subordination of Lease. This lease shall be subordinate to the provisions of any existing or future agreement between the Authority and the United States relative to the operation and maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the

expenditure of federal funds for the development of the Airport. Should the effect of such agreement with the United States Government be to take any of the property under lease or substantially destroy the commercial value of such improvements, the Authority shall relocate the improvements under the terms of Paragraph E above, or terminate this lease.

C. Prevention of Trespass. Lessee agrees to abide by the requirements of the Federal Aviation Regulations Title 14, Part 107, Airport Security (43 F.R. 60792, dated December 28, 1978, as amended) and as the same may apply to the facilities and operations within the premises. Lessee further agrees that its employees, agents, invitees, patrons, and others allowed access to the premises will abide by the requirements of the Airport Master Security Plan to include, but not be limited to:

1. Prevention of access by unauthorized persons and vehicles to the premises defined as the air operations area.
2. Proper identification of Lessee's employees, agents, invitees, and patrons while in the premises defined as the air operations area.

The Lessee shall require its employees who come in direct contact with the general aviation aircraft owners, operators, and the general public to wear a uniform or badge or carry proper identification by which they may be known and distinguished. All employees of the Lessee operating particular equipment of any nature upon the air operations area, aprons, or taxiways of the Airport shall do so only in conformation with all applicable laws, rules, regulations or orders of the federal government or the Authority.

3. Proper identification of vehicles operating on the premises defined as air operations area while being operated by Lessee's employee's, agents, invitees, and patrons.

D. Assignment of Interest or Rights. Neither Lessee nor any assignee or other successor of Lessee shall in any manner, directly, or indirectly, by operation of law or otherwise, sublease, assign, transfer, or encumber any of Lessee's rights in and to this lease or any interest therein, nor license or permit the use of the rights herein granted in whole or in part without the prior written consent of the Authority, nor shall the Lessee assign all or any part of its rights and interests under this lease to any successor to its business through merger, consolidation, or voluntary sale or transfer of substantially all of its assets, without prior written approval of the Authority, which consent and approval by the Authority shall not be unreasonably withheld.

E. Condemnation. If the premises or any interest therein is taken as a result of the exercise of the right of eminent domain, this lease shall terminate as to such portion as may be taken. If the portion

taken does not feasibly permit the continuation of the operation of the facility by the Lessee, the Lessee shall have the right to cancel. Such cancellation shall be effective as of the date of taking. The Authority shall be entitled to that portion of the award as represented by the land.

F. Nonwaiver. Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice of any party's right to require strict performance of the same provision in the future of any other provision.

G. Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal, as allowed by the appellate court.

H. Time of Essence. It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this lease.

I. Warranties and Guarantees. The Authority makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the premises, and it is agreed that the Authority will not be responsible for any loss, damage, or costs which may be incurred by Lessee by reason of any such physical condition.

J. Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this lease.

K. Consent of the Authority. Whenever consent, approval, or direction by the Authority is required under the terms contained herein, all such consent, approval, or direction shall be received in writing from the Airport Director of the Helena Regional Airport Authority. In all cases such approval shall not be unreasonably withheld.

L. Redelivery. Upon expiration of the lease term or earlier termination on account of default, Lessee shall deliver all keys to the Authority and surrender the premises in good condition. Alterations constructed by the Lessee with permission from the Authority shall not be removed or restored to the original condition unless the terms of permission for the alteration so require. Depreciation and wear from ordinary use for the purpose for which the premises were let need not be restored, but all repairs for which the Lessee is responsible shall be completed to the latest practical date prior to such surrender.

M. Notices. Notices to the Authority provided for herein shall be sufficient if sent by certified mail, postage prepaid, addressed to the Helena Regional Airport Authority, 2850 Mercer Loop, Helena, MT 59602, and notices to Lessee, if sent by certified mail, postage prepaid, addressed to Helena College

University of Montana [redacted], or to such other addresses as the parties may designate to each other in writing from time to time.

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

O. Right of Flight. The Authority reserves the right of flight for the passage of aircraft above the surface of the leased premises, together with the right to cause in such air space such noise as may be inherent to the operation of aircraft not known or hereafter used; and the Authority reserves the right of using said airspace for landing at, taking off from, or operating on said Airport.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

HELENA REGIONAL AIRPORT AUTHORITY

By: _____
Mike Muscarelli, Airport Authority Chair

Attest: _____

HELENA COLLEGE UNIVERSITY OF MONTANA

By: _____

Printed Name

Title