

RULES AND REGULATIONS
FOR
MADISON COUNTY AIRPORTS

Section 1 PURPOSE

1-1. These Rules and Regulations are intended to provide for the safe, orderly and efficient operation at the **Ennis Big Sky and Twin Bridges** airports which are owned and operated by Madison County, State of Montana. They apply to all persons using these airports.

1-2. These Rules and Regulations shall supersede all previous Rules and Regulations, heretofore, applying to **Ennis Big Sky and Twin Bridges** airports, **Madison County Airports**.

1-3. In any case where a provision of these Rules and Regulations are in conflict with a provision of any building, fire, safety, health or other ordinance, code, rule, or regulation of the County, the provision which establishes the higher standard for the promotion and protection of the health and safety of the people shall prevail.

Section 2 AUTHORITY

2-1. Madison County Resolution 4-97 established the Madison County Airport Board (hereinafter referred to as the Board) to provide for the general oversight of all activities and operations related to the Madison County airports. Madison County shall have all powers necessary and proper to the establishment, operation, improvement, maintenance, and administration; including the power to administer programs, establish policy, and adopt administrative and procedural rules pertaining to Madison County's airports. The Madison County Airport Board will use the Airport's Master Plan/Airport Layout Plan as guidance for developing the airports.

2-2. Airport managers are under the direct supervision of the County Commissioners and advisement of the Board. The airport managers are tasked to manage, coordinate, oversee, plan and conduct activities related to the safe and efficient operation of the airport.

Section 3 GENERAL AIRPORT USE AND RESTRICTIONS

3-1. Madison County Airports are open to the public with the intent to be used for aviation and other associated activities that support aviation.

3-2. All visitors to and users of Madison County Airports shall comply with these Rules and Regulations, and all applicable Local, State and Federal laws including Federal Aviation Regulations (FARs).

3-3. No person, organization, or business enterprise shall engage in any commercial activities on airport property unless prior permission is received from Madison County. Any lease required for these activities shall be obtained from Madison County. Commercial activities shall be aviation related or in support of aviators and/or aviation in general. Commercial operators shall abide by any applicable Minimum Standards.

3-4. Any person accessing the Airport shall be responsible for their actions and all actions of any person to whom they provide access, whether directly or indirectly.

3-5. Access of vehicles and/or pedestrians on areas of the airport ramp is restricted. Only airport management and services personnel, active aviators and their passengers, and emergency personnel and their equipment are allowed access to the ramp without prior permission.

3-6. Access of vehicles and/or personnel on the taxiways, taxi lanes, runways, or surrounding areas is restricted to airport, services personnel, and emergency personnel and their equipment.

3-7. No RVs, boats, automobiles, trailers, non-airworthy aircraft, etc., shall be stored outdoors on any airport property without prior permission of the airport manager.

3-8. No private building shall be used as a private residence. Overnight camping requires prior approval by the Airport Manager in designated location only.

3-9. Residential Through The Fence operations, (RTTF), are allowed at Ennis Big Sky Airport so long as an agreement between the through the fence user and Madison County is in full force and effect and duly executed by all parties. Ennis' residential through the fence agreement is attached hereto as **Appendix 1**. Through the fence access is only granted once the aforementioned agreement is executed by all parties and all conditions of the agreement and all federal, state and county rules, laws and regulations are complied with. Gates must be kept closed at all times once the aircraft is through the access gate and, further, no unauthorized vehicles are allowed access through the gates. Through the fence users do so at their own risk and are responsible for any damage, injury or harm they may cause and agree to hold Madison County harmless for any damage or injury they may incur or cause as a result of any through the fence operation. Any and all improvements on county property and any maintenance of improvements on county property for RTTF taxiway access shall be at the sole cost and expense to the RTTF user. However, no improvement may be initiated until final approval, in writing, is obtained from the county for such improvements and or maintenance. User must submit detailed written plans for any request for improvement and or maintenance for RTTF taxiways' to the county for its consideration, modification and or approval, if applicable.

3-10. No signs shall be posted on airport property without prior permission of Madison County.

3-11. Public demonstrations or solicitations are prohibited on any airport property except with prior permission of Madison County.

3-12. Hunting shall be prohibited on any portion of airport property except with prior permission from Madison County.

3-13. Pets shall be on a leash or on positive voice command at all times while on airport property. Pet owners shall clean up after their pets.

3-14. Dumping of waste material and refuse shall be prohibited on any portion of airport property.

3-15. All persons shall use Madison County's airports at their own risk. The County and its Commissioners, the Board, and airport managers, shall not be liable for losses sustained from property damage, personal injury, or death resulting from any accident involving aircraft or other private property occurring within the limits of the airport property.

Section 4 AIRCRAFT OPERATIONS

4-1. Aircraft exceeding the runways' weight bearing capacity shall land, takeoff, or taxi on either Madison County airports at their own risk.

4-2. Aircraft operators shall be held liable for any and all costs required to repair any damage they caused while operating on County airports.

4-3. Aircraft shall not be parked or left standing unattended on any airport surface without being secured from movement with tie down devices and wheels chocked. Note: On areas of the airport parking ramp where tie down devices are provided by the County, aircraft operators shall determine whether or not these devices are safe to use in securing their aircraft. The County shall not be held liable if any of these devices fail and/or cause damage to property or injury to personnel.

4-4. Aircraft operators shall inspect their parking area for any trash, refuse, and foreign objects and insure proper disposal of these items before they leave the area.

Section 5 FUELING OPERATIONS AND SAFETY PRECAUTIONS

5-1. No person shall smoke or permit an open flame within 100 feet of any aircraft undergoing fuel service, or at least 100 feet from fuel storage trucks or facility.

5-2. Prior to the fuel servicing of any aircraft, the aircraft and the fuel dispensing equipment shall be grounded to a point of zero electrical potential to prevent the possibility of static ignition of fuel.

5-3. Any aviation fuels that spill during fueling operations shall be cleaned up immediately. Major fuel spills shall be immediately reported to the Airport Manager.

5-4. No material or equipment which is likely to cause a spark or ignition shall be used during fueling operations.

Section 6 PRIVATE HANGARS

6-1. Private hangars will be governed by an aviation lease. See **Appendix 2** for the **Aviation Lease**.

6-2. Prior to construction, private hangar owners shall submit their building plans/drawings to Madison County for approval. Hangar owners shall comply with **Hangar Guidelines for Madison County Airports (Appendix 3)**.

6-3. Prior to the start of construction, prospective hanger owners shall comply with the **Rules of Contractors/Lessees/Owner Builder of Hangars at Madison County Airports (Appendix 4)**.

Section 7 COMMERCIAL FACILITIES AND OPERATIONS

7-1. All commercial facilities and operations shall comply with any applicable Minimum Standards and be approved by Madison County before commencing operation.

Section 8 AIRPORT FEES

8-1. Commercial operators, other than lessees, planning to use the airport and/or its facilities, shall be charged a fee. Madison County may establish, alter or amend such fees as the need dictates. Such fees shall be paid in advance to the Madison County Treasurer, prior to using the airport.

Section 9 PENALTIES

9-1. In addition to penalties provided by the State, County, and Federal laws, any person using the airport who violates these Rules and Regulations, or refusing to comply therewith, may be removed or ejected from the Airport by or under the authority of Madison County, Madison County may impose other penalties as may be appropriate under the circumstance.

Appendix 1

AGREEMENT FOR AIRPORT ACCESS

This Airport Agreement is made and entered into this _____ day of _____, 20__ by and between Madison County, Montana (hereinafter referred to as "Owner") and _____, an individual under the laws of the State of Montana (hereinafter referred to as "User") located at _____. This Agreement incorporates and is based upon the following representations and understandings.

Whereas, Madison County is the owner and operator of Ennis Big Sky Airport (hereinafter referred to as the "Airport"), located in Madison County, state of Montana, with the power to grant rights and privileges with respect to the Airport, pursuant to the provisions of the State Code, among other federal, state and local laws, rules and regulations, and

Whereas, the User owns real property (referred to as _____), adjacent to the physical property of the Airport; and

Whereas, the User seeks the right to taxi aircraft from the above-described real property "through the fence" to the Airport property and to its runway and taxiway system; and

Whereas, the Parties desire to enter into the Agreement to comply with the FAA Modernization and Reform Act of 2012 (P.L. 112-95) section 136 that permits general aviation airport sponsors to enter into through-the-fence agreements with property owners or associations representing property owners provided these agreements comply with certain conditions set forth in this Agreement; and

Whereas, the User's property is subject to restrictive covenants which require compliance with the laws and regulations of the United States, and the Parties desire to clarify the User's obligations under such laws and regulations.

Now, therefore and in consideration of the mutual terms and conditions hereinafter set forth, the Owner and User hereby agree to the following:

ARTICLE I-PROPERTY WITH RIGHT OF ACCESS

Legal description of property with right to access;

LOT ##:

LEGAL DESCRIPTIONS:

Said property is hereinafter described as the "Lot."

ARTICLE II-DEFINITIONS

Terms not specifically defined in this Agreement should be interpreted according to their ordinary use as of the date this Agreement is signed. Where used in this Agreement, the terms below have the following definitions:

1. "Aeronautical Commercial" use includes any activity or service for compensation, exchange, trading, buying, selling, or hire or any other revenue producing activity whether or not a profit is derived, which makes possible, or is required for the operation of an aircraft, or contributes to or is required for, the safety of such operations, but does not include commercial activities which are not directly related to aviation.
2. "Airport Board" means the Madison County Airport Board.
3. "Airport Manager" means any person hired by the Owner to manage the Airport and granted authority to do so.
4. "Agreement" means this document.
5. "FAA" means the United States Federal Aviation Administration.
6. "Owner" means Madison County, but does not restrict the Airport Board or Airport Manager from enforcing this Agreement or otherwise acting on Madison County's behalf, provided that they act within the limits of authority lawfully delegated to them by Madison County.
7. "Private Use Infrastructure" includes any runways, taxiways, roads, fences, lights, signs, or gates, or similar infrastructure which is used for the User's through the fence access and which is either (a) on the User's property; or (b) on Airport property, but constructed or maintained by the User or at the User's request and used primarily by the User. "Private Use Infrastructure" does not include the exterior fence of the Airport or any infrastructure on the Airport which is regularly used by the Airport staff or other members of the public.
8. "Residential" use includes the construction, modification, or use of any building to serve as any individual or family's primary or part-time overnight residence, but does not include hotels or similar commercial activities.

ARTICLE III-TERM OF AGREEMENT

The term of this Access Agreement shall commence on _____ 2016, and shall continue for a period of 10 years, or until it is terminated under Article IX below.

ARTICLE IV-RIGHTS OF USER

Throughout the term of this Agreement, the Owner shall allow the User to taxi aircraft "through the fence" between the Lot and the Airport, provided that the User complies with all lawful regulations which apply to users of the Airport.

ARTICLE V-PROHIBITIONS

1. No Mixed Residential and Aeronautical Commercial Use: User shall not permit, encourage, or assist both Residential and Aeronautical Commercial use to occur in the same facility. The User shall comply with any zoning laws, regulations, or restrictive covenants which apply to the Lot.
2. Sale of Aviation Fuels Prohibited: User shall not permit any person or entity to sell aviation fuels on the Lot. This prohibition does not restrict the User from refueling their own aircraft on the Lot.
3. Prohibitions and Restriction on Access: The User is specifically prohibited from granting or selling any access/egress to the Airport through the Lot to any other parties, except for temporary visitors. The User shall take reasonable precautions acceptable to the Owner to prevent the accidental access to the Airport through the Lot by vehicles, pedestrians, wildlife, or domestic animals.
4. Exceptions: The User may violate the above provisions of this Article only if the User first obtains written permission from both the FAA and the Owner. If the FAA has approved an exception, then the Owner shall not unreasonably withhold permission. Permission to violate any of the above may be limited or contingent, and permission to violate any of the above in one or more instances does not guarantee that similar permission will be granted in the future.

ARTICLE VI-ACCESS FEE TO OWNER

User is aware that the Owner may charge the following fees, and agrees to pay any of the following fees in the event the Owner charges them:

1. Owner's Basis for Access Fee: The fee is based on the rates and charges of other on airport tenants and operators making similar use of the Airport. There are currently no lease or long-term tie-down fees charged by the Airport. Therefore, there is presently no access fee charged. This Agreement does not prevent the Owner from charging such fees in the future.
2. User Access Fee: The Owner does not currently charge a user access fee. This Agreement does not, however, prevent the Owner from charging a user access fee during the term.
3. Payment: All payments required to be made by User under this Agreement shall be made payable to the Owner annually on or before March 1st of each year and shall be delivered or mailed to the address below:

Madison County Airport Board, PO Box 62, Virginia City, MT 59755

4. Penalty for Late Payment: Owner will assess a late penalty equal to 10% of the amount past due, per annum, and not compounded.

5. Notice of Fees: The Owner shall provide notice to the User of any change to any of the above fees no less than 90 days prior to the date that the changes take effect.
6. Fees to be Uniform: The Owner shall not charge the User any of the above fees unless said fees are generally applied to all similarly situated private users and comparable to those charged to on-airport tenants and operators making similar use of the Airport.

ARTICLE VII-CONSTRUCTION AND MAINTENANCE OF PRIVATE USE INFRASTRUCTURE

It is understood and agreed that the User shall construct all private-use infrastructure, required and acceptable to the Owner, at User's sole cost and expense. Accordingly, User covenants and agrees as follows:

1. Construction and Maintenance: The User may construct Private Use Infrastructure on the User's property as may be required. All construction of Private Use Infrastructure on the Owner's property must be approved by the Owner prior to commencement of construction. During the term of the Agreement, the User shall also be solely responsible for all maintenance of Private Use Infrastructure. The User shall maintain any Private Use Infrastructure in good repair at all times. The User may contract with third parties to perform construction and maintenance of Private Use Infrastructure and, for the purposes of this Agreement, assumes responsibility for the actions of any such third parties.

All "through the fence" access shall be along plotted easements, as depicted on the Airport Layout Plan (ALP) on file with Madison County and the FAA.

2. Construction cost: Notwithstanding anything herein contained to the contrary, the User expressly agrees to pay any and all costs associated with Private Use Infrastructure reasonably required by the Owner. These costs are in addition to any access fees charged as described under Article V above.

ARTICLE VIII-AGREEMENT SUBORDINATE TO GRANT ASSURANCE, AGREEMENTS WITH THE UNITED STATES, AND FEDERAL OBLIGATIONS.

This Agreement shall be nonexclusive and shall at all times be subordinate to the provisions of any existing or future agreement between the Owner and the United States Government, or to any order issued by the United States Government, or to any grant assurances of the Airport, or to any of the Airport's or the Owner's Federal obligations.

The User agrees to abide by all lawful Airport Rules and Regulations in effect as of the date of this Agreement and as may be amended from time to time.

The Lot may currently be subject to, or may become subject to during the term, restrictive covenants, zoning laws, easements, and/or agreements with other landowners. In the event of a conflict between this Agreement and any of the above, the more restrictive provision controls.

ARTICLE IX-TERMINATION OF AGREEMENT

1. **Automatic Termination:** This Agreement terminates automatically and immediately in the event of any change in ownership of the Lot.

2. **Termination by Owner:** The Owner, at its sole discretion, may terminate this Agreement under any or all of the following circumstances:
 - a. If the fees outlined in Article VI, or any part thereof, are unpaid for 90 days, or
 - b. If the User files a voluntary petition in bankruptcy, or make a general assignment for the benefit of creditors, or if the User is adjudicated as bankrupt, or User otherwise assigns, or attempts to assign its interest herein without the required prior written consent of Owner, or
 - c. If the User uses or permits the use of the Lot at any time for any purpose which is not authorized by the Agreement, or if the User uses or permit the use of the Lot thereof in violation of any law, rule or regulation, (including the airport rules and regulations), to which the User has agreed to conform, or
 - d. If the User transfers ownership of the Lot to any other person or entity, or
 - e. If the User fails to meet any term or condition of this Agreement.

3. **Notice of Default:** If the User defaults in the performance of any other term of this Agreement, then the Owner shall send to the User a written notice of default, specifying the nature of the default, and User shall, within 90 days after the date of the notice, cure and remedy the default, and this Agreement shall then continue as before.

If the User shall fail to timely cure and remedy such default, then the Owner may declare, by written notice to the User, that the User is in default, and to use all remedies available to the Owner under this Agreement. However, if by its nature, such default cannot be cured within such 90 days period, such termination shall not be effective if the defaulting party commences to correct such default within said 90 days and corrects the same as promptly as reasonably practicable.

4. **Termination by User:** The User, at its sole discretion, may terminate this Agreement under any or all of the following circumstances:
 - a. The Owner increases the fees applicable to the User in Article VI above by more than 50% of previously existing fees within any one calendar year; or
 - b. The User is deprived of access to the Airport through the Owner's reckless or intentional action for any period of greater than 30 consecutive days; or
 - c. The Airport is closed to the public for any reason for any period of greater than 30 consecutive days.

5. Notice of Termination by User: If the User intends to terminate this Agreement under § 3 above, then the User shall provide written notice to the Owner. Such notice is effective immediately unless it explicitly states otherwise.
6. Treatment of Fees: In the event of termination by either party, the Parties agree to pro-rate any fees due under Article VI of this Agreement based on the number of days that the Agreement remained in effect.
7. Effect of Termination: In the event of termination by either party, the Owner shall have no further obligation to provide the User with “through the fence” access to the Airport.

ARTICLE X-NOTICES

1. Notice/Addresses: All notices, request, or other communications, required or permitted to be given hereunder shall be in writing and delivered via certified or registered mail, addressed to the appropriate party at its address as follows:

Madison County Airport Board, PO Box 62, Virginia City, MT 59755

USER NAME
 ADDRESS
 TOWN, ST ZIP

The Parties shall promptly provide notice to each other of any change of address.

ARTICLE XI – GENERAL PROVISIONS

1. Sublease and Assignment: If the User subleases, assigns, sells, rents, or transfers the Lot or any of its rights or obligations under this Agreement, then the User shall provide written notice to the Owner.
2. Article and Section Headings: Article and Section Headings in this Agreement are intended for reference and convenience only and are not intended to define or limit the scope of any provision of this Agreement.
3. Jurisdiction, Venue, and Choice of Laws: The Parties agree that jurisdiction and venue for any dispute regarding this Agreement shall be in the Montana Fifth Judicial District Court, Madison County, Montana, or in the Justice Court of Madison County, Montana. The Parties shall not file any legal claims involving this Agreement in any other Court, unless the Courts above have previously determined that they lack jurisdiction over the dispute, or no reasonable good-faith argument can be made for jurisdiction in the above Courts. The laws of the State of Montana shall govern this Agreement.

4. Savings Clause: Should any provision of this Agreement be held by a court of competent jurisdiction to be invalid, void or unreasonable, the remaining provisions continue in full force and effect, unless the substantive effect of the court's ruling is to:
- a. Remove the User's right to access the Airport through the fence; or
 - b. Require the Owner to perform or pay for construction or maintenance assigned to the User by Article VI of this Agreement; or
 - c. Require the Owner to violate any agreement with the FAA or U.S. Federal Government; in which case, this Agreement terminates.
5. Modification: This Agreement may be modified at any time by the explicit written consent of both Parties and may not be modified orally or implicitly.

COMMISSIONER signature_____

Date_____

User Name

signature_____

Date_____

Second User Name

signature_____

Date_____

Appendix 2

AVIATION GROUND LEASE

This lease agreement made and entered into by and between Madison County Airport Board (hereinafter referred to as the BOARD), and, _____ (Hereinafter referred to as LESSEE), whose address is:

Madison County owns and the BOARD operates the Airport (hereinafter referred to as ("AIRPORT")) situated near _____, Montana. The Board desires to lease a portion of the AIRPORT hereinafter described to LESSEE under the terms and conditions contained in this Agreement and the LESSEE wishes to lease the PARCEL described herein from the BOARD.

1. DESCRIPTION OF PARCEL

The BOARD hereby lets to LESSEE and LESSEE hereby leases from BOARD that certain PARCEL of real property at the AIRPORT together and with any improvements contained on the PARCEL for LESSEE'S exclusive use specifically described as follows:

A PARCEL of land measuring ____ feet by ____ feet designated

As PARCEL number ____ on the aviation ground lease plat (hereinafter

Referred to as PARCEL ____) of the AIRPORT, a copy of which is attached.

2. IMPROVEMENT CONSTRUCTION

LESSEE may construct improvements on the PARCEL only in accord with plans approved in advance in writing by the BOARD. Such improvements shall be subject to requirements as determined by the BOARD including, but not limited to, setback requirements and paving requirements for connection to the taxiway as well as for ramp and parking. LESSEE solely shall be responsible for the cost of all such improvements, together with all taxes and assessments upon the improvements.

All construction shall meet the requirements of the State of Montana building code and the design shall be harmonious with surrounding structures. No alteration, major repair or additional equipment installation shall be made without prior written approval from the BOARD.

Construction of improvements shall commence within ____ days of the execution of this agreement and shall be finished completely ____ thereafter.

3. LESSEE'S USES AND RIGHTS

Except where explicitly restricted by this lease, LESSEE may use the PARCEL for all aviation purposes as LESSEE may determine consistent with all law, regulations and covenants that apply to the LESSEE or the BOARD.

LESSEE shall have general non-exclusive use in common with all other members of the public of all public AIRPORT facilities and improvements now or hereafter in existence, including, but not limited to approach areas, runways, taxiways, aprons, aircraft and vehicle parking areas, roadways, sidewalks, navigational aids, lighting facilities, and terminal facilities, together with right of ingress and egress over and across public right of way.

4. TERM

The term of this lease shall be for a period of _____ years commencing on the _____ day of _____, _____, and terminating on the _____ day of _____, _____.

If the BOARD offers to lease the PARCEL to any third party prior to, or within thirty (30) days of, the expiration of this lease, then LESSEE shall have the right to renew this lease for an additional term of _____ years at the same rates that the PARCEL may be offered to any other person or entity. LESSEE shall give written notice of his desire to do so at least ninety (90) days before the end of the term. Absent such notice, the lease shall terminate without action by either party. LESSEE shall execute and perform the requirements of the new lease within thirty (30) days after the BOARD offers it.

In the event the BOARD determines not to lease the PARCEL for a renewal term, it may give notice to LESSEE at least ninety (90) days prior to the end of the term.

In the event LESSEE holds over beyond expiration of the term without written consent from the BOARD, such holding over shall continue only from day to day at will.

Upon termination of the lease, LESSEE shall have the right to remove all property and improvements he has made to the PARCEL including permanent improvements, however, LESSEE shall first advertise such improvements for sale in a commercially reasonable manner. In addition, LESSEE shall offer the improvements to the BOARD at the same price and terms offered to other buyers for a period of forty-five (45) days before removal.

In the event of war or declared National emergency, the Board shall have the right to lease the AIRPORT or any portion thereof to the United States government. In the event any portion of this lease are inconsistent with the lease with the United States Government, this lease shall be suspended during the period of the lease of the government provided that the term of this lease shall be automatically extend by the amount of the suspension.

In the event LESSEE'S rights and privileges under this agreement are suspended by action of the United States due to war or other national emergency, the term of this Agreement shall be extended by the amount of time of such suspension.

5. RENT

LESSEE shall pay to the BOARD an annual rental for the PARCEL of **\$.04** per square foot per year. Rent shall be paid in advance without demand, on the first day of each annual or semi-annual period. The BOARD may adjust LESSEE'S rent every fifth anniversary of this agreement. The BOARD shall provide a reasonable justification in writing for any such adjustment to the LESSEE. (**\$_____ per year**)

6. OBLIGATIONS OF BOARD

During the term of this agreement, the BOARD shall operate and maintain the AIRPORT for use by the public consistent with its commitment to the United States Government under the Federal Airport Act to operate the Airport for a period of twenty (20) years in exchange for assistance in constructing improvements. In the event the Board shall cease to operate and maintain the Airport after twenty (20) years, rent and fees paid by LESSEE shall be limited accordingly. Operation and maintenance by the Board includes providing access to the PARCEL for use by approved vehicles. Under no circumstances shall the BOARD have any responsibility for the condition of the PARCEL after delivery to LESSEE.

7. OBLIGATIONS OF LESSEE

LESSEE shall maintain and operate the PARCEL and all improvements placed thereon at LESSEE'S sole cost and expense. Under no circumstances shall the BOARD bear any cost or expense. LESSEE accepts the PARCEL in its present condition. LESSEE declares and hereby agrees that he is leasing and that he is not relying on any representations made by the BOARD or its agents as to location, value, future value, income therefrom or its production.

LESSEE shall pay any taxes levied against the PARCEL when due and shall not allow such taxes to become delinquent. If the LESSEE fails to pay any such taxes when due, then the BOARD may, but is not obligated to, pay any delinquent taxes on account for the PARCEL and may terminate this lease. If the BOARD pays any delinquent taxes on behalf of the LESSEE, then the LESSEE shall reimburse the BOARD in full, with interest at the highest rate

allowed by law. The LESSEE's obligation to pay delinquent taxes, and its obligation to reimburse the BOARD for payment of delinquent taxes, survive the termination of this lease and remain binding on the LESSEE until paid in full.

LESSEE shall pay for all utility expenses on the PARCEL, including, but not limited to, electricity, water, sewerage, and garbage services.

LESSEE shall, at its sole cost and expense, maintain the PARCEL and improvements in good condition, free of refuse, debris, and in orderly fashion and shall control weeds and vegetation without allowing of them to go to seed. LESSEE shall allow no hazardous waste on the PARCEL whatsoever. LESSEE shall provide a complete and proper arrangement for sanitary disposal of all refuse and shall adhere to all BOARD requirements. LESSEE shall not store or pile any wood, containers, or any item of personal property upon the PARCEL.

LESSEE shall not start or taxi aircraft within any aircraft hangar. LESSEE shall not maintain billboards or advertising signs except as approved in writing in advance by the BOARD.

LESSEE shall not use spray paint on the PARCEL exterior, except upon prior approval in writing by the Airport Manager.

LESSEE shall keep and maintain in good repair on the PARCEL fire suppression equipment consisting of an appropriate fire extinguisher.

LESSEE shall not use the PARCEL for livestock operations.

LESSEE shall not use the PARCEL for residential purposes.

LESSEE shall not permit any persons other than airman, airport personnel, aircraft passengers, or persons conducted by airman or airport attendants to be in loading areas, taxi-ways, aprons, aircraft and vehicle parking areas, roadways, sidewalks, navigational aids, lighting facilities, or terminal facilities unless supervised by the lessee.

LESSEE shall not drive any vehicles on the landing area or taxiways without permission of the airport manager. LESSEE shall not park vehicles except in designated parking areas, or on the PARCEL in a manner that does not interfere with the ordinary operations of the AIRPORT. LESSEE shall not construct a parking lot on the PARCEL without prior written approval from the BOARD.

If the BOARD authorizes the LESSEE to perform any otherwise prohibited activities on the PARCEL, then the BOARD shall provide the LESSEE with written approval, and the LESSEE shall post the written documentation on the PARCEL. If the BOARD determines any unsafe condition exists on the PARCEL, then the LESSEE shall terminate, or require others to terminate, the unsafe condition as directed by the BOARD.

LESSEE shall allow inspection by Madison County and the BOARD at all reasonable times.

LESSEE shall conduct all activity in accord with the laws of the United States of America, the State of Montana, Madison County, and rules and regulations and ordinances of the BOARD now in force or hereafter promulgated.

LESSEE covenants and agrees that no person shall be excluded from participation or denied the benefits of or otherwise subjected to discrimination in the use of AIRPORT facilities or the exercise of rights or privileges under this agreement or in the construction of any improvements for LESSEE or the furnishings of any services, and that no discrimination shall exist against any person on the grounds of race, color, creed, political affiliation or ideas, sex, age, or physical or mental handicap. LESSEE shall use the AIRPORT and LESSEE'S facilities in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Part 21, Non-discrimination in Federally Assisted Programs of the Civil Rights Act of 1964, as amended from time to time.

8. INDEMNIFICATION

LESSEE and the BOARD have no relationship except as landlord and tenant. LESSEE shall be responsible in every respect for all of its acts or omissions. In all of LESSEE'S activities in any way connected with this agreement, LESSEE shall hold harmless, and defend, and indemnify the BOARD and Madison County from and against any and all losses due to any act or omission of LESSEE.

9. INSURANCE

LESSEE, immediately after the execution of this lease, shall provide for liability insurance coverage in a minimum amount of **\$1,000,000.00** per occurrence for property damage, personal injury or death. Insurance shall be obtained from companies authorized to do business in the State of Montana. A certificate of insurance from the insurance carrier naming LESSEE and the BOARD and Madison County and its agents and employees as additional insured during the full term of this lease shall be furnished to the BOARD.

10. CANCELLATION BY LESSEE

LESSEE may cancel this by written notice to the BOARD, whereupon rent shall be prorated as of the date LESSEE vacates the PARCEL, upon occurrence of one of the following events:

- A. Abandonment of the AIRPORT by the BOARD
- B. Assumption of the operation, control or use of the BOARD by United States Government in such manner that substantially restricts LESSEE from operating in a normal manner for a period of ninety (90) consecutive days.
- C. Existence of an injunction by a Court of competent jurisdiction preventing or restraining use of the AIRPORT for a period at least ninety (90) consecutive days.
- D. Default by the BOARD continuing for at least thirty (30) consecutive days after receipt from LESSEE of written notice to remedy default.

11. CANCELLATION BY THE BOARD

This lease shall be subject to cancellation by the BOARD as follows:

- A. When LESSEE is in default of payment of rent.
- B. When LESSEE is in default on performance of any other covenant or condition required by this agreement for a period of sixty (60) days after written notice of the default.
- C. Where cancellation or termination by the BOARD is allowed by § 8 of this Lease.

In the event of cancellation, LESSEE shall immediately surrender possession of the PARCEL and any improvements thereon and shall execute any instruments necessary to record the termination of this agreement.

The right to obtain possession of the PARCEL and to cancel the Agreement as provided hereinabove shall not limit the BOARD'S right to obtain specific performance or to pursue any other remedy provided for by law or this Agreement. The BOARD'S right in the event of default shall be cumulative, subject only to such election of alternatives as the law may require.

In the event of LESSEE'S default, LESSEE shall hold the BOARD harmless from and shall pay all costs and expenses, including a reasonable attorney's fee, associated with removal of liens and encumbrances upon Madison County's title not caused by any act or omission of the BOARD. This obligation shall survive beyond the termination of LESSEE'S rights under this agreement and shall continue to bind LESSEE in the event of default.

Upon termination or cancellation of this lease for any reason, LESSEE shall have ninety (90) days within which to remove property and improvements from the PARCEL. LESSEE shall return the PARCEL to the condition in which it was at the commencement of this lease. In the event LESSEE does not remove property and improvements within ninety (90) days, title shall automatically vest in the BOARD. The BOARD shall have the right to retain the property and improvements and shall have a claim against LESSEE for the cost and expenses incurred in doing so. This condition shall survive the terms of the lease.

12. SUBLEASE AND ASSIGNMENT

LESSEE may sublease, assign or transfer rights and privileges under this lease only upon prior written consent of the BOARD. The BOARD shall not unreasonably withhold such consent. The BOARD may request an opportunity to re-negotiate any provisions of this lease with the LESSEE's assignee, sublessee, or transferee as a condition of consent.

13. SUBORDINATION

This lease shall be subordinate to the provisions of any agreements, now or in the future between the BOARD and the United States regarding the administration, operation or maintenance of the AIRPORT.

14. ENTIRE AGREEMENT

This lease contains all the terms of the contract between the BOARD and LESSEE and supersedes all prior negotiations and agreements, either written or oral.

15. SECURITY INSTRUMENTS

The LESSEE shall require any of their mortgagees or beneficiaries to provide within any security document for the PARCEL that the mortgagee or beneficiary shall seek no judgment against the BOARD. The LESSEE shall require any security document to require the mortgagee or beneficiary to give notice to the BOARD of each breach of covenant, default, or foreclosure given to the LESSEE.

16. NOTICES

Any notice given in connection with this agreement shall be served upon the parties to this agreement either personally or by certified mail and shall be directed to the following addresses:

BOARD: Madison County Airport Board, PO Box 62, Virginia City, MT 59755

LESSEE:

Notice served by mail under the provisions of this section shall be complete upon deposit in the United States Mail with postage pre-paid. The address to which notice shall be sent may be changed by notification of such change in compliance with the provisions of this section and by sending such notice to the address contained herein.

17. ATTORNEY FEES AND COSTS

Should either party employ an attorney or incur costs to enforce any of the terms or conditions of this agreement against the other, the prevailing party shall recover all such costs, including reasonable attorney fees, costs of suit and costs of discovery.

18. PARAGRAPH HEADINGS

Paragraph headings contained in this document are for convenience and reference and shall not define or limit the scope of any provisions of this agreement.

19. WAIVER OF RIGHTS OR REMEDIES

The Parties understand that a failure by either Party to exercise a right or remedy provided by this lease does not constitute a waiver of that right or remedy on future occasions, unless such a waiver is explicitly made permanent in writing.

20. SUCCESSORS AND ASSIGNS

This agreement shall be binding upon and inure to the benefit of the heirs, legal representatives and assigns of the parties hereto. This agreement contains all the terms of the contract between SELLERS and BUYER and supersedes all prior negotiations and agreements, either written or oral.

21. JURISDICTION AND VENUE

The Parties agree that jurisdiction and venue for any dispute regarding this lease shall be in the Montana Fifth Judicial District Court, Madison County, Montana. The Parties shall not file any legal claims involving this lease in any other Court, unless the Fifth Judicial District Court has previously determined that it lacks jurisdiction over the dispute, or no reasonable good-faith argument can be made for jurisdiction in the Fifth Judicial District Court. The Parties waive any right they may have to remove proceedings involving this lease to Federal Court.

22. SAVINGS CLAUSE

Should any provision of this lease be held by a court of competent jurisdiction to be invalid, void or unreasonable, the remaining provisions shall continue in full force and effect.

23. MODIFICATION

This lease may be modified at any time by the express written consent of the BOARD and the LESSEE.

24. EFFECTIVE DATE

This lease shall be effective once signed by at least one representative of both the BOARD and the LESSEE.

Dated: _____

Dated: _____

MADISON COUNTY AIRPORT BOARD

LESSEE

By: _____

ATTEST

By: _____

Appendix 3

Hangar Guidelines for Madison County Airports

Effective November 3, 2014

The Madison County Airport Board (hereinafter referred to as the Board) strives to promote and maintain a functionally efficient, as well as, esthetically pleasing airport environment and has, therefore, adopted the following guidelines to assist prospective Lessees when planning their proposed hangar construction project. This pertains only to new hangar construction or re-construction on the exterior of an existing hangar. The Board may recommend denial of any hangar construction project, and consequent lease application, which it determines as nonconforming with these requirements. Furthermore, the Board shall hold the Lessee responsible for any and all costs associated with and stemming from any breach of these requirements entailing rectification.

- ✎ Prospective Lessees shall first submit to the Board an application for a lease and for authorization to construct or re-construct the exterior of an existing hangar. No hangar construction shall begin until a lease is approved and signed by Lessee and the Madison County Commissioners and the hangar plans/diagrams has received final approval by the Board.

- ✎ To ascertain a continuous/contiguous airport development strategy, hangar site selection shall be determined by the Board in accordance with the most recent Airport Layout Plan. Hangar set back boundaries from the taxiway and maximum structure height shall also be determined by the Board or its representative before construction begins. Finish floor elevation shall be the responsibility of the Lessee, but must be approved by the Board. Finish floor shall be compatible with the elevation of neighboring hangars, as well as, existing and future taxiway construction.

- ✎ Hangars must conform to the applicable local, State and Federal codes and regulations, and acceptable industry standards, practices and materials, in effect at the time of construction, and wherein, compliance is the sole responsibility of the Lessee.

- ✎ Prior to commencement of construction, Federal Aviation Regulation (FAR) Part 77, requires hangar owners to submit FAA Form 7460-1, Notice of Proposed Construction or Alteration, to the FAA. This is so the FAA can determine that the hangar's height, layout and composition is consistent with the ALP and that it will not create an obstacle to navigable airspace, nav aids or buried cables.

- ✎ A copy of the "Rules for Contractors/Lessees and Owner Builders of Hangars at Madison County Airports" shall be read, agreed to and signature affixed so confirming Lessee's responsibility for compliance to said rules, before construction can begin.

- ✿ Lessees shall ensure the General Contractor they hire is appropriately licensed and insured in accordance with Montana laws to perform the work required. Lessees opting to perform their own construction are not required to have a General Contractor's license

- ✿ Hangars shall be completed within 90 days of the day construction begins. Construction begins on the day when construction materials and/or equipment are positioned on the construction site. Hangar completion includes the hangar, all doors, ramp, final grading, and removal of all construction materials, equipment and debris. Late fall construction starts are discouraged because of the likelihood of weather related delays. The Board may grant extensions in extenuating circumstances for up to 90 days.

- ✿ Hangars shall have a ramp consisting of no less than four inches of concrete. The ramp shall be no less than two thirds the width of the hangar door measured from the center of the door.

- ✿ Gabled end type hangars are required, however, other type hangars may be approved if, in the Board's opinion, they do not detract from the Board's commitment to promote and maintain an esthetically pleasing airport environment.

- ✿ Hangar exterior surfaces shall be of a maintenance-free finish and of light colored earth tones. No galvanized or non-factory painted surfaces will be allowed.

- ✿ Any and all tie-ins to existing utilities, e.g., power, water, or septic, shall be coordinated with and approved by the Board and, notwithstanding, shall be the sole responsibility and expense of the Lessee/hangar owner.

- ✿ All signage shall be coordinated and approved by the Board prior to placement on the exterior of the hangar. All signage shall be attached to, rather than applied to, the exterior surfaces and shall be removed when no longer applicable. The Board will assign hangar numbers and provide instructions on their size, color, construction material and placement on the hangar.

- ✿ It shall be the responsibility of the Lessee to ensure that surface run-off water will not create problems for the Airport, other existing or future hangars, and airport users or, otherwise, disrupt airport operations.

- ✿ Propane gas tanks shall be buried. Other appliances shall be positioned outside of the hangar so as not to impede access of firefighting equipment between adjacent buildings. If compliance safety codes dictate propane tanks be placed at distances further away from the hangar, the Lessee shall select an alternate location with the approval of the Board.

- ✿ Outside lighting shall be of the lowest intensity suitable for security and safety and directed towards the ground or in such a manner so as not to create distractions for airport operations and nearby residents.

- ✿ Brush/grass/weed control within the boundaries of the lease shall be the responsibility of the Lessee and shall be trimmed with respect to fire abatement and neatness.

- ✿ Items, other than critically required for hangar operations, shall not be discarded and/or stored outside the confines of the hangar's interior.

Appendix 4

Rules for Contractors/Lessee/Owner Builder of Hangars at Madison County Airports

Construction activities at any Madison County airport have the potential for adversely affecting airport users as well as the airport itself. These Rules are to minimize the negative impact of the construction process. The Lessee shall have the responsibility to insure compliance with these rules. However, the Madison County Airport Board (hereinafter referred to as the Board) or its representative shall also have the authority to stop any and all construction activities if, in the Board's judgment, any part of these rules or instructions from the Board are not complied with. Construction shall not resume until after the Contractor and/or the Lessee corrects the infraction and has received approval by the authority who directed the work stoppage. Construction, including the positioning of construction materials and/or equipment on any part of the County's airport property, shall not begin until after the Lessee has read, agreed to and affixed their signature so confirming Lessee's responsibility for compliance to these rules. Lessee and/or Owner-builders are also considered general contractors for these purposes and, where used herein the term, Contractor, shall also mean the hangar owner or owner builder (Lessee).

- ✎ Prior to the start of hangar construction, Lessees shall ensure their General Contractors are appropriately licensed and insured in accordance with Montana laws to perform the work required.

- ✎ Aircraft have the right of way at all times; contractors shall not disrupt airport operations at any time.

- ✎ No construction equipment or vehicles shall be allowed on any airport operations area without the express consent of the Board or airport manager.

- ✎ Contractors and/or Lessees shall take all precautions to ensure that debris, such as, mud, dirt, gravel, sand, etc., is not tracked onto any paved surface. In the event debris is tracked onto a pavement, the Contractor and/or Lessee must remove it immediately. Such debris may cause damage to operating aircraft and personnel. If any Contractor and/or the Lessee fail to remove debris resulting from his actions or the actions of his/her assigns, then the County reserves the right to have the debris removed and to charge the Lessee the expense.

- ✎ Prior to any digging, all underground utilities shall be located and marked by official "Blue Stake" procedures. Contractors and/or the Lessee shall insure that any inadvertent damage to an underground utility is repaired by certified utility personnel immediately after the damage occurred.

- ✎ Any and all expenses to install, relocate or remove any utility line or structure that may be necessary to complete the project; or any repair caused by any damage shall be the responsibility of the Lessee and/or the contractor. Repairs shall be made as soon as practicable so as to incur the least amount of disruption to airport operations or airport users.

- ✎ All site development requirements and/or activities and expenses shall be the responsibility of the Lessee. The County is not obligated to provide fill material nor is the County responsible for making existing soil or site conditions suitable for building construction.

- ✎ Building materials, packaging, trash, debris, equipment, tools, etc., shall be effectively secured so as to prevent wind-blown damage to aircraft or other property or persons. Trash, including wind-blown debris, must be picked up and disposed of daily so as to keep a clean site.

- ✎ Construction materials, tools, equipment, trash, etc., stored on site must be located so as not to interfere with airport operations.

- ✎ Waste excavation material shall not be dumped on airport property without written approval of the Airport Board or the airport manager. Otherwise, Contractors and/or the Lessee must remove all waste excavation material from the airport property at Lessee's expense.

- ✎ No fences shall be breached for construction access without approval of the Board or airport manager. Any fence breached shall be secured at the end of each work day.

- ✎ Contractors and/or the Lessee shall restore any alteration or damage made to the surface of airport property to its original or other conforming grade prior to completion of the project and vacating the airport premises. The Lessee/owner, however, is ultimately liable for any and all acts of his/her Contractor and/or assigns.

It shall be understood that Board is the final authority for determining if and when a breach of these rules has transpired. Also, the Board is the final authority for determining the means and the schedule and the criteria of compliance for the rectification of any breach to these rules. And, finally, the Board reserves the right to levy assessments for correcting any states of repairs resulting from any breach of these rules. In the event that the Board determines the Lessee and/or the contractors are not abiding by these rules, or, if the Lessee chooses to terminate the lease at any time during construction, then the Board reserves the right to cancel the Lessee's lease, evict the contractors, and charge the Lessee for all County expenses incurred in restoring the airport property back to a condition as deemed acceptable for airport use by the Board.

By signing below, I certify that I have read, agree to, and confirm responsibility for, and will assure compliance to these "Rules for Contractors/Lessees and Owner Builders of Hangars at Madison County Airports."

Dated: _____

LESSEE: _____

ATTESTED By: _____

Chairman, Madison County Airport Board