

Mayor:
David Cates

City Council:
Amber Schoenrock
Carrie Doty
Karla Breeding
Darryl Burditt



City of Conrad
413 S. Main St.
Conrad, MT 59425
406-271-3623
cityofconrad.com

May 1, 2026

Horizon Lodge Garden Apartments, Inc.
701 South Wisconsin
Conrad, Montana 59425

Re: Notice of City's Intent to Remove Parcel 2 from the City of Conrad Lease Agreement for Blue Sky Villas

Dear Horizon Lodge Garden Apartments, Inc.:

The City of Conrad hereby gives formal written notice of its intent to remove Parcel 2 from the premises subject to the City of Conrad Lease Agreement for Blue Sky Villas, entered into effective March 1, 2024, between the City of Conrad and Horizon Lodge Garden Apartments, Inc.

This notice is given pursuant to Section 3(d), Parcels Subject to Removal, of the Agreement. Section 3(d) provides that the City has the option to remove certain parcels of the Premises that would otherwise be subject to the Agreement upon providing Horizon Lodge Garden Apartments, Inc. with sixty (60) days' notice of the City's intent to remove. Section 3(d) further provides that the parcels subject to removal are limited to the parcels identified as Parcels 1-5 on Exhibit D to the Agreement.

The City hereby gives notice of its intent to remove Parcel 2, as identified on Exhibit D to the Agreement. Parcel 2 is the parcel marked "Parcel 2" on Exhibit D. For ease of identification, Exhibit D to the Agreement is reproduced below and incorporated into this notice.

Upon expiration of the sixty (60) day notice period, Parcel 2 shall no longer be deemed part of the Premises and shall no longer be subject to the terms and conditions of the Agreement.

Nothing in this notice is intended to remove any parcel other than Parcel 2.

A copy of the Agreement is enclosed with this notice.

Sincerely,

CITY OF CONRAD

By: _____
David Cates, Mayor

Enclosure: City of Conrad Lease Agreement for Blue Sky Villas

Mayor:
David Cates

City Council:
Amber Schoenrock
Carrie Doty
Karla Breeding
Darryl Burditt



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EXHIBIT D
Parcel Map Identifying Parcel 2

[Insert Exhibit D from the Agreement here, page 19 of the Agreement.]

Parcel 2 is the parcel marked "Parcel 2" on the map above.

Regards,

Daniel T. Jones JD/MBA

Jones Legal Services, PLLC

514 S Front St, Ste 1

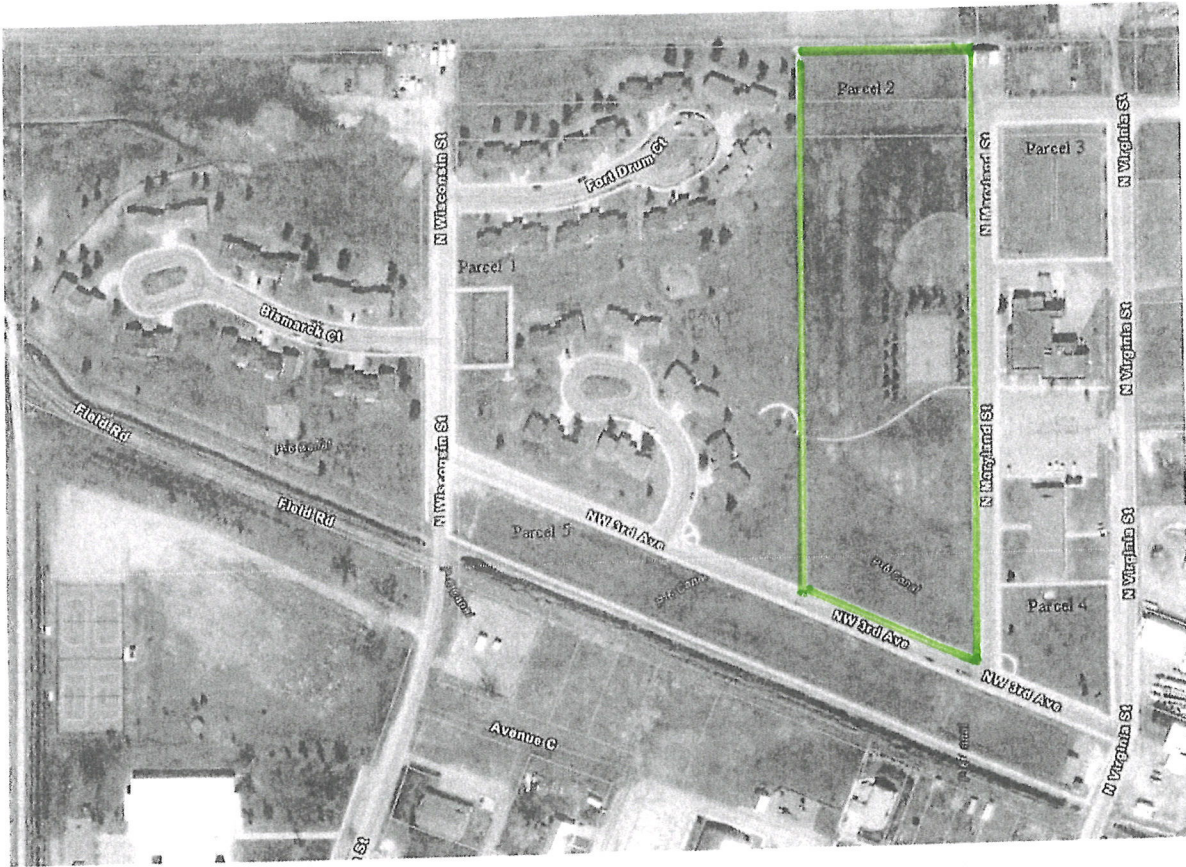
Conrad, MT 59425

(b) 406-278-7521

(f) 406-278-7522

Exhibit D

BSU PARCEL #2



CITY OF CONRAD LEASE AGREEMENT FOR BLUE SKY VILLAS
THIS CITY OF CONRAD LEASE AGREEMENT FOR BLUE SKY VILLAS, hereinafter referred to as the "Agreement" is entered into this 1st day of March, 2024, between the CITY OF CONRAD, a Municipal Corporation of the State of Montana, 413 South Main Street, Conrad, Montana 59425, hereinafter referred to as "City," and HORIZON LODGE GARDEN APARTMENTS, INC., a Non-Profit Corporation of the State of Montana, 701 South Wisconsin, Conrad, Montana 59425, hereinafter referred to as "Horizon."

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RECITALS

WHEREAS, pursuant to the Division B, Title XXVIII, Subtitle A, Section 2816 of the National Defense Authorization Act for Fiscal Year 1994, the United States Air Force closed and subsequently conveyed via quitclaim deed (recorded at Book 074, Page 589 in the records of the Pondera County Clerk & Recorder) to the City the Support Complex to the Detachment 20 Air Force Radar Training Site known as Blue Sky Villas, consisting of thirty-eight (38) duplexes, two (2) single family dwellings, a sixteen (16) unit single room barracks, and a Commissary and Community (Norley) Hall facility situated on 42.24 acres lying within the City of Conrad, Pondera County, Montana, and more particularly described in the Legal Description attached hereto and incorporated herein by this reference as Exhibit A and collectively referred to herein as the "Premises"; and

WHEREAS, the City has been, and intends to continue, leasing the Premises to Horizon for housing for persons 55 years of age and older, with the Commissary and Community (Norley) Hall facilities to be administered by Horizon primarily for the recreational benefit of Blue Sky Villas' residents as well as community groups and organizations and the general public, and the barrack facilities to be leased for commercial use, with priority given to offices for City, County, State and

Federal government functions, non-profit organizations and businesses providing ancillary services for Horizon's Blue Sky Villas residents; and

WHEREAS, the City, by Resolution No. 664A, first authorized and approved leasing the Premises to Horizon effective the 22nd day of November, 1993, and the City has continued to lease the Premises to Horizon since said date; and

WHEREAS, Horizon agrees the purpose of the facilities is to provide housing for residents aged 55 or older, and agrees to rent only existing units and only to persons aged 55 or older, unless Horizon gets prior written approval from the City to rent to any person or entity under the age of 55 years; and

WHEREAS, the fixtures, appliances, furnishings and various other items of personal property in the residential units and the Community (Norley) Hall – Commissary Complex comprising the "Family Housing Annex" are the property of the City and entrusted to Horizon as Lessee of the Family Housing Annex;

NOW THEREFORE, IN CONSIDERATION of the rent to be paid by Horizon to the City and performance by each of the parties of the following terms and conditions, the parties agree as follows:

1. LEASE OF PREMISES & INVENTORY

The City hereby leases to Horizon the Premises, together with the fixtures, appliances and furnishings and other personal property therein, and more particularly described in the "Inventory" attached hereto and incorporated herein by this reference as Exhibit B (collectively referred to herein as "Inventory").

2. PURPOSE OF LEASE

Horizon shall lease, maintain, operate and administer the Premises in furtherance of its espoused purpose to provide housing, recreational and related services for the segment of the population which resides, or wishes to reside in Pondera County, Montana, and in accordance with the purposes set forth in the first paragraph under the caption "DUTIES OF HORIZON" below and as required by the National Defense Authorization Act for Fiscal Year 1994¹.

3. POSSESSION, TERM, RENT, & REMOVAL

a) Triple Net Lease

This Agreement is what is commonly called a "Net, Net, Net" or "triple-net" lease, which means that, except as otherwise expressly provided herein, the City shall receive all rent free and clear of any and all other impositions, taxes, liens, charges or expenses of any nature whatsoever in connection with the ownership and operation of the Premises and Inventory. In addition to rent,

¹See Division B, Title XXVIII, Subtitle A, Section 2816(b) of the National Defense Authorization Act for Fiscal Year 1994

Horizon shall pay to the parties respectively entitled thereto, or satisfy directly, all additional rent and other impositions, insurance premiums, repair and maintenance charges, and any other charges, costs, obligations, liabilities, requirements, and expenses, which arise with regard to the Premises and Inventory or as may be contemplated under any other provision of this Agreement during the Term, except for costs and expenses expressly made the obligation of the City in this Agreement.

b) Term

This Agreement shall be for a term of ten (10) years, three (3) months, and thirty (30) days ("Term"). The Term shall comprise the Initial Term and the Regular Term. The Initial Term shall commence on March 1, 2024 and expire on June 30, 2024 ("Initial Term"). The Regular Term shall commence on July 1, 2024 and expire on June 30, 2034. Horizon shall take possession of the Premises and Inventory, bearing all risk of loss, upon the commencement of the Initial Term, and Horizon shall continue in possession thereof, bearing all risk of loss, until the expiration of the Regular Term.

c) Rent

Horizon shall pay to the City \$23,305.48² as rent for the Initial Term on or before June 30, 2024. Horizon shall pay to the City rent as described on Exhibit C, which is attached hereto and hereby incorporated herein by this reference, during the Regular Term. Additionally, during the Term of this Agreement, Horizon shall pay the annual maintenance fee for the City's forty-two (42) Pondera County Canal and Reservoir Company water shares, which are beneficially used for the Premises.

d) Parcels Subject to Removal

The City shall have the option to remove certain parcels of the Premises that would otherwise be subject to this Agreement upon providing Horizon with sixty (60) days' notice of the City's intent to remove. The parcels subject to removal shall be limited to the parcels identified as Parcels 1-5 on the map attached hereto and incorporated herein by this reference as Exhibit D. Once a parcel has been removed by the City it shall no longer be deemed a part of the Premises and shall not be subject to the terms and conditions of this Agreement.

4. ANNUAL INSPECTION, REPORT, AND MEETING

a) City's Annual Inspection and Report

The City, by and through its Public Works Director or other designee, shall inspect the Premises and Inventory on an annual basis during the first week of October. The Public Works Director, or other designee, shall produce an inspection report containing a general description of the state and status of the condition of the Premises and Inventory. The inspection report shall also contain recommendations as to necessary minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements thereof. Said report will be delivered to the City and Horizon's board of directors.

² This is calculated by prorating the initial annual rent in the amount of \$70,000 for the 121 days in the Initial Term.

b) Horizon's Annual Report to the City

Annually, on or before June 30th, Horizon shall produce a report containing a general description of the state and status of the condition of the Premises and Inventory. The report shall also contain (1) a description of planned minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements of the Premises and Inventory; (2) a description of minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements of the Premises and Inventory completed or initiated and in-progress since the prior report; and (3) an accounting of the Reserve Funds since the prior report. The portion of the report related to the Reserve Funds shall also contain a description of the costs, both incurred and estimated, as the case may be, of minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements of the Premises and Inventory.

With respect to the above report contents (1) and (2), the report shall identify each unit³ separately such that it is apparent whether minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements have been planned or completed, and said report shall specifically identify the units for which no changes have been made or planned in a form substantially similar to Exhibit E, which is attached hereto and hereby incorporated herein by this reference.

c) Horizon Board of Directors Meetings

The City may designate a representative to attend Horizon's board of directors meetings. Horizon shall provide the City with one (1) week's advance notice of Horizon's board of directors meetings and shall permit the City's designee(s) to attend all such meetings in an ad hoc capacity.

d) Annual Meeting with Residents

Annually, Horizon shall designate one or more of its board members to meet with its commercial and residential tenants. The purpose of the meeting shall be for Horizon to receive feedback and information directly from said tenants regarding their experience and expectations as tenants. Horizon shall provide the tenants and the City with one (1) week's advance notice of said meeting. The City, or its designee(s), shall be permitted to attend said meetings.

5. AUTOMATIC RENEWAL

This Agreement shall automatically renew for an additional ten-year period unless notice of non-renewal is delivered in writing, through registered or certified mail, not less than one (1) year before the expiration of the Regular Term.

³ "Units" as used in this Section 4 refers to each residential and commercial building, or portion thereof, which could be subject to a lease agreement or license agreement. For example, if portions of the Community (Norley) Hall are, or could be, separately leased, such as the kitchen or exercise room, each portion would be separately identified for reporting purposes.

6. DUTIES OF HORIZON

Horizon shall use, operate, maintain and administer the Premises subject to the following conditions:

The Thirty-eight (38) duplexes and two (2) single family housing units shall be offered and occupied as independent housing for individuals or couples 55 years of age or older, without regard to race, national original, sex, or religion. The Commissary and Community (Norley) Hall facilities shall, to the extent feasible, be operated and administered for community services in such a manner that they shall be made available not only to the village residents, but to the general public as well as for community functions and activities. The sixteen (16) single-unit barracks complex shall be made available for commercial lease space, with preference given to the City of Conrad, County of Pondera, State of Montana, Federal Government and non-profit organizations on a "first-come, first-served basis" for office space, and to the extent said facilities are not so used, the same may be utilized by Horizon for support or ancillary service facilities or leased as office space, preference to be given to ancillary services for the residents, e.g. Hi-Line Help for Abused Spouses, Council on Aging, local Social Security Office, etc.

7. DUTIES OF CITY

The City shall provide services normally provided to City residents, including police and fire protection, water and sewer line and main installation and maintenance, and solid waste disposal services. Such services shall be provided for the benefit of Horizon and the Premises, as well as the employees, agents, licensees and tenants of Horizon and the guests of Horizon's tenants.

The City shall be responsible for the construction and maintenance of all streets, curbs, gutters, storm sewers, and sewer and water mains now servicing, or which may, in the future, become necessary to adequately service the facilities now or hereafter situated upon the premises let herein.

In the event any major construction is requested to be performed by the City that would normally be funded via a special improvement district, Horizon shall pay the City as additional rent hereunder reasonable costs normally associated with such a Special Improvement District over the Term.

8. UTILITIES

Horizon shall pay for all utility services furnished in connection with its operation and use of the Premises, including but not necessarily limited to charges for water, gas, electricity, street lighting, sewer, garbage, telephone and internet services, and indemnify and hold the City harmless for any such expenses.

9. ALTERATIONS, MAINTENANCE, AND REPAIRS

Horizon shall, at its own expense, take good care of the Premises and Inventory, and shall make any and all minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements of the same that may become necessary during the Term. Horizon shall also, at its own expense, maintain and surrender said Premises and Inventory in a safe and sanitary condition and in as good a condition as they were on March 1, 2024, ordinary wear and tear and acts of God excepted. Any minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements shall remain the property of the City upon the termination of this Agreement.

10. SURPLUS FUNDS

a) Initial Accounting

On March 1, 2024, Horizon shall deliver to the City a statement showing each of the account balances of the accounts identified in section "Surplus Funds" in that certain Lease Agreement of U.S. Air Force Detachment 20 Facilities Support Complex, known as Blue Sky Villas, entered into on January 16th, 2013, by and between the City and Horizon.

b) Reserve Funds Generally

The sum of the account balances deriving from the "Surplus Funds" during the Term shall hereinafter be referred to as the "Reserve Funds". Except as provided for in §9(c), Horizon may retain and use the Reserve Funds for paying for necessary minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements made to the Premises and Inventory.

c) Reserve Funds Paid to the City

On March 1, 2024, Horizon shall issue a payment, in immediately available funds, drawn against the Reserve Funds, to the City in the amount of \$50,000.00 ("City's Reserves"). The City may only use the City's Reserves for the purposes of paying minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements made to the Premises. The City shall have no obligation to use the City's Reserves for the aforementioned purposes unless and until Horizon establishes to the City's satisfaction that Horizon has exhausted, or will exhaust, the Reserve Funds in the absence of the City contributing the City's Reserves.

d) Final Disposition of the Reserve Funds

Upon termination of this Agreement and Horizon no longer being the lessee, Horizon will provide to the City any and all monies held in the Reserve Funds which have not been used to satisfy outstanding obligations associated with termination of this Agreement and restoration of the Premises to the City, excepting Horizon's tail insurance cost. Such Reserve Funds shall be turned over to the City within ninety (90) days of termination of this Agreement.

11. COVENANT AGAINST ENCUMBRANCES

Horizon shall not encumber or otherwise cause a lien to attach to the Premises.

12. INSURANCE AND INDEMNIFICATION

Horizon shall obtain and maintain a policy of liability insurance with respect to its possession, use, occupancy, and operation of the Premises which shall provide for a minimum coverage of TWO MILLION DOLLARS (\$2,000,000.00) for each occurrence.

Horizon shall also obtain and maintain a policy of fire insurance with extended coverage and provisions applicable to the Premises, with a replacement cost endorsement.

These policies shall name the City as co-insured with Horizon and shall protect the City against loss to the physical structures on the Premises and to the fixtures, appliances and furnishings therein, and from liability incurred because of injury or property damage to the Premises or suffered by an employee, agent, tenant or guest of Horizon. Horizon shall provide a Declaration of Insurance within thirty (30) days of its annual renewal, or within thirty (30) days of such time as Horizon contracts with a new insurance provider.

Horizon and the City shall hold each other harmless, defend and indemnify the other from any and all claims, losses and damages to the premises and facilities let herein, arising from the other party's action or inaction, except in cases of gross negligence or intentional wrongdoing by the indemnified party.

13. DESTRUCTION OF PROPERTY

Horizon shall obtain and maintain a policy of insurance to insure it against loss caused by business interruption in the event of total or partial destruction of the Premises or other impairment of operations in an amount sufficient to assure that Horizon will be able to pay the annual rental due the City for the remainder of the original or any renewed term hereof.

14. SUBLEASING

Horizon shall not sublease the Premises, or any portion thereof for purposes other than those contemplated in the subsection captioned "PURPOSE OF LEASE" without first obtaining the written consent of the City under penalty of forfeiture of all of Horizon's rights hereunder as lessee.

Horizon, in the administration of the Commissary-Community (Norley) Hall Complex, will make the same available to the general public on a "first-come, first-served basis" for a nominal rental fee commensurate with Horizon's costs in making the same available, and it shall not be necessary for Horizon to consult with or otherwise obtain the consent of the City to such short term rental arrangements, which shall defer to previously planned events for Horizon's tenants. All rental agreements of Horizon for the rent of any of the facilities encompassed by this Agreement shall contain a clause prohibiting subletting and subjecting any violation thereof to penalty of forfeiture.

The City is entitled to twenty-four (24) uses of Norley Hall per calendar year at no charge. Each use shall be limited to no more than one (1) day in duration. The City may designate another person, organization, or entity to utilize one or more of these uses. The City shall provide Horizon with notice of the designated party. Scheduling of such uses shall be performed in the manner required by Horizon policy, on a "first-come, first-served basis."

City is entitled to use the park that is identified as Parcel 2 on Exhibit D. The City may designate another person, organization, or entity to utilize one or more of the City's uses. The City shall provide Horizon with notice of the designated party.

15. RESTRICTIONS

Horizon shall use the Premises and Inventory for the purposes set forth in the paragraph above captioned "PURPOSE OF LEASE," shall not use the same or any portion thereof for any unlawful purpose, and shall not keep, permit or maintain any nuisance in or on the Premises or Inventory, nor commit any act of waste with respect thereto.

16. ACCESS TO RECORDS

Horizon shall, upon written request of the City, provide the City's authorized agents access to business, financial, and lease related information, and non-confidential records of Horizon, pertaining to this Agreement for inspection during normal business hours.

17. QUIET ENJOYMENT

The City warrants that Horizon shall be granted peaceable and quiet enjoyment of the Premises free from any eviction or interference by the City, if Horizon remains current in the rent obligations provided herein, and otherwise fully and punctually performs the other terms and conditions hereof.

18. RENT DEFICIENCY LIABILITY

In the event that Horizon shall violate or omit to perform any of the covenants or conditions contained herein, or in the event the Premises are surrendered by Horizon, or shall become vacant or shall become abandoned or deserted by Horizon, then the City or any other person so designated by its order, may reenter the same, either by force or otherwise without being liable to any prosecution therefore, and may either elect to terminate this Agreement or may relet the Premises at any time as the agent of Horizon or otherwise, for whatever rent the City shall obtain, applying such rent first to the payment of such expenses as the City may be put to in reentering and reletting and to the payment of rent due hereunder and the fulfillment of Horizon's covenants, and paying over to Horizon, the balance, if any, and in the case of a deficiency, Horizon shall remain liable therefore.

19. FAILURE TO FULFILL

Should Horizon, its successors or assigns, fail to make the above-mentioned payments as herein specified or fail to fulfill any of the covenants or conditions herein within sixty (60) days after written notice thereof to Horizon, then and in that case it shall be lawful for the City, its successor or assigns, to reenter and take full and absolute possession of the Premises and hold and enjoy the same fully and absolutely, without such reentering working a forfeiture of the rents to be paid and the covenants to be performed by Horizon, its successors or assigns, for the full original Term of this Agreement, or any renewal thereof.

20. NOTICE, SERVICE AND MANNER THEREOF

All non-electronic notices required or permitted herein shall be deemed to have been sent and received on the day the notice is deposited in the mail if such notice is sent by certified or registered mail, postage prepaid, return receipt requested, addressed to the party at the party's respective address set forth below. If an email address is set forth below electronic notice may be used instead of non-electronic notice. Electronic notice by email is deemed sent and received as of the date and time it was sent in a manner that conforms with Mont. Code Ann. §30-18-114.

CITY: CITY OF CONRAD
413 South Main Street
Conrad, MT 59425

Electronic Mail Address

HORIZON: HORIZON LODGE GARDEN APARTMENTS, INC.
701 South Wisconsin
Conrad, MT 59425

Electronic Mail Address

21. ENFORCEMENT

In the event of default in the performance of any of the terms or conditions of this agreement, the aggrieved party or parties shall give written notice of any default or defaults to the defaulting party captioned "NOTICE, SERVICE, AND MANNER THEREOF", and, unless such default is cured within sixty (60) days of the date of notice, or the defaulting party has taken substantial measures to cure said default or defaults within said sixty (60) day period, the parties shall submit their dispute to arbitration for resolution, with each party to or affected by the dispute selecting an arbitrator and the selected arbitrators selecting another arbitrator. Arbitration shall be in accordance with the rules of the Montana Uniform Arbitration Act.

Any final decisions of the majority of the arbitration panel shall be binding upon all parties of the arbitration proceedings and may be filed with the Pondera County District Court for the Ninth Judicial District of the State of Montana and enforced as a final judgment. All costs incurred by the prevailing party, including reasonable attorney, paralegal and staff fees, shall be awarded to the prevailing party.

22. MODIFICATION

The parties may amend or modify the terms and conditions of this agreement, provided, however, that no such amendment or modification shall be effective unless in writing and signed by the parties.

23. ASSIGNMENT

Horizon shall not assign any interest herein or convey or transfer any interest in the Premises without the prior written consent of the City.

IN WITNESS WHEREOF, the parties have executed this agreement in triplicate in Conrad, Montana, on the date hereinabove set forth.

CITY OF CONRAD

Nathan Hunsucker

Nathan Hunsucker, as Inter Mayor &
Council President

HORIZON LODGE GARDEN
APARTMENTS, Inc.

Audrey Rouns

By: Audrey Rouns

As: Vice President

ATTEST:

(CITY SEAL)

Darin Gates, as City Clerk

ALDERMAN

Exhibit A

LEGAL DESCRIPTION

A tract of land situate [sic] in the south half of the northeast quarter (S1/2NE1/4) and the north half of the southeast quarter (N1/2SE1/4), Section 14, Township 28 North, Range 3 West, Principal Meridian Montana, Pondera County, Montana:

BEGINNING at the center of said Section 14; thence south $02^{\circ}06'10''$ west along the north-south centerline of said Section, 339.40 feet to a point on the southwesterly right-of-way line of a canal easement; thence south $64^{\circ}40'05''$ east along said right-of-way, 1,952.44 feet to the centerline of Virginia Street; thence continuing south $64^{\circ}40'05''$ east, 30.02 feet to the southeasterly right-of-way line of said street; thence along said right-of-way the following two courses: north $23^{\circ}24'10''$ east 165.76 feet; thence north $2^{\circ}05'10''$ east, 1,204.86 feet; thence north $87^{\circ}53'50''$ west, 1,881.62 feet to the north-south centerline of said Section 14; thence south $02^{\circ}06'10''$ west along said centerline 238.00 feet to the BEGINNING.

EXCEPT THEREFROM any portion of Lot 3 as described in Certificate of Survey No. 234274 as filed for record 31 October 1977 in the Office of the Clerk and Recorder, Pondera County, Montana.

Bearings are based on a local grid.
Contains 42.24 acres, more or less.

Exhibit B

Exhibit "B" to Lease Agreement of Blue Sky Villas

Blue Sky Villa Inventory

UNITS:

40 water heaters
40 dishwashers
36 ranges
34 refrigerators
38 garbage disposal units

STORAGE ROOM:

Assorted parts
Volleyball net
Carpet remnants
Siding remnants
Refrigerator
Parts Rack

BARRACKS:

1 water heater, boiler, compressor for pneumatic system
18 metal closets
1 mail box unit

NORLEY HALL:

1 boiler/cooling system with 2 air handlers and compressor for pneumatics
1 side by side freezer
1 side by side refrigerator
1 commercial gas range with ovens
1 metal storage cabinet, two filing cabinets
1 water heater
2 dish sanitizers
1 garbage disposal
1 garbage dumpster
1 set lockers
1 desk
1 credenza
assorted dishes, flatware, utensils, glasses
20 banquet tables 20 round tables 300 chairs

Explanation of changes in UNIT INVENTORY:

We have a few tenants that own their own appliances, limited to stoves and refrigerators.

BSV Inventory Updates:

***Additional list to add to small tool inventory submitted in 2020**

John Deere F932 mower (old)

John Deere Z925 M mower

John Deere 1550 Mower + snow removal

2016 Polaris 900 Ranger

97 Chevy single cab pickup

Homemade trailer (needs springs)

50 gal pull behind sprayer

Napa Airboss compressor

Update 2021/22

Poulan Chainsaw 16" bar

Xtreme power demo tool

Tack Life Rotary Hammer Drill

Update 2023

Makita Chainsaw 16" bar

185lb Fertilizer spreader

60 gal Spray tank/accessories

Fcho Leaf/Snowblower

2023 Polaris Ranger 1000

Blue Sky: Tools Inventory

3- Tape Measure	Square	1- 11" Hammer	Fall
5- Vise Grips	Utility Knife	3- Sledge Hammer	8
30- pipe wrench	Needle Nose	Welder	2021
10- 5/16"	12- 4" Levels	Best hole digger	
10- Phillips	18" Level	Snow Shovels x 6	
2 Channel locks	10" Level	Spade Shovels x 1	
2- Side cutters	2- Electric meters	Spad Bar	
4- File	2- Rubber mallets	Extension Lite	
4- Pliers	2- Framing Squares	3 Square head Shovels	
1- Nut Drivers	2- Spacers	Trailer Cables	
1- Acetone	2- 24" Push Broom	Belt saw	
2- Axial	1- 24" Push Broom	40 Flashlights	
Worm Saw	1- 24" Push Broom	1- 24" Push Broom	
Miter Box Saw	1- 24" Push Broom	1- 24" Push Broom	
4- Chisels	2- 24" Push Broom	1- 24" Push Broom	
Standard Allen's	2- 24" Push Broom	1- 24" Push Broom	
claw hammer	2- 24" Push Broom	1- 24" Push Broom	
Drill press + Bits	2- 24" Push Broom	1- 24" Push Broom	
2- Cordless drill	2- 24" Push Broom	1- 24" Push Broom	
1 Sawz All	2- 24" Push Broom	1- 24" Push Broom	
10" Table Saw	2- 24" Push Broom	1- 24" Push Broom	
10" Miter Saw	2- 24" Push Broom	1- 24" Push Broom	
power drill + Bits	2- 24" Push Broom	1- 24" Push Broom	
Sockets + Drivers	2- 24" Push Broom	1- 24" Push Broom	
Power grinder	2- 24" Push Broom	1- 24" Push Broom	
Router	2- 24" Push Broom	1- 24" Push Broom	
2 Bench Grinders	2- 24" Push Broom	1- 24" Push Broom	
Chop saw	2- 24" Push Broom	1- 24" Push Broom	
4 Worm clamps	2- 24" Push Broom	1- 24" Push Broom	
5 Kil Saw	2- 24" Push Broom	1- 24" Push Broom	

16 gal. x 2 gal. x 10 gal. Shop Vac

3 weed Sprayers

2 Industrial Snakes

2 Ice scrapers

Prep. Hester

Prep. tanks

3- Gasoline Cans

1- mixed can

2 pitch forks

2 cables

2 x 1/4 - 1/2 Box, open end wrenches

1 Floor Jack

2 Bottle Jack

Jack stand

extended magnet

concrete

2 Squeezers

Exhibit C

Rental Due Date	Prior Rental Rate	Inflation	Rent Due
6/30/2025	\$70,000.00	0%	\$70,000.00
6/30/2026	\$70,000.00	3%	\$72,100.00
6/30/2027	\$72,100.00	3%	\$74,263.00
6/30/2028	\$74,263.00	3%	\$76,490.89
6/30/2029	\$76,490.89	3%	\$78,785.62
6/30/2030	\$78,785.62	3%	\$81,149.19
6/30/2031	\$81,149.19	3%	\$83,583.66
6/30/2032	\$83,583.66	3%	\$86,091.17
6/30/2033	\$86,091.17	3%	\$88,673.91
6/30/2034	\$88,673.91	3%	\$91,334.12

Exhibit D

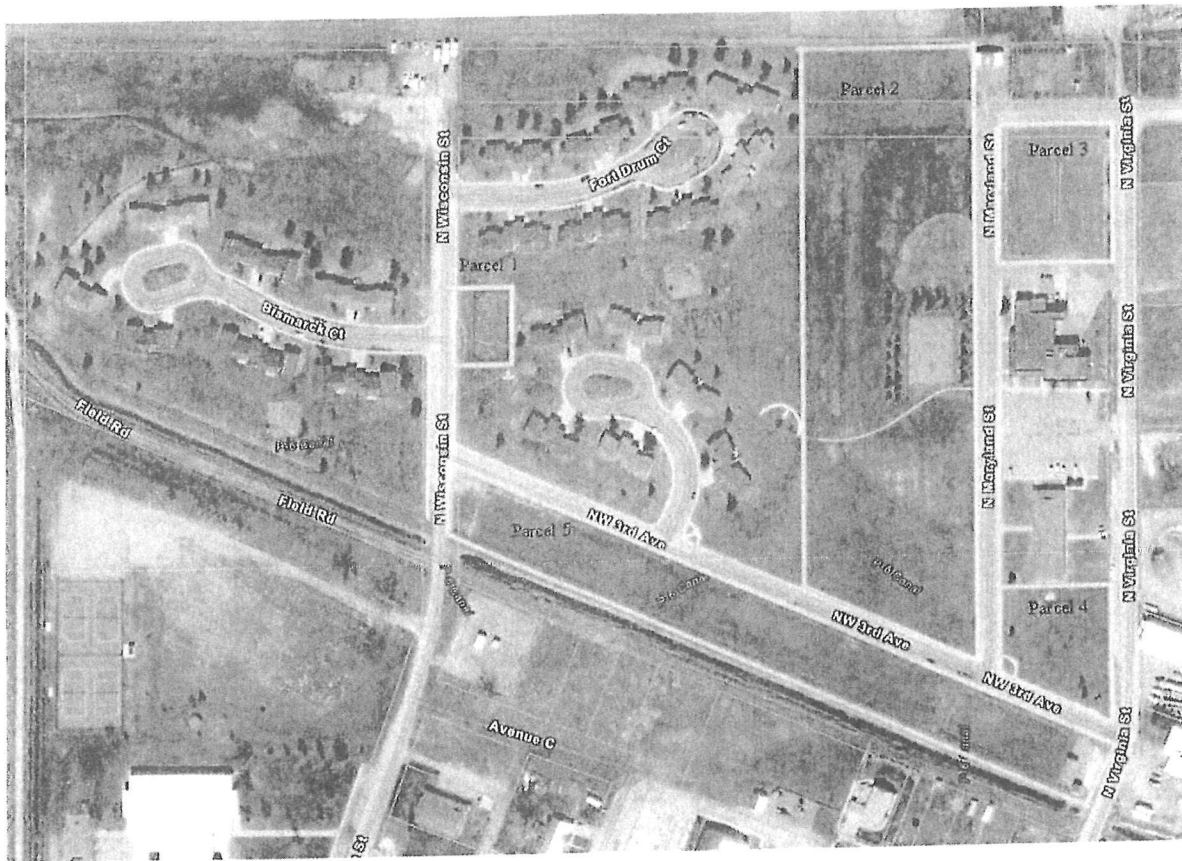


Exhibit E

Blue Sky Villas Residential Housing Complex- Annual Report		
Date of Report	MM/DD/ YY	YYY

Location	Type	Bedrooms	Total Sqft	Uni t #	Minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements planned or completed since the last annual report.
Hawthorne Court	Duplex	2	1127	1	
Hawthorne Court	Duplex	2	1127	2	
Hawthorne Court	Duplex	2	1127	3	
Hawthorne Court	Duplex	2	1127	4	
Hawthorne Court	Duplex	2	1127	5	
Hawthorne Court	Duplex	2	1127	6	

Hawthorne Court	Duplex	2	1127	7	
Hawthorne Court	Duplex	2	1127	8	
Hawthorne Court	Duplex	2	1127	9	
Hawthorne Court	Duplex	2	1127	10	
Hawthorne Court	Duplex	2	1127	11	
Hawthorne Court	Duplex	2	1127	12	
Hawthorne Court				307	
Fort Drum Court	Duplex	3	1397	1	
Fort Drum Court	Duplex	3	1397	2	
Fort Drum Court	Duplex	3	1567	3	

Fort Drum Court	Duplex	3	1567	4	
Fort Drum Court	Duplex	3	1397	5	
Fort Drum Court	Duplex	3	1397	6	
Fort Drum Court	Duplex	3	1397	7	
Fort Drum Court	Duplex	3	1397	8	
Fort Drum Court	Duplex	3	1567	9	
Fort Drum Court	Duplex	3	1567	10	
Fort Drum Court	Duplex	3	1397	11	
Fort Drum Court	Duplex	3	1397	12	
Fort Drum Court	Duplex	3	1397	13	

Fort Drum Court	Duplex	3	1397	14	
Fort Drum Court	Duplex	3	1397	15	
Fort Drum Court	Duplex	3	1397	16	
Bismark Court	Duplex	4	1604	1	
Bismark Court	Duplex	4	1604	2	
Bismark Court	Duplex	4	1604	3	
Bismark Court	Duplex	4	1604	4	
Bismark Court	Duplex	4	1604	5	
Bismark Court	Duplex	4	1604	6	
Bismark Court	Single Home	4	1776	7	

Bismark Court	Single Home	3	1614	8	
Bismark Court	Duplex	3	1604	9	
Bismark Court	Duplex	4	1604	10	
Bismark Court	Duplex	4	1604	11	
Bismark Court	Duplex	3	1604	12	

Blue Sky Villa Norley Hall/Barracks/Grounds-

Annual Report

Date of Report MM/DD/YYYY

Location	Type	Total Sqft	Unit #	Minor and major alterations, improvements, capital improvements, maintenance/repairs, and replacements planned or completed since the last annual report.
Barracks-300 Building	Office Space	6216	1	
Barracks-300 Building	Office Space		2	
Barracks-300 Building	Office Space		3	
Barracks-300 Building	Office Space		4	
Norley Hall-400 Building		11300	Kitchen	
Norley Hall-400 Building			Stage	
Norley Hall-400 Building			Dining	
Norley Hall-400 Building			Shop	
Norley Hall-400 Building			Office	
Norley Hall-400 Building			Utility	
Grounds			North Parking Lot	
Grounds			South Parking Lot	
Grounds			South of Barracks	

Grounds				West of Norley	
Grounds				Basketball Courts	
Grounds				Softball Field	
Grounds				South of Bismark Ct	
Grounds				North of Bismark Ct	

Mayor:
David Cates

City Council:
Amber Schoenrock
Carrie Doty
Karla Breeding
Darryl Burditt



City of Conrad
413 S. Main St.
Conrad, MT 59425
406-271-3623
cityofconrad.com

May 1, 2026

Horizon Lodge Garden Apartments, Inc.
701 South Wisconsin
Conrad, Montana 59425

Re: Notice of City's Intent to Remove Parcel 2 from the City of Conrad Lease Agreement for Blue Sky Villas

Dear Horizon Lodge Garden Apartments, Inc.:

The City of Conrad hereby gives formal written notice of its intent to remove Parcel 2 from the premises subject to the City of Conrad Lease Agreement for Blue Sky Villas, entered into effective March 1, 2024, between the City of Conrad and Horizon Lodge Garden Apartments, Inc.

This notice is given pursuant to Section 3(d), Parcels Subject to Removal, of the Agreement. Section 3(d) provides that the City has the option to remove certain parcels of the Premises that would otherwise be subject to the Agreement upon providing Horizon Lodge Garden Apartments, Inc. with sixty (60) days' notice of the City's intent to remove. Section 3(d) further provides that the parcels subject to removal are limited to the parcels identified as Parcels 1-5 on Exhibit D to the Agreement.

The City hereby gives notice of its intent to remove Parcel 2, as identified on Exhibit D to the Agreement. Parcel 2 is the parcel marked "Parcel 2" on Exhibit D. For ease of identification, Exhibit D to the Agreement is reproduced below and incorporated into this notice.

Upon expiration of the sixty (60) day notice period, Parcel 2 shall no longer be deemed part of the Premises and shall no longer be subject to the terms and conditions of the Agreement.

Nothing in this notice is intended to remove any parcel other than Parcel 2.

A copy of the Agreement is enclosed with this notice.

Sincerely,

CITY OF CONRAD

By: _____
David Cates, Mayor

Enclosure: City of Conrad Lease Agreement for Blue Sky Villas

Mayor:

David Cates

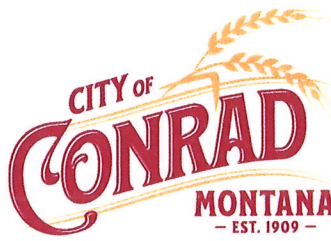
City Council:

Amber Schoenrock

Carrie Doty

Karla Breeding

Darryl Burditt



City of Conrad

413 S. Main St.

Conrad, MT 59425

406-271-3623

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EXHIBIT D

Parcel Map Identifying Parcel 2

[Insert Exhibit D from the Agreement here, page 19 of the Agreement.]

Parcel 2 is the parcel marked "Parcel 2" on the map above.