



**Property:**

Commercial Hangar and Ground Lease  
210 Aviation Lane, Belgrade, Montana in Gallatin County  
(Bozeman Yellowstone International Airport)

**Auction Manager:**

Brent Wellings  
Tel: 405-332-5505

**SEALED BID PACKET**

**Sealed Bid Deadline:**

5:00 o'clock p.m. (MDT) on Wednesday, May 10, 2023

**Contents:**

- Bidder Instructions
- Form of Agreement to Purchase
- Auction Exhibit Binder (with Auction Exhibits A - D)

(Sealed Bid Auction for Commercial Hangar and Ground Lease  
located at 210 Aviation Lane, Belgrade, Montana)

- Via overnight courier, U.S. Mail or personal delivery to:**      **Attn: Brent Wellings**  
**101 N. Main St.**  
**Stillwater, OK 74075**

4. Your bid must be **received** not later than 5:00 o'clock p.m. (Mountain Daylight Time) on May 10, 2023.
5. **Your bid must be accompanied by an earnest money deposit in the form of a cashier's check, personal check or company check payable to "Montana Title & Escrow, Inc.". The earnest money deposit must be at least ten percent (10%) of the Purchase Price written on the Signature Page of the Agreement to Purchase.**
6. If your bid is accepted, your earnest money check will be delivered to Montana Title & Escrow, Inc., as the Escrow Agent, to be deposited and held in escrow pursuant to the terms of the Agreement to Purchase. If your bid is not accepted on or before **Friday, May 12, 2023**, your earnest money check will be returned to you via U.S. Regular Mail at the Buyer's address provided on the Signature Page of the Agreement to Purchase submitted with your bid.
7. The submission of a bid constitutes an offer which, if accepted by Seller, shall constitute a binding contract for the sale and purchase of the Property in accordance with the terms contained in the Agreement to Purchase. Do not submit a bid unless and until you are familiar with the entire Agreement to Purchase, including but not limited to the disclosures and disclaimers set forth in Section 36 of the Agreement to Purchase. You are responsible for consulting with your own attorney regarding any potential acquisition of the Property and/or any documents pertaining thereto.

8. Your bid is not contingent on financing, so be sure you have arranged financing, if needed, and are able to pay cash at closing.
9. If any provision of the Agreement to Purchase conflicts with any other statement in the Sealed Bid Packet or any statement in the auction brochure or other marketing materials, the provision of the Agreement to Purchase shall control.
10. Without limiting the foregoing provision, please note the following updates to the marketing materials:
  - (a) The Property to be acquired pursuant to the Agreement to Purchase consists of the buildings, improvements and permanent fixtures presently existing on the Premises located at 210 Aviation Lane in Belgrade, Montana, together with Seller's interest, as lessee, with respect to the Ground Lease (as amended in accordance with Section 2 of the Agreement to Purchase). A copy of the Ground Lease is included with the Auction Exhibit Binder as Auction Exhibit A. Prior to submitting a bid, you are responsible for having completed your own independent review and evaluation of the Ground Lease in consultation with your own attorney.
  - (b) Prior to or concurrently with the Closing, Seller intends to enter into an agreement with the Gallatin Airport Authority pursuant to which Article IV of the Ground Lease shall be amended to provide for an extended lease term ending 20 years from the date of Closing, with an optional 10-year renewal term ending 30 years from the date of Closing. The Closing will be contingent upon the Airport Authority's execution of an amendment in accordance with Section 2 of the Agreement to Purchase. (Based on communications with a representative of the Airport Authority, Seller believes the Airport Authority will execute such an amendment.)
  - (c) The Closing will also be contingent upon obtaining the prior written approval of the Airport Authority in accordance with Section 11 of the Agreement to Purchase. (Based on communications with a representative of the Airport Authority, Seller believes such approval will be obtained.)
  - (d) Possession shall be delivered to Buyer upon completion of the Closing, at which time Buyer shall then immediately and simultaneously sublease the Premises and Improvements to Ridgeline Aviation, Inc. in accordance with Sections 8 and 9 of the Agreement to Purchase and the form of Sublease which is included in the Auction Exhibit Binder as Auction Exhibit B. The term of the Sublease will be at least 12 months but not more than 18 months after the Closing. During the Sublease term, Buyer will receive a monthly rental equal to 8% of the Purchase Price divided by 12.
  - (e) If Buyer so elects, one Buyer-Affiliated Aircraft may be stored in the hangar at no charge during the term of the Sublease (and also prior to Closing) in accordance with Section 10 of the Agreement to Purchase. Please refer to the form of Addendum for Pre-Closing Aircraft Storage (Auction Exhibit C) and Section 6 of the form of Sublease (Auction Exhibit B).
11. Seller reserves the right, in its sole judgment and discretion, to accept or reject any bid (and to waive any irregularity or informality in the submission of any bid). After opening the sealed bids, the Auction Company may (with Seller's approval) invite any two or more bidders to submit their best and final bids.
12. Schrader Real Estate and Auction Company, Inc. and the auction manager, Brent Wellings, are Seller Agents and are acting solely on behalf of, and exclusively as the agents for, the Seller.

<p><b>Seller and any prospective Buyer are responsible for consulting with their own respective attorneys regarding this Sealed Bid Packet and/or any document or transaction relating to the Property.</b></p>
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**Sealed Bid Deadline:**  
5:00 o'clock p.m. (MDT)  
on Wednesday, May 10, 2023

## AGREEMENT TO PURCHASE

This Agreement to Purchase (this "**Agreement**") is executed by the party(ies) signing as Buyer(s) (hereinafter "**Buyer**", whether one or more) on the signature page of this Agreement to Purchase (the "**Signature Page**") in connection with a sealed bid auction (the "**Auction**") conducted by Schrader Real Estate and Auction Company, Inc. ("**Auction Company**") on behalf of Centerline Properties, LLC, a Montana limited liability company ("**Seller**").

Buyer acknowledges having received the entire Sealed Bid Packet prepared for this Auction ("**Sealed Bid Packet**"), including the Bidder Instructions, the form of this Agreement, and the Auction Exhibit Binder containing the exhibits listed below ("**Auction Exhibit Binder**"), each of which is incorporated herein by this reference:

- Auction Exhibit A:** Ground Lease described in Section 1 below;
- Auction Exhibit B:** Form of Sublease described in Section 8 below;
- Auction Exhibit C:** Form of Addendum for Pre-Closing Aircraft Storage described in Subsection 10(b) below;
- Auction Exhibit D:** Preliminary title insurance schedules and form of Leasehold Endorsement described in Section 14, below.

Buyer's execution and delivery of this Agreement, with the Purchase Price written on the Signature Page, constitutes an offer (this "**Offer**") to purchase the Property (as defined below) in accordance with and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, Buyer offers and agrees to purchase from Seller and Seller (upon execution and delivery of Seller's acceptance) agrees to sell to Buyer the Property (as defined below) in accordance with and subject to the following terms and conditions:

1. **Ground Lease; Premises.** This Agreement pertains to a certain Commercial Hangar Ground Lease Agreement dated August 1, 2018 and recorded on August 1, 2018 as Document No. 2621854 in the records of Gallatin County, Montana, a copy of which is included with the Auction Exhibit Binder as Auction Exhibit A ("**Ground Lease**"), pursuant to which Seller is leasing from the Gallatin Airport Authority ("**Airport Authority**") the premises located at 210 Aviation Lane in Belgrade, Montana and more particularly described in the Ground Lease as follows ("**Premises**"):

A tract of land located in the NE1/4 Section 7, T1S, R5E, P.M., Gallatin County, Montana. Said tract being more particularly described as follows:

Commencing at the northwest corner of Section 7, T1S, R5E; thence South 64°18'13" East a distance of 4227.26 feet to the Point of Beginning; Thence North 45°33'39" East a distance of 138.90 feet; Thence South 44°26'21" East a distance of 287.00 feet; Thence South 45°33'39" West a distance of 138.90 feet; Thence North 44°26'21" West a distance of 287.00 feet to the Point of Beginning. Said tract contains 0.92 acres, more or less.

2. **Amendment of Ground Lease; Extension of Lease Term.** Prior to or concurrently with the Closing, Seller intends to enter into an agreement with the Airport Authority pursuant to which Article IV of the Ground Lease shall be amended to provide for an extended lease term ending 20 years from the date of Closing, with an optional 10-year renewal term ending 30 years from the date of Closing. Such amendment shall be evidenced by an agreement executed by Seller and the Airport Authority prior to or concurrently with the Closing, and recorded in the records of Gallatin County, Montana. Buyer agrees to acquire Seller's interest in the Ground Lease as amended in accordance with the foregoing provisions. Seller's obligations under this Agreement are contingent upon the Airport Authority's execution of an amendment agreement in accordance with the foregoing provisions.

3. **"Property" Defined.** The property to be transferred and acquired pursuant to this Agreement (the "**Property**") consists of the buildings, improvements and permanent fixtures presently existing on the Premises (collectively, "**Improvements**"), together with Seller's interest, as lessee, with respect to the Ground Lease (as amended in accordance with Section 2 above).

4. **Excluded Items.** Notwithstanding any other provision, the property to be transferred and acquired pursuant to this Agreement does not include any items that are not permanently attached as fixtures, such as aircraft, flight simulators, computers, desks, chairs, office items, tools, and miscellaneous equipment.

5. **Purchase Price.** The purchase price for the Property (the “**Purchase Price**”) is the dollar amount which is written as the Purchase Price on the Signature Page. Prior to the Closing, Buyer shall deliver Good Funds to the Escrow Agent in the amount of the Purchase Price, plus expenses charged to Buyer as provided in this Agreement, less applied Earnest Money and any other credits due Buyer as provided in this Agreement. “**Good Funds**” means immediately available funds delivered by confirmed wire transfer to an account designated by the Escrow Agent.

6. **Earnest Money; Escrow Agent.** With this Offer, Buyer shall deliver an earnest money deposit (“**Earnest Money**”) payable to the Escrow Agent in an amount not less than ten percent (10%) of the Purchase Price. Upon Seller’s acceptance of this Offer, the Earnest Money shall be delivered to the Escrow Agent to be held in escrow and applied towards the payment of the Purchase Price at Closing. “**Escrow Agent**” refers to Montana Title & Escrow, Inc., 1925 N. 22nd Avenue, Suite 102, Bozeman, MT 59718 (Tel: 406-587-7702).

7. **Transfer Documents.** At the time of Closing, Buyer and Seller shall execute an instrument of assignment and a bill of sale (and/or other appropriate instrument/s), pursuant to which: (a) the rights and obligations of Seller under the Ground Lease (as amended in accordance with Section 2 above) are assigned to and assumed by Buyer effective as of the completion of the Closing; and (b) the Improvements are transferred and conveyed to Buyer effective as of the completion of the Closing (collectively, the “**Transfer Documents**”). The Transfer Documents shall be prepared or approved by Seller’s attorney and shall be in a form that will satisfy the requirements for issuing the Final Title Policy and any requirements for obtaining Airport Authority Approval.

8. **Sublease from Buyer to Ridgeline Aviation, Inc.** Immediately upon completion of the Closing, Buyer agrees to sublease the Premises and Improvements to Ridgeline Aviation, Inc., a Montana corporation (“**Ridgeline**”), for a period of at least 12 months, but not more than 18 months. At the time of Closing: (a) Buyer shall execute and deliver a new sublease agreement substantially in the form which is included with the Auction Exhibit Binder as Auction Exhibit B (“**Sublease**”); (b) Seller shall cause the Sublease to be executed and delivered by Ridgeline; and (c) Buyer shall cause the Sublease to be executed and delivered by the Aircraft Owner, if any, in accordance with Subsection 10(a) below. Seller shall cause any existing (pre-Closing) sublease to be effectively terminated as of a time not later than the completion of Closing.

9. **Subrent.** For purposes of the Sublease, Buyer agrees to accept a monthly rental equal to the quotient of eight percent (8%) of the Purchase Price divided by twelve (12), which quotient shall be inserted in the Sublease as the amount of the Subrent (Section 7 of Auction Exhibit B).

10. **Storage of Buyer-Affiliated Aircraft.** If Buyer so elects, a Buyer-Affiliated Aircraft may be stored in the hangar at the Premises at no charge during the term of the Sublease (pursuant to the provisions of the Sublease executed in accordance with Section 8 above and Subsection 10(a) below) and prior to Closing (pursuant to an Addendum for Pre-Closing Aircraft Storage executed in accordance with Subsection 10(b) below). “**Buyer-Affiliated Aircraft**” refers to one aircraft, not exceeding 55 feet in width or 55 feet in length, that is owned by Buyer or an affiliate of Buyer and is specifically identified in the Sublease and any Addendum for Pre-Closing Aircraft Storage executed in accordance with this Agreement. “**Aircraft Owner**” refers to the owner of the Buyer-Affiliated Aircraft.

(a) **During Sublease Term.** If Buyer intends to have such aircraft storage rights during the term of the Sublease, the Sublease executed by Buyer and Seller shall also be signed by the Aircraft Owner at the time of Closing and shall include a provision substantially in the form of Section 6 of Auction Exhibit B.

(b) **Prior to Closing.** If Buyer intends to have such aircraft storage rights prior to Closing, Buyer shall deliver to Seller or Seller’s agent, concurrently with or after the execution of this Agreement, the following documents: (i) an Addendum for Pre-Closing Aircraft Storage in the form of Auction Exhibit C which clearly identifies the Buyer, the Buyer-Affiliated Aircraft, and the Aircraft Owner and which is properly executed by the Buyer and the Aircraft Owner; and (ii) proof of insurance in accordance with Section 4 of Auction Exhibit C. Upon Buyer’s delivery of the partially-executed Addendum and proof of insurance in accordance with the foregoing provision, Seller shall cause such Addendum to be executed and delivered by Seller and Ridgeline.

11. **Airport Authority Approval.** The respective obligations of Buyer and Seller to complete the sale and acquisition of the Property at Closing are contingent upon obtaining the Airport Authority's prior written approval in accordance with the requirements of the Ground Lease, including approval of the assignment of the Ground Lease from Seller to Buyer and approval of the new Sublease from Buyer to Ridgeline, as described in this Agreement (collectively, "**Airport Authority Approval**"). The parties shall cooperate in good faith in seeking to obtain Airport Authority Approval at the Airport Authority's regular board meeting on June 8, 2023. Without limiting the foregoing provision, the parties shall cooperate with respect to the timely submission of any documents and/or information required by the Airport Authority in connection with a request for Airport Authority Approval. Seller shall pay any fees required by the Airport Authority in connection with a request for Airport Authority Approval. If the request for Airport Authority Approval is initially denied or delayed by the Airport Authority due to any issue(s) or question(s) as to which a prompt resolution is reasonably and readily attainable, the parties shall cooperate in good faith in seeking to promptly resolve such issue(s) and/or question(s) and in seeking to obtain Airport Authority Approval at the Airport Authority's next regular board meeting on July 13, 2023. If the request for Airport Authority Approval is ultimately denied by the Airport Authority (after any applicable re-submission), either party may terminate this Agreement prior to Closing by written notice to the other. In the event of termination by either party pursuant to this Section, the Earnest Money shall be refunded to Buyer as Buyer's sole and exclusive remedy and the parties shall have no further obligations to each other with respect to the Property or this Agreement; provided, however, in the event of a Buyer Default (as defined below), the Earnest Money shall be held and disbursed in accordance with Section 26 below.

12. **Delivery of Possession.** Possession shall be delivered to Buyer upon completion of the Closing, at which time Buyer shall then immediately and simultaneously sublease the Premises and Improvements to Ridgeline in accordance with the Sublease to be executed at Closing in accordance with Sections 8 and 9 above.

13. **Survey.** Seller has no obligation to provide a survey and Buyer's obligations are not contingent upon obtaining any survey.

14. **Preliminary Title Evidence.** Buyer acknowledges having received the Preliminary Title Evidence prior to making this Offer. The "**Preliminary Title Evidence**" refers to and consists of: (a) the preliminary title insurance schedules (preliminary Schedules A, B-I & B-II) prepared by Montana Title & Escrow, Inc., dated March 15, 2023 and identified by reference to File Number M-36780; (b) the form of Leasehold Endorsement; and (c) copies of all recorded documents referenced in the preliminary Schedule B-II (except documents pertaining to Liens which are to be released and removed from the Final Title Policy). All of the Preliminary Title Evidence has been posted to the auction website ([www.schraderauction.com/auctions/8424](http://www.schraderauction.com/auctions/8424)), including copies of the recorded documents described above. The preliminary Schedules A, B-I & B-II and form of Leasehold Endorsement are included with the Auction Exhibit Binder as Auction Exhibit D. Buyer agrees to acquire the Property at Closing subject to and notwithstanding all matters referenced in the Preliminary Title Evidence (except Liens). "**Liens**" refers to, collectively, any/each deed of trust, UCC financing statement and/or other monetary obligation that constitutes a lien against the Property other than a lien for Taxes not yet due and payable. (The term "**Liens**" does not refer to or include a lien attaching to the ground lessor's interest in the Premises, but not attaching to the interest of the ground lessee.)

15. **Final Title Commitment.** As a condition precedent to Buyer's obligation to acquire the Property at Closing, Buyer has the right to receive a commitment, to be furnished by Seller and dated after this Agreement, for the issuance of a Final Title Policy as defined below ("**Final Title Commitment**") with respect to the property described in the legal description provided with the preliminary title insurance schedules. Buyer agrees to accept the Final Title Commitment furnished by Seller notwithstanding (a) standard exceptions, conditions and requirements; (b) any specific exception, general exception or other matter that is listed as an exception in the Preliminary Title Evidence; and/or (c) any other matter listed, described or revealed in the Final Title Commitment that constitutes a Permitted Exception; provided, however, any Liens identified in the Preliminary Title Evidence and/or Final Title Commitment are to be satisfied or otherwise released in connection with the Closing and removed from the Final Title Policy. Unless otherwise mutually agreed in writing, the Final Title Commitment shall be prepared by the same company that prepared the Preliminary Title Evidence.

16. **Final Title Policy; Leasehold Endorsement.** For purposes of this Agreement, "**Final Title Policy**" collectively refers to a 2021 ALTA standard coverage owner's title insurance policy and Leasehold Endorsement insuring title in the name of Buyer for the amount of the Purchase Price, free and clear of Liens and any other material encumbrance

that does not constitute a Permitted Exception. “**Leasehold Endorsement**” refers to an ALTA Endorsement 13-06 (Leasehold – Owner’s) Revised 04-02-12. Seller shall reasonably cooperate with respect to the satisfaction of the requirements for the issuance of the Final Title Policy in accordance with the Final Title Commitment; provided, however: (a) Buyer is responsible for the satisfaction of any title insurance requirement pertaining to Buyer or the proposed insured or any obligation of Buyer or the proposed insured or any title insurance requirement that can only be (or that reasonably should be) satisfied by Buyer as opposed to Seller (each a “**Buyer-Related Requirement**”); (b) Seller shall have no obligation with respect to and Buyer’s obligations are not contingent upon the satisfaction of any Buyer-Related Requirement or the availability or issuance of any extended or special title insurance coverage, any title insurance endorsement (other than the Leasehold Endorsement to be issued as part of the Final Title Policy) or any other title insurance product other than the Final Title Commitment for the issuance of the Final Title Policy as described in this Agreement; and (c) Seller shall have no obligation with respect to the satisfaction of any title insurance requirement or condition that is contrary to or inconsistent with the provisions of this Agreement.

**17. Title Insurance Costs.** At Closing, the cost of issuing the Final Title Policy (including the Leasehold Endorsement) in accordance with the Final Title Commitment shall be shared equally (50:50) by Seller and Buyer. Buyer shall pay 100% of any other title insurance costs, including the cost of any extended or special title insurance coverage, lender’s title insurance and/or title insurance endorsement (other than the Leasehold Endorsement).

**18. Permitted Exceptions.** As between Buyer and Seller, Buyer agrees to accept the title (including the Final Title Commitment and Final Title Policy) and acquire the Property subject to and notwithstanding any of the following matters (each a “**Permitted Exception**” and collectively the “**Permitted Exceptions**”): (a) existing roads, public utilities and drains; (b) visible and/or apparent uses and easements; (c) existing pipelines and/or utilities, whether or not visible or apparent and whether or not appearing of record; (d) rights and/or claims relating to or arising from any variation between the boundaries of the Premises (as described in the Ground Lease) and a fence line or other visible or apparent occupancy or occupancy line and/or the encroachment of any existing use, structure or improvement over any boundary line or lease line; (e) any lien for Taxes not yet due and payable; (f) local ordinances and zoning laws and any regulations or orders of municipal and/or other governmental authorities; (g) applicable rules and/or regulations of the Airport Authority, including any rules and/or regulations regarding any common use areas of the airport facilities; (h) any building and use restrictions, set back and/or building lines of record; (i) any outstanding reservations, severances and/or other rights with respect to minerals; (j) any recorded oil and/or gas lease, whether active or not; (k) the provisions of this Agreement and any matter disclosed in this Agreement, including any exhibit incorporated herein as a part of this Agreement; (l) any matter disclosed elsewhere in the Sealed Bid Packet; (m) any easement, covenant, condition, restriction and/or other matter appearing of record (except Liens); (n) any other matter (except Liens) disclosed, identified or listed as an exception in the Preliminary Title Evidence; and (o) all terms and provisions of the Ground Lease and any matter referenced in the Ground Lease.

**19. Title Requirements.** The respective obligations of Buyer and Seller to complete the sale and acquisition of the Property at Closing are contingent upon the satisfaction of the following conditions and requirements (collectively, the “**Title Requirements**”): (a) that the Ground Lease has been amended in accordance with Section 2 above prior to or concurrently with the Closing; (b) that Buyer has received the Final Title Commitment in accordance with the provisions of this Agreement confirming that a Final Title Policy (with Leasehold Endorsement) will be issued upon satisfaction of the requirements set forth in the Final Title Commitment; (c) that Seller is able to satisfy the requirements of the Final Title Commitment for the issuance the Final Title Policy, other than a Buyer-Related Requirement; and (d) that Seller is able to transfer the Property free and clear of any material encumbrance that does not constitute a Permitted Exception. For purposes of this Agreement, the title to the Property shall be deemed sufficient and marketable if Seller is able to transfer the Property in conformance with the Title Requirements: (i) such inability shall constitute a failure of a condition, but not a Seller default; and (ii) either party may terminate this Agreement prior to Closing by written notice to the other; provided, however, prior to any such termination by Buyer, Buyer must give Seller sufficient written notice of the nonconformity to enable Seller to cure such nonconformity and Seller shall have the right to extend the time for Closing, in order to cure such nonconformity, for a period of up to 60 days from the later of the effective date of such notice or the targeted closing date stated in Section 21 below. In the event of termination by either party pursuant to this Section, Buyer shall be entitled to the return of the Earnest Money as Buyer’s sole and exclusive remedy.

20. **Conditions to Closing.** Buyer's obligation to purchase and acquire the Property at Closing is not contingent upon any further inspection, investigation or evaluation of the Property or upon Buyer's ability to obtain any loan or permit. Buyer's obligation to purchase and acquire the Property at Closing is not contingent upon the satisfaction of any condition except: (a) the performance (or tender of performance) of all covenants and obligations which are to be performed by Seller at the time of or prior to Closing according to the express terms of this Agreement; and (b) any condition or requirement the satisfaction of which is made a condition precedent in favor of Buyer according to the express terms of this Agreement (including that Airport Authority Approval has been obtained and that Seller is able to transfer the Property in conformance with the Title Requirements).

21. **Closing.** Subject to the terms and conditions of this Agreement, it is anticipated that the final delivery and exchange of documents and funds in order to consummate the sale and purchase of the Property in accordance with this Agreement ("**Closing**") will be scheduled by mutual agreement and completed on or before June 26, 2023. In any event, however, Seller may arrange for the Closing to be held on a date specified in an email or other written notice from Seller or Seller's agent to Buyer or Buyer's agent, and Buyer shall be obligated to close on the specified date if such date is: (a) at least 7 days after sending such notice (but not earlier than June 26, 2023); and (b) at least 7 days after the completion of the Final Title Commitment and the satisfaction of the conditions described in Section 20 above. Unless otherwise mutually agreed in writing, the Closing shall be held at and/or administered through the office of the Escrow Agent.

22. **Seller's Expenses.** The following items shall be charged to Seller and paid out of the sale proceeds that would otherwise be delivered to Seller at Closing: (a) the cost of releasing any Liens, if any, and recording the releases; (b) one-half of the fee charged by the Escrow Agent to administer a cash closing; (c) one-half of the cost of the Final Title Policy with Leasehold Endorsement; (d) any cost of preparing the Transfer Documents and Sublease; (e) any sums due Auction Company in connection with this transaction; (f) any expense stipulated to be paid by Seller under any other provision of this Agreement; and (g) any expense normally charged to a seller at closing and not specifically charged to Buyer in this Agreement.

23. **Buyer's Expenses.** The following items shall be charged to Buyer and paid out of Good Funds delivered by Buyer to the Escrow Agent prior to Closing: (a) any expense paid at Closing in connection with a loan obtained by Buyer, including any loan commitment fees, document preparation fees, recording fees and/or lender's title examination fees; (b) one-half of the fee charged by the Escrow Agent to administer a cash closing (and 100% of any additional closing fees due to any loan); (c) one-half of the cost of the Final Title Policy with Leasehold Endorsement; (d) 100% of any additional title insurance costs, including the cost of any extended or special title insurance coverage, lender's title insurance and/or title insurance endorsement (other than the Leasehold Endorsement); (e) any expense stipulated to be paid by Buyer under any other provision of this Agreement; (f) any closing expense that is customarily charged to a purchaser and is not specifically charged to Seller in this Agreement; and (g) any other expense that is not allocated to Seller according to the terms of this Agreement.

24. **Prorated Taxes.** Taxes shall be prorated on a calendar year basis to the date of Closing. "**Taxes**" refers to all property taxes and assessments payable by the lessee under the terms of the Ground Lease, including all lawful taxes and assessments which during the term of the Ground Lease may become a lien upon or which may be levied by the state, county or any other tax levying body upon any taxable interest of the lessee under the Ground Lease, and/or any taxable possessor right which the lessee may have in or to the Premises and/or the Improvements, and all taxes on taxable property owned by the lessee in and about the Premises; provided, however, Buyer shall not be required to pay (and the term "**Taxes**" shall be interpreted to exclude) any taxes or assessments on or against any personal property owned by Seller and excluded from this purchase. Taxes shall be prorated and paid as follows: (a) Seller shall pay the Taxes attributed to the period up to and including the day of Closing; (b) Buyer shall assume and pay the Taxes attributed to the period after Closing; and (c) any unpaid Taxes due at the time of Closing shall be collected from the proper party(ies) at Closing and paid directly to the appropriate tax collection office; provided, however, if the Taxes for the calendar year in which the Closing occurs (and/or any prior year) are not ascertainable and payable at the time of Closing: (i) such Taxes shall be estimated for each such year based on the amount last billed for a calendar year; (ii) the total amount thus estimated ("**Estimated Taxes**") shall be allocated in like manner, consistent with the foregoing provisions; and (iii) Seller's share of the Estimated Taxes shall be paid via credit against the sums due from Buyer at Closing. Buyer shall then pay all Taxes when due after Closing. Any shortage or surplus with respect to the estimated amount credited by Seller at Closing shall be paid or retained by or refunded to Buyer, with no further settlement or adjustment after Closing.



25. **Risk of Loss.** The Property shall be transferred at Closing in substantially its present condition and Seller assumes the risk of loss and damage until Closing; provided, however, Buyer shall be obligated to acquire the Property notwithstanding the occurrence of any of the following prior to Closing: (a) normal use, wear and tear; (b) loss or damage that is repaired prior to Closing; and (c) loss covered by Seller's insurance if Seller agrees to assign to Buyer all insurance proceeds covering such loss.

26. **Remedies; Buyer Default.** The term "**Buyer Default**" refers to nonperformance, breach and/or default with respect to an obligation of Buyer under this Agreement, including nonpayment (or ineffective or defective payment) of the Earnest Money in accordance with the provisions of this Agreement. In the event of a Buyer Default, the following provisions shall apply:

(a) Seller shall have the right to demand and recover liquidated damages in an amount equal to ten percent (10%) of the Purchase Price. Upon Seller's demand and receipt of such liquidated damages, this Agreement shall be completely terminated in all respects. Buyer acknowledges and agrees that, in the event of a Buyer Default, the amount of Seller's damages would be uncertain and difficult to ascertain and that 10% of the Purchase Price is fairly proportionate to the loss likely to occur due to a Buyer Default. If this liquidated damages provision is adjudicated as unenforceable, Seller may recover and Buyer agrees to pay actual damages (plus expenses and attorney fees).

(b) The Earnest Money shall be applied towards any sums that Seller is entitled to recover from Buyer and, upon Seller's demand, Buyer shall execute and deliver to the Escrow Agent an instrument authorizing the payment of such funds to Seller up to the amount due Seller. If Buyer fails to execute and deliver such authorization, the funds shall remain in escrow until properly adjudicated and Seller shall have the right to recover from Buyer, in addition to any other recovery, all expenses, including reasonable attorney fees, incurred by Seller in seeking to enforce any right or remedy.

(c) Without limiting the foregoing provisions, Seller's remedies in the event of a Buyer Default shall include the right to terminate Buyer's right to acquire the Property under this Agreement (without prejudice to Seller's right to recover damages, including liquidated damages as provided above) by giving notice of such termination to Buyer. Any such termination shall be effective as of a date specified in a notice of termination from Seller to Buyer (but not earlier than the effective date of the notice). At any time after the effective date of such termination, Seller shall have the absolute and unconditional right to sell the Property free and clear of any right or claim of Buyer whatsoever.

27. **Remedies; Seller Default.** The term "**Seller Default**" refers to the failure of this transaction to close due to nonperformance, breach and/or default with respect to the Seller's obligation(s) under this Agreement. In the event of a Seller Default: (a) Buyer shall have the right to demand and receive a full refund of the Earnest Money; (b) upon such demand and Buyer's receipt of the Earnest Money, this Agreement shall be completely terminated in all respects at such time; and (c) at Buyer's option, at any time prior to such termination, Buyer may elect instead to seek specific performance of Seller's obligations.

28. **Remedies; General.** If this transaction fails to close then, notwithstanding any other provision, Escrow Agent is authorized to hold the Earnest Money until it receives either: (a) written disbursement instructions signed by Buyer and Seller; (b) a written release signed by one party authorizing disbursement to the other party; or (c) a final court order specifying the manner in which the Earnest Money is to be disbursed. In the event of a lawsuit between the parties seeking any remedy or relief in connection with this Agreement and/or the Property, the prevailing party in such lawsuit shall be entitled to recover its reasonable attorneys' fees and expenses. **TO THE FULL EXTENT PERMITTED BY LAW, BUYER AND SELLER WAIVE ANY RIGHT TO A TRIAL BY JURY (TO THE EXTENT THAT SUCH RIGHT NOW OR HEREAFTER EXISTS) WITH REGARD TO THIS AGREEMENT AND/OR THE PROPERTY AND/OR ANY CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH.**

29. **Notices.** A notice given to a party under this Agreement shall be in writing and sent to the party's notification address (as provided below) via any overnight delivery service provided by USPS, FedEx or UPS that includes proof of delivery and a legible PDF copy of the notice shall be sent to any email address(es) provided with the party's notification address in this Agreement; provided, however, a Closing date notice sent by or on

behalf of Seller pursuant to Section 21 above may be sent either: (a) in accordance with the foregoing provisions; or (b) solely by email (with or without a separate writing or attachment). ***A copy of any notice shall be sent to the Auction Company via email to: Brent@schraderauction.com*** (other than a notice sent by the Auction Company as Seller's agent). A notice shall be effective immediately as of the first day on which the notice has been sent in accordance with the requirements of this Section (regardless of the date of receipt). Subject to each party's right to change its notification address (by giving notice of such change to all other parties), the parties' notification addresses are as follows:

If to Seller: Centerline Properties, LLC, ATTN: Grayson Sperry, 210 Aviation Ln, Belgrade, MT 59714  
With PDF copies via email to: grayson@flyridgeline.com

If to Buyer: The Buyer's mailing address (and email address, if any) provided on the Signature Page.

30. **1031 Exchange.** If Buyer or Seller intends to structure the transfer or acquisition of all or any part of the Property as part of an exchange under §1031 of the Internal Revenue Code ("**Exchange**"): (a) the rights of such party may be assigned to a qualified intermediary or exchange accommodation titleholder for purposes of the Exchange; (b) each party shall cooperate with respect to the delivery and acceptance of any written notice of assignment for purposes of the Exchange and shall provide a written acknowledgement of receipt of any such notice upon request; and (c) each party shall otherwise reasonably cooperate with respect to the documentation of the Exchange; *provided, however:* (i) in the event of an assignment for purposes of an Exchange, the assignor shall not be released from any obligation under this Agreement; and (ii) in any event, no party shall be required to acquire title to any other property, assume any additional liabilities or obligations or incur any additional expense as a result of another party's Exchange.

31. **Disclosure of Agency Relationships.** The Auction Company and the auction manager, Brent Wellings, are Seller Agents and are acting solely on behalf of, and exclusively as the agents for, the Seller. By signing this Agreement, Buyer hereby acknowledges that the agency relationships of the Auction Company and auction manager (as Seller Agents) have been identified and disclosed in the marketing materials, in the Bidder Instructions and in this Agreement. Seller previously received and signed a real estate broker relationship disclosure and consent form provided by the Auction Company.

32. **Sales Commission.** The commission due Auction Company shall be paid by Seller pursuant to a separate agreement. Buyer shall indemnify and hold harmless Seller and Auction Company from and against any claim of any broker or other person who is or claims to be entitled to any commission, fee or other compensation relating to the sale of the Property as a result of Buyer's dealings with such other broker or person.

33. **Execution Authority.** With respect to any limited liability company, corporation, partnership, trust, estate or any other entity other than an individual or group of individuals ("**Entity**") identified on the Signature Page as a party to this Agreement (or as a partner, member, manager or fiduciary signing on behalf of a party to this Agreement), such Entity and each individual and/or Entity purporting to sign this Agreement on behalf of such Entity jointly and severally promise, represent and warrant that: (a) such Entity has full power and authority to execute this Agreement; (b) all action has been taken and all approvals and consents have been obtained which may be required to properly authorize the execution of this Agreement on behalf of such Entity; (c) the individual(s) purporting to sign this Agreement on behalf of such Entity has/have full power and authority to execute this Agreement on behalf of (and as the binding act of) such Entity; and (d) this Agreement has been properly executed on behalf of (and as the binding act of) such Entity.

34. **Successors and Assigns.** The provisions of this Agreement shall bind and benefit the parties hereto and their respective successors and assigns; *provided, however,* no assignment by Buyer (other than an assignment to a qualified intermediary or accommodation titleholder in connection with an Exchange) shall be valid unless approved in writing by Seller and, in any case, Buyer shall not be released from Buyer's obligations by reason of any assignment but shall absolutely and unconditionally guaranty payment and performance by the assignee.

35. **Miscellaneous Provisions.** The meaning ascribed to a particular capitalized term where it appears in this Agreement with quotation marks shall apply to such capitalized term as it is used throughout this Agreement. As used throughout this Agreement, the word "including" shall be construed as "including but not limited to". Time

is of the essence of this Agreement. All provisions of this Agreement shall survive the Closing unless and except as otherwise provided or required by the express terms of this Agreement. This Agreement contains the entire agreement of the parties and supersedes any statement, promise or representation made or purportedly made prior to this Agreement by either party and/or their respective agents. Neither party is relying upon any statement or promise that is not set forth in this Agreement. Neither party shall be bound by any purported oral modification or waiver. If any provision of this Agreement conflicts with any other statement in the Sealed Bid Packet or any statement in the auction brochure or other marketing materials, the provision of this Agreement shall control. This Agreement may be executed in multiple counterparts, all of which together shall constitute one and the same instrument. For purposes of the execution of this Agreement, the electronic transmission of a signed counterpart via email, fax or a commonly-used electronic signature service such as DocuSign® or dotloop® shall have the same effect as the delivery of an original signature.

**36. Buyer's Acknowledgment of Certain Disclosures and Disclaimers.** Buyer acknowledges and agrees that:

(a) Prior to submitting this Offer, Buyer received the entire Sealed Bid Packet, including all documents included with the Auction Exhibit Binder (Auction Exhibits A - D).

(b) Information booklets (as updated from time to time during the marketing period) have been provided to prospective buyers in printed form and/or via download from the auction website. The information booklets include information obtained or derived from various sources, including engineering/architectural drawings, location maps, property tax information, and preliminary title insurance schedules. Such information has been provided subject to (and not as a substitute for) a prospective buyer's independent investigation and verification. Although believed to be from reliable sources, the Seller and Auction Company disclaim any warranty or liability for the information provided.

(c) An aerial map with approximate boundary lines was removed from the information booklet during the marketing period. The boundaries of the Premises are described by and depicted in the attachments to the Ground Lease. Seller and Auction Company make no promise, warranty, or representation as to the location of the boundaries of the Premises in relation to any of the Improvements or any other features of the land.

(d) Buyer's obligations under this Agreement are not contingent upon the results of any further inspection, investigation or evaluation of the character or condition of the Property or its suitability for any particular use or purpose. Buyer is responsible for having completed all such inspections, investigations and evaluations prior to submitting this Offer. Buyer acknowledges (and represents to Seller) that Buyer has either completed all such inspections, investigations and evaluations or has knowingly and willingly elected to purchase the Property without having done so. In either case, Buyer assumes all risks and agrees to purchase and acquire the Property **"AS IS, WHERE IS"** and **without any warranty of any kind as to its character or condition or its suitability for any particular use or purpose.**

(e) Seller shall have no obligation before or after Closing with respect to (and Buyer's obligations under this Agreement are not contingent upon obtaining) any permit or approval that Buyer may need in connection with any prospective use, improvement, or development of the Property. Buyer acknowledges that Seller has not agreed to perform any work on or about the Property before or after Closing.

(f) Without limiting any of the foregoing provisions, Seller, Auction Company and their respective agents and representatives disclaim any promise, representation or warranty as to: (i) acreages, square footages and/or dimensions; (ii) zoning matters; (iii) environmental matters; (iv) the availability or location of any utilities; (v) the availability of any permit (such as, but not limited to, any building permit, zoning permit or highway/driveway permit); (vi) whether or not the Property is qualified or suitable for any particular use or purpose; and/or (vii) the accuracy of any third party reports or materials provided in connection with this Agreement and/or the marketing of the Property and/or the Auction.

(g) Advertised square footages and dimensions are approximate. No promise, warranty or authoritative representation is made as to the size or dimensions of any structure or any part of a structure.

**37. Offer and Acceptance.** Buyer's execution and delivery of this Offer constitutes an offer to purchase the Property which may be accepted or rejected by Seller for any reason in the Seller's sole discretion and, if

accepted by Seller, shall constitute a binding purchase contract between Seller and Buyer for the sale and purchase of the Property in accordance with the terms and conditions set forth herein. This Offer shall be treated as having been accepted by the Seller only if Seller's acceptance is signed by Seller on the Signature Page. This Offer shall be treated as having been rejected by the Seller only if: (a) Seller has given written notice of rejection to the Buyer; (b) the Earnest Money has been returned to Buyer prior to Seller's acceptance; (c) Seller has accepted another offer with respect to the Property; or (d) Seller has failed to accept this Offer within the time specified in Section 38 below. After opening the sealed bids, the Auction Company may (with Seller's approval) invite any two or more bidders to submit their best and final bids.

**38. Expiration of Offer; Acceptance Deadline.** This Offer expires unless it is accepted by Seller on or before **Friday, May 12, 2023** at 11:59 o'clock p.m. (MDT).

[The remainder of this Agreement is contained in the immediately-following Signature Page.]

[Signature Page]

IN WITNESS WHEREOF, Buyer offers and agrees to purchase the Property as defined in this Agreement (including the commercial aircraft hangar located at 210 Aviation Lane in Belgrade, Montana, together with the lessee's interest in a ground lease with respect to the hangar site) for the amount of the Purchase Price written below.

**Purchase Price:** \$\_\_\_\_\_

*Buyer acknowledges that the Auction Company and auction manager are Seller Agents.*

**SIGNATURE OF BUYER:** On the \_\_\_\_\_ day of \_\_\_\_\_, 2023, this Agreement is signed by the undersigned, constituting the "Buyer" for purposes of this Agreement:

**Printed Name(s) of Buyer(s)** (For a business entity, write the full legal name, the type of entity and the state of incorporation/organization)

By: \_\_\_\_\_

**Signature(s)** of Buyer(s) or officer(s)/agent(s) signing on behalf of Buyer(s)

*If signing as an officer or agent:*

Printed name of signor/agent: \_\_\_\_\_

Signing capacity: ☐ authorized officer of corp. ☐ authorized member/manager of LLC

☐ other (specify): \_\_\_\_\_

\_\_\_\_\_  
(Buyer's Address) (City, State, Zip)

\_\_\_\_\_  
(Buyer's Telephone Number) (Buyer's Email Address)

\_\_\_\_\_  
(Buyer's Lender, if any, and Lender Contact Info.)

**ACCEPTANCE OF SELLER:** Signed and accepted by Seller on the \_\_\_\_\_ day of May, 2023:

Centerline Properties, LLC

By its duly-authorized officer/agent:

Sign: \_\_\_\_\_  
(Grayson Sperry, President)

**RECEIPT OF EARNEST MONEY:** The undersigned has received the sum of \$\_\_\_\_\_, on the date written below, as the Earnest Money to be held in escrow pursuant to the terms of the foregoing Agreement.

Montana Title & Escrow, Inc., by:

Date received: \_\_\_\_\_ / \_\_\_\_\_ / 2023

Sign: \_\_\_\_\_

Print: \_\_\_\_\_



**Property:**

Commercial Hangar and Ground Lease  
210 Aviation Lane, Belgrade, Montana in Gallatin County  
(Bozeman Yellowstone International Airport)

**Auction Manager:**

Brent Wellings  
Tel: 405-332-5505

**AUCTION EXHIBIT BINDER**

- Auction Exhibit A:** Commercial Hangar Ground Lease Agreement dated August 1, 2018 and recorded on August 1, 2018 as Document No. 2621854 in the records of Gallatin County, Montana
- Auction Exhibit B:** Form of Sublease
- Auction Exhibit C:** Form of Addendum for Pre-Closing Aircraft Storage
- Auction Exhibit D:** Preliminary title insurance schedules (Schedules A, B-I & B-II) prepared by Montana Title & Escrow, Inc., dated March 15, 2023 and identified by reference to File Number M-36780, and form of Leasehold Endorsement (ALTA Endorsement 13-06). **Note:** These documents are also posted to the auction website ([www.schraderauction.com/auctions/8424](http://www.schraderauction.com/auctions/8424)), along with copies of all recorded documents referenced in the preliminary Schedule B-II (except documents pertaining to Liens which are to be released and removed from the Final Title Policy).

*Cover page for:*

# **AUCTION EXHIBIT A**

## **Ground Lease**

**(dtd August 1, 2018)**

*For sealed bid auction, with 5/10/2023 bid deadline, conducted by:*

**Schrader Real Estate and Auction Company, Inc.**

*On behalf of:*

**Centerline Properties, LLC**

*With respect to:*

**Commercial Hangar and Ground Lease  
at 210 Aviation Lane, Belgrade, Montana in Gallatin County  
(Bozeman Yellowstone International Airport)**

COMMERCIAL HANGAR GROUND LEASE AGREEMENT

Accommodation Recording Only  
STC# G2018

This LEASE AGREEMENT dated the 1<sup>st</sup> day of August, 2018 by and between the GALLATIN AIRPORT hereinafter referred to as the "AUTHORITY" of the County of Gallatin, State of Montana and CENTERLINE PROPERTIES, LLC hereinafter referred to as the "LESSEE" of Belgrade, Montana.

WITNESSETH:

WHEREAS, the AUTHORITY herein is the owner of Bozeman Yellowstone International Airport, located in Gallatin County, Montana and;

WHEREAS, the LESSEE desires to lease a tract of land for the purpose of having a commercial aircraft operations, service and storage hangar on the premises and the AUTHORITY desires to grant such a lease and set forth the terms and conditions of such occupancy and use of the Airport;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I - PREMISES

Section 1.01: Premises. The AUTHORITY leases to the LESSEE and the LESSEE rents from the AUTHORITY, subject to the terms and conditions hereinafter set forth, a tract of land hereinafter referred to as the "Site", for a commercial aircraft hangar as hereinafter set forth, which parcel is shown upon the plat attached hereto and marked "Exhibit 1" and by this reference made a part hereof.

ARTICLE II - LESSEE'S RIGHTS

Section 2.01: The LESSEE shall have the use of the aforesaid premises for the purpose commercial storage, maintenance and operation of aircraft in conjunction with the LESSEE's Operating Agreement. Neither LESSEE nor guests are permitted to sleep overnight in the hangar. The LESSEE shall have no right to use said premises for residential purposes, or as an apartment, or for any overnight accommodations unless such use shall be authorized by a subsequent rule or regulations of the AUTHORITY.

Section 2.02: In addition to the general privileges and rights set forth in Section 2.01 above, the LESSEE shall have the following privileges and rights:

- a. The loading and unloading of aircraft in any lawful commercial activity.
- b. The right of ingress and egress from the demised premises without charge therefore except for the considerations set out herein.
- c. No other use may be made of the premises without written approval of the AUTHORITY.

ARTICLE III - UNDERTAKINGS OF LESSEE

Section 3.01: The LESSEE shall at its own expense keep, maintain, and repair the Leased Premises and any improvements thereto and all equipment and buildings in a presentable and operable



condition and in a manner to preserve and protect the general appearance and value of other premises in the immediate vicinity. This shall include, but not limited to: roof, exterior painting, all doors, paved areas, lighting, grass, and landscaped areas within the lease lines. The AUTHORITY shall be the sole judge of what shall be considered a presentable and operable condition.

The LESSEE further agrees that there will be no outside storage of any nature, whatsoever, on the Leased Premises. The only item allowed to be located outside is the mode of transportation used by the LESSEE to travel to the Leased Premises.

In the event the LESSEE does not keep the Leased Premises in presentable condition, the AUTHORITY has the right to issue a written notice to remedy the condition forthwith. Should the LESSEE fail to perform satisfactorily within ninety (90) days of such notification, or show cause for extension of said time period, the AUTHORITY shall have the right to perform, or have performed by an outside contractor the necessary work without liability, and the LESSEE agrees to pay the AUTHORITY one hundred fifteen percent (115%) of such expenses within thirty (30) days of invoice receipt. Within sixty (60) days of notification, the LESSEE may request an extension of time from the AUTHORITY if it appears such extension is warranted, or appeal the remedy through the normal Board process.

In the event of fire or any other casualty to building(s) or other structures owned by the LESSEE, the LESSEE shall either repair or replace the building or remove the damaged building and restore the leased premises to its original condition; such action must be accomplished within one hundred eighty (180) days of the date the damage occurred

Section 3.02: The LESSEE agrees to cause to be removed, at its own expense, from the leased premises all waste, garbage and rubbish and agrees not to deposit the same, except temporarily in connection with collection for removal, on any part of the demised premises or other property of the AUTHORITY constituting the Airport.

Section 3.03: The LESSEE agrees to pay all cost of utility, janitorial and other such services that may be necessary or required in the operation or maintenance of the leased premises, provided, however, that LESSEE is hereby given the right to connect to such utility outlets as LESSEE deems necessary or as may be required, with such connection to be at LESSEE's sole expense and cost.

Section 3.04: The LESSEE agrees not to suffer or permit to be installed or maintained upon the outside of any improvements on the leased premises any billboard or advertising signs, except that the LESSEE may install and maintain on the outside of said building its name and other AUTHORITY approved markings; such signs, however, as to their size, construction, location and general appearance shall be approved in writing by the AUTHORITY in advance of installation.

Section 3.05: The LESSEE hereby grants the AUTHORITY the right to install, operate and maintain underground utility lines under the leased premises as may be required to serve other areas. AUTHORITY agrees to restore any areas disturbed by the installation or maintenance of such utility lines to their previous condition at AUTHORITY's expense.

#### ARTICLE IV - TERM OF LEASEHOLD

Section 4.01: The term of this Lease Agreement shall be for a period of Twenty (20) years

commencing on the 1<sup>st</sup> day of August, 2018 and ending on the 31<sup>st</sup> day of July, 2038.

Section 4.02: Renewal Option. If the Lease Agreement is not then in default, the LESSEE shall have one (1) option to renew this Lease Agreement on the same terms and conditions except for the establishment of the land rent as herein provided. Option shall be for a period of ten (10) years and shall be exercised by notice, in writing and given to the Authority not less than ninety (90) days nor more than one hundred eighty (180) days before the last day of the expiring term.

## ARTICLE V - RENTALS

Section 5.01: LESSEE agrees to pay to the AUTHORITY the standard commercial lease rate ("Standard Commercial Lease Rate") as ground rental. The Standard Commercial Lease Rate may be adjusted as set forth in Section 5.02. The current Standard Commercial Lease Rate is \$0.10 per square foot per year, totaling Three Thousand Nine Hundred Eighty-Six and 43/100 (\$3,986.43) per year. This rental shall be paid monthly in a sum equal to one-twelfth (1/12) of the annual rent due hereunder in advance of the 1st day of each and every calendar month, beginning August 1, 2018. Provided, however, that LESSEE shall have the privilege of pre-payment of any annual rent by payment of the same on or before any anniversary date of this Lease Agreement.

Section 5.02: Commencing on July 1, 2020 the Standard Commercial Lease Rate shall be raised to \$0.12 per square foot per year, totaling Four Thousand Seven Hundred Eighty-Three and 72/100 (\$4,783.72) per year, and LESSEE shall pay the new Standard Non-Commercial Lease Rate. The AUTHORITY's Standard Commercial Lease Rate shall be examined and, if appropriate, re-established as of July 1, 2023 and every third July 1, thereafter. Such adjustment shall be based on land rental at other Montana airports of equal use. Any increase in the Standard Non-Commercial Lease

In the event the LESSEE and AUTHORITY do not agree, the value shall be determined by arbitration.

After notice by either party to the other party requesting arbitration, one arbitrator shall be appointed by each party. Notice of the appointment shall be given by each party to the other when made. If they fail to select a third arbitrator, on application by either party, the third arbitrator shall be promptly appointed by the presiding Judge of the District Court of the State of Montana, County of Gallatin, acting in his individual capacity. Each party shall bear the expense of its own appointed arbitrator and shall bear all other expenses equally. The value shall be the decision of not less than two of the arbitrators. The value determined by the arbitrators shall be effective and retroactive to the first (1st) day of the rental period under arbitration.

Section 5.03: As part of the consideration hereof and in lieu of field user charges for common use of public airport facilities, subject, however, to the provisions of Section 5.04 hereof, the AUTHORITY shall be entitled to collect and the LESSEE agrees to pay a fuel flowage fee for each gallon of fuel delivered into its aircraft on said Airport in an amount per gallon equal to that levied on all other similar public airport facility users from time to time by the AUTHORITY. The LESSEE agrees to purchase or

supply its aircraft on said Airport with all its requirements of aviation fuels as are reasonably convenient in view of the transient nature of the LESSEE's aircraft.

Section 5.04: It is expressly understood that the AUTHORITY may from time to time establish field user charges for use made of the public airport facilities. Such field user charges shall be payable by the user, including the LESSEE herein, of such facilities, in accordance with rules and regulations, ordinances or resolutions of the AUTHORITY of general application to all field users similarly situated and operating.

Section 5.05: The LESSEE shall pay all lawful taxes and assessments which during the term hereof may become a lien upon or which may be levied by the state, county or any other tax levying body upon any taxable interest of the LESSEE acquired in this Lease Agreement, or any taxable possessor right which the LESSEE may have in or to the premises or facilities hereby leased or the improvements hereon, by reason of its use or occupancy thereof, or otherwise, as well as all taxes on taxable property, real or personal, owned by the LESSEE in and about the said premises.

#### ARTICLE VI - TERMINATION, DEFAULT, ASSIGNMENT, TRANSFER AND SUBLEASE

Section 6.01: If the AUTHORITY desires to continue to lease this plot for the existing use, a good faith effort will be made by the AUTHORITY and the LESSEE to either extend this Lease Agreement or enter into a new agreement mutually acceptable to both parties within ninety (90) days prior to the expiration of this agreement. If no agreement is reached, the lease shall be terminated.

Upon termination of this agreement by the passage of time or otherwise, the AUTHORITY shall have the option to require the removal of all structures, installations or improvements within ninety (90) days after the expiration of the Lease Agreement at the LESSEE's expense. If the LESSEE fails to remove the structures, installations and improvements within ninety (90) days, the AUTHORITY shall have the option to take title to such structures, installations and improvements.

Section 6.02: Provided, always, these entire agreements are upon these conditions, that (a) if the LESSEE shall fail to pay rent when due, or (b) if the LESSEE shall fail or neglect to do or perform or observe any of the covenants contained herein on the LESSEE's part to be kept and performed, and such default under (a) herein shall continue for a period of not less than five (5) days or under (b) herein for a period of not less than sixty (60) days after the AUTHORITY has notified the LESSEE in writing of LESSEE's default hereunder, or if the LESSEE shall be declared bankrupt or insolvent according to law, or if any assignment of its property shall be made for the benefit of creditors, or if the destruction of the LESSEE's hangar building without replacement within a period of six (6) months (plus such additional time equal to the time the LESSEE was prevented or delayed in the replacement thereof by causes beyond the LESSEE's control) occurs, or in the event the LESSEE shall allow its hangar to be used for overnight accommodations for the LESSEE or any guests, without prior written approval of the AUTHORITY, then in either of said cases or events, the AUTHORITY or those having its estate in the premises, lawfully may, at its option, immediately or at any time thereafter, without demand or notice, enter into and upon said premises or any part thereof and in the name of the whole, repossess the same of its former estate,

and expel said LESSEE and those claiming by, through or under it, and remove its effects, if any, forcibly if necessary, without being deemed guilty of trespass, and without prejudice to any remedy which otherwise might be used, for arrears of rent or preceding breach of covenant. On the re-entry aforesaid, this Lease Agreement shall terminate. In this connection, it is agreed that failure of the AUTHORITY to declare this Lease Agreement terminated upon the default of the LESSEE for any of the reasons set out shall not operate to bar or destroy the right of the AUTHORITY to declare this Lease Agreement null and void by reason of any subsequent violation of the terms of this Lease Agreement.

Section 6.03: The LESSEE shall not assign, sublease, or transfer any of the rights, privileges; uses or interest arising hereunder without the written permission of the AUTHORITY is first obtained.

Section 6.04: Should written permission of the AUTHORITY be obtained under Section 6.03 above, the LESSEE shall then have the right to sublease all of the space demised hereunder; provided, however, that any subtenant shall be subject to the same conditions, obligations and terms as set forth herein, and the LESSEE shall be responsible for the observance of its sublease and assignee of the terms and covenants of this Lease Agreement. The LESSEE shall provide AUTHORITY a copy of any such sublease agreement.

#### ARTICLE VII - NOTICES

Section 7.01: Any notice or demand required or permitted to be given or made under the terms of this Lease Agreement shall be deemed to have been duly given or made if in writing and deposited in the United States mail in a sealed envelope, postage prepaid, respectively addressed as follows:

To AUTHORITY:	Gallatin Airport Authority 850 Gallatin Field Road, Suite 6 Belgrade, MT 59714
To LESSEE:	Centerline Properties, LLC 26 Rolling Glen Loop Three Forks, MT 59752

Section 7.02: Either the AUTHORITY or the LESSEE may change the address to which such notices or demand shall be sent by notice transmitted in accordance with the provisions of Section 7.01.

#### ARTICLE VIII - GENERAL PROVISIONS

Section 8.01: Improvement and alterations. The LESSEE shall make no changes, alterations, additions or replacement to the existing building or the site without obtaining AUTHORITY's written approval in advance thereof.

Section 8.02: Indemnity. The LESSEE agrees fully to indemnify, save harmless and defend the AUTHORITY, its commissioners, officers and employees from and against all claims and actions and all expenses incidental to the investigation and defense thereof, based upon or arising out of damage or injuries to third persons or their property, caused by the fault or negligence in whole or in part of the LESSEE, its subtenants or employees in the use or occupancy of the premises hereby leased; provided that the AUTHORITY shall give to the LESSEE prompt and reasonable notice of any such claims or actions, and the LESSEE shall have the right to investigate, compromise and defend same, provided such claim is not the result of negligent act of the AUTHORITY.

Section 8.03: Waiver of Subrogation. The AUTHORITY and the LESSEE agree that each forfeits any right of action that it may later acquire against the other of the parties to the Lease for loss or damage of its property, or to property in which it may have an interest, where such loss is caused by fire, or any of the extended coverage hazards, and arises out of or is connected with the leasing of the premises.

Section 8.04: Attorney's Fees. In the event any action or suit or proceeding is brought by either party to enforce the terms and conditions of this Lease Agreement or is brought by the AUTHORITY to collect the rent due or to become due hereunder or any portion thereof, or to take possession of said premises, or to enforce compliance with this Lease Agreement, the prevailing party shall be paid by the other party hereto such sum as the court may adjudge reasonable as attorney's fees and costs to be allowed in such suit, action or proceeding.

Section 8.05: Sponsor's Assurance Subordination. This Lease Agreement shall be subordinate to the provisions of any existing or future agreement between the AUTHORITY and the United States relative to the operation or 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.

Section 8.06: 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 provision of this Lease Agreement.

Section 8.07: Successors and Assigns. Subject to Article VI above, all 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, and time is of the essence.

Section 8.08: Inspections. The LESSEE or sublease or assigns shall allow the AUTHORITY's authorized representatives access to the premises leased exclusively to the LESSEE at all reasonable hours, for the purpose of examining and inspecting said premises for purposes, necessary, incidental to or connected with the performance of its obligations hereunder, or in the exercise of its governmental functions.

Section 8.09: Cancellation by the LESSEE. This Lease Agreement shall be subject to cancellation by the LESSEE in the event of any one or more of the following events:

- A. The permanent abandonment of the Airport.
- B. The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as substantially to restrict the LESSEE for a period of at least ninety (90) days from operating thereon.
- C. Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport and the remaining in force of such injunction for a period of at least ninety (90) days.
- D. The default by the AUTHORITY in the performance of any covenants or agreements herein required to be performed by the AUTHORITY and the failure of the AUTHORITY to remedy such default for a period of sixty (60) days after receipt from the LESSEE of written notice to remedy the same.

Section 8.10: Redelivery. The LESSEE will make no unlawful or offensive use of said premises

and will, at the expiration of the term hereof or upon any sooner termination thereof, without notice, quit and deliver up said premises to the AUTHORITY and those having its estate in the premises, peaceably, quietly, and in as good order and condition, except for reasonable use and wear thereof, as the same now or may hereafter be placed by the LESSEE or the AUTHORITY and the LESSEE shall have ninety (90) days after said redelivery of the premises in which to comply with the provisions of Section 6.01 hereof.

Section 8.11: Holding Over. In the event the LESSEE shall hold over and remain in possession of the premises herein leased after the expiration of this Lease Agreement without any written renewal thereof, such holding over shall not be deemed to operate as a renewal or extension of this Lease Agreement, but shall only create a tenancy from month to month which may be terminated at any time by either party giving not less than thirty (30) days prior written notice of the date of termination which shall be on a calendar month end.

Section 8.12: Nonwaiver. Any waiver of any breach of covenants herein contained to be kept and performed by the LESSEE shall not be deemed or considered a continuing waiver and shall not operate to bar or prevent the AUTHORITY from declaring a forfeiture for any succeeding breach, either of the same condition or covenant or otherwise.

Section 8.13: Rules and Regulations. The AUTHORITY shall have the right to and shall adopt and enforce reasonable rules and regulations with respect to the use of this leased land and hangars built thereon, the Airport, terminal building and related facilities, which the LESSEE agrees to observe and obey, even though such rule or regulations may modify the LESSEE's use of the leased property.

Section 8.14: Modification. Modification of the Lease Agreement as to term, area, or any rental shall result in re-negotiation of the rental per Section 5.02.

Section 8.15: Non-Discrimination.

1. The LESSEE for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree "as a covenant running with the land" that (a) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of said facilities, (b) that in the construction of any improvements, on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (c) that the LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulation, Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

2. Non-compliance with the provisions of this section after written findings shall constitute a material breach thereof and in the event of such non-compliance the AUTHORITY shall have the right to terminate this lease and the estate hereby created without liability therefor or at the election of the AUTHORITY or the United States either or both said governments shall have the right to judicially enforce said Provisions 1 and 2.

3. That these provisions of non-discrimination shall not be deemed to have expanded the provision for the use of the leased land set forth in Article II, above, it being understood that whatever use



Tenant is permitted under Article II, above, of the tract of land, such use shall not violate non-discrimination laws of the local, state or Federal governments.

IN WITNESS WHEREOF, the parties have hereunto set their hand the day and year first above written.

GALLATIN AIRPORT AUTHORITY

By [Signature]  
Chairman

CENTERLINE PROPERTIES, LLC

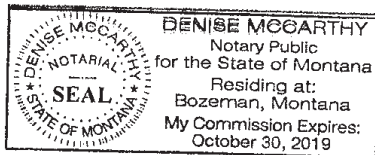
By [Signature]  
Title Lessee

State of: MT  
County of: GALLATIN

This instrument was signed or acknowledged before me on AUG 1, 2018 by

Carl Lehrkind acting in the capacity of Board Chairman  
on behalf of Gallatin Airport Authority

[Signature]  
Signature of Notary



DENISE MCCARTHY  
Printed, typed or stamped name of Notary

Notary Public for the State of \_\_\_\_\_ residing at:

\_\_\_\_\_  
Notary's City of Residence

(seal)

My commission expires: \_\_\_\_\_  
mm/dd/yyyy

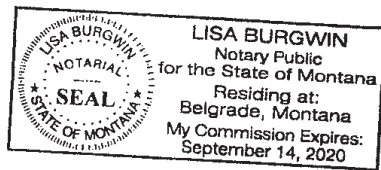
State of: MT  
County of: Gallatin

This instrument was signed or acknowledged before me on July 17, 2018 by

Grayson Sperry acting in the capacity of lessee  
on behalf of Centerline Properties

[Signature]  
Signature of Notary

Lisa Burgwin  
Printed, typed or stamped name of Notary



(seal)

Notary Public for the State of \_\_\_\_\_ residing at:

\_\_\_\_\_  
Notary's City of Residence

My commission expires: \_\_\_\_\_

mm/dd/yyyy



**LEGAL DESCRIPTION  
EXHIBIT A  
RIDGELINE AVIATION**

A tract of land located in the NE1/4 Section 7, T1S, R5E, P.M., Gallatin County, Montana. Said tract being more particularly described as follows:

Commencing at the northwest corner of Section 7, T1S, R5E; thence South  $64^{\circ}18'13''$  East a distance of 4227.26 feet to the Point of Beginning;

Thence North  $45^{\circ}33'39''$  East a distance of 138.90 feet;

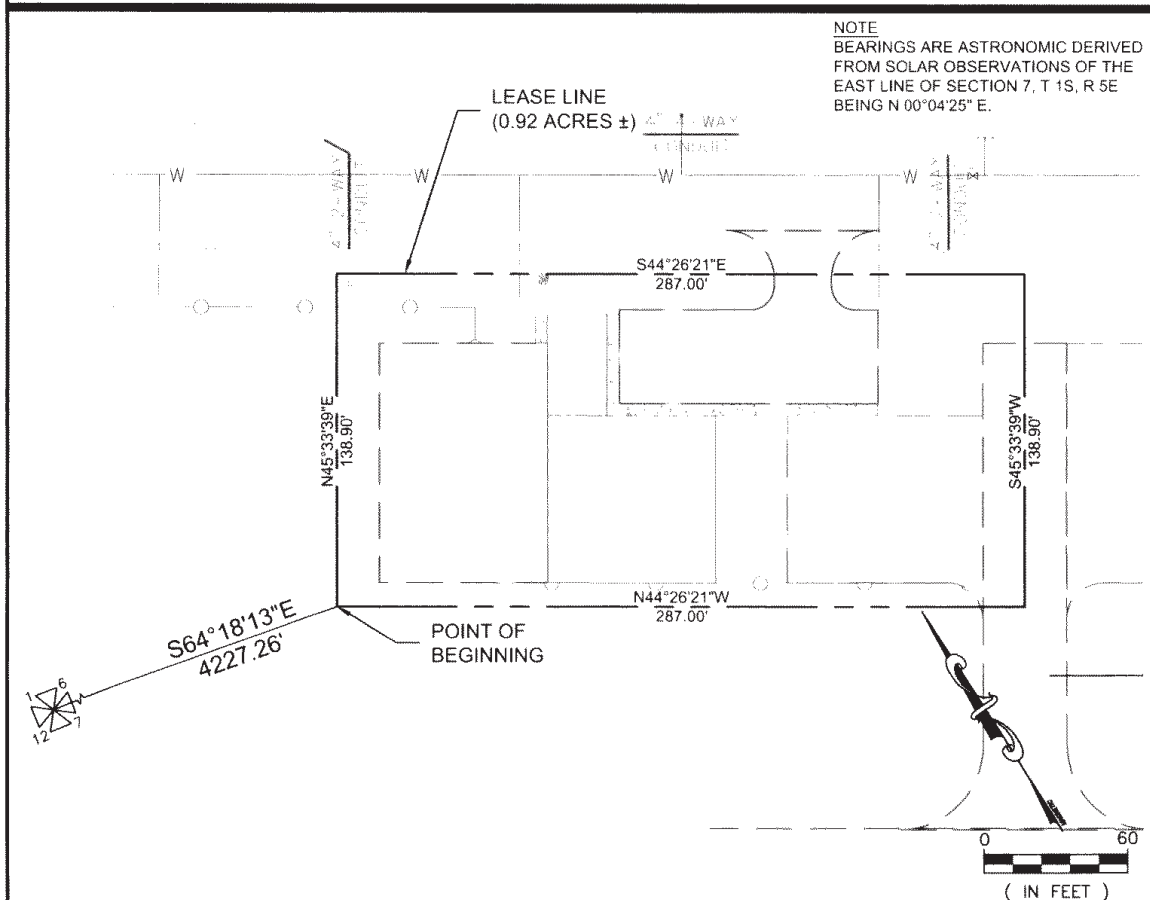
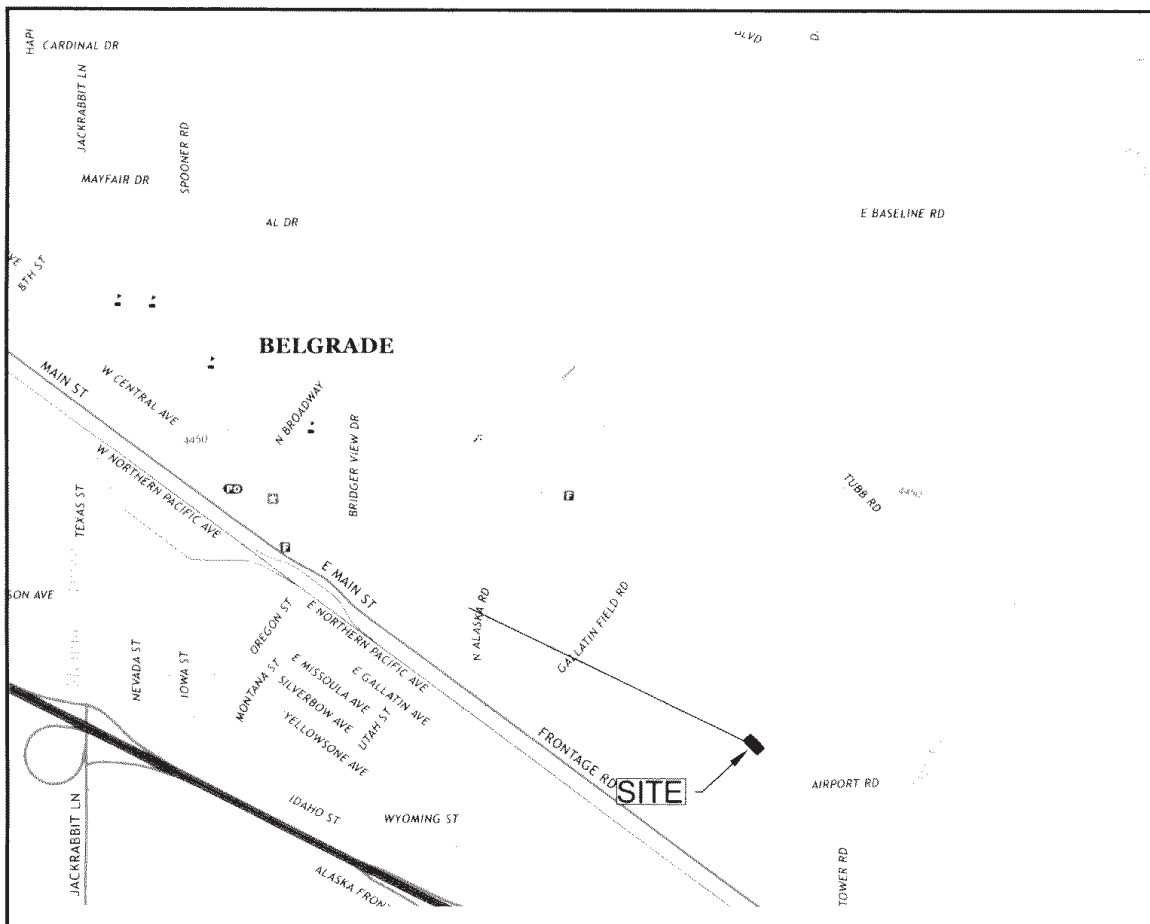
Thence South  $44^{\circ}26'21''$  East a distance of 287.00 feet;


Thence South  $45^{\circ}33'39''$  West a distance of 138.90 feet;

Thence North  $44^{\circ}26'21''$  West a distance of 287.00 feet to the Point of Beginning.

Said tract contains 0.92 acres, more or less.





 <b>Morrison Maierle</b> <small>engineers surveyors planners scientists</small>	2880 Technology Blvd West Bozeman, MT 59718  Phone 406.587.0721 Fax 406.922.6702	DRAWN BY <u>DS</u> DSGN. BY <u>JEW</u> APPR. BY <u>MJM</u> DATE <u>07/20/18</u>	BOZEMAN YELLOWSTONE INTERNATIONAL AIRPORT		PROJECT NO. 0761.000
			BELGRADE	MT	FIGURE NUMBER
			LEASE LEGAL RIDGELINE AVIATION		EX. A

*Cover page for:*

# **AUCTION EXHIBIT B**

## **Form of Sublease**

*For sealed bid auction, with 5/10/2023 bid deadline, conducted by:*

**Schrader Real Estate and Auction Company, Inc.**

*On behalf of:*

**Centerline Properties, LLC**

*With respect to:*

**Commercial Hangar and Ground Lease  
at 210 Aviation Lane, Belgrade, Montana in Gallatin County  
(Bozeman Yellowstone International Airport)**

## SUBLEASE

This Sublease (the “**Sublease**”) is dated \_\_\_\_, 2023 (the “**Sublease Date**”), and is between \_\_\_\_\_, a \_\_\_\_\_ (the “**Sublandlord**”), Ridgeline Aviation Inc., a Montana corporation (the “**Subtenant**”), and for the sole purpose of the section of this Sublease with the descriptive heading Aircraft Storage \_\_\_\_\_ (the “**Aircraft Owner**”).

The Sublandlord is the tenant and Gallatin Airport Authority (the “**Ground Landlord**”) is the landlord under the Commercial Hangar Ground Lease Agreement dated August 1, 2018, as amended pursuant to an agreement dated \_\_\_\_\_, 2023, copies of which are attached as **Exhibit A** (collectively, the “**Ground Lease**”). Under the Ground Lease, the Ground Landlord leases a tract of land for a commercial aircraft hangar to the Sublandlord (that tract of land and all improvements thereon, the “**Premises**”; that commercial aircraft hangar, the “**Hangar**”). The address of the Premises is 210 Aviation Lane, Belgrade, Montana 59714. The Sublandlord desires to sublease the entire Premises to the Subtenant and the parties are entering this Sublease to accommodate that transaction.

The parties therefore agree as follows:

1. **Sublease.** The Sublandlord hereby leases the Premises to the Subtenant and the Subtenant hereby leases the Premises from the Sublandlord. Subject to this Sublease and the Ground Lease, the Subtenant may quietly enjoy the Premises without disturbance by the Sublandlord. The Sublandlord states that (1) the attached copy of the Ground Lease is correct and complete, (2) the Sublandlord is the tenant under the Ground Lease, (3) the term of the Ground Lease commenced on August 1, 2018 and, as amended, ends 20 years from the Sublease Date, with an optional 10-year renewal term ending 30 years from the Sublease Date, (4) the Ground Lease is in full force and effect, (5) to the best of the Sublandlord’s knowledge, the Sublandlord is not in default under the Ground Lease, (6) the Sublandlord has not received any notice of default under the Ground Lease, excepting defaults or violations that the Sublandlord has cured and the Ground Landlord claims no longer exist, and (7) the Ground Landlord consented to this Sublease in writing.

2. **Term.** The term of this Sublease (the “**Subterm**”) will be for a period of at least 12 months, but not more than 18 months. The Subterm shall begin on the Sublease Date and shall expire at the end of the day which is the earlier of the following dates: (a) the date that is 18 months after the Sublease Date; or (b) an earlier date that is specified as the termination date in a notice from Subtenant to Sublandlord, which date must be at least 30 days after the effective date of such notice but not earlier than the first annual anniversary of the Sublease date.

3. **Delivery.** The Sublandlord shall deliver exclusive possession, use, and occupancy of the Premises to the Subtenant on the Sublease Date subject to the section of this Sublease with the descriptive heading Aircraft Storage. The Sublandlord has no obligation to perform any work, supply any materials, incur any expenses or make any installations to prepare the Premises for the Subtenant’s occupancy. The Subtenant accepts the Premises in “AS IS” condition.

4. **Ground Lease.** The Sublandlord may modify the Ground Lease without the Subtenant’s consent, but if doing so will adversely affect any rights or obligations of the Subtenant under this Sublease, the Sublandlord must first obtain the Subtenant’s consent. If the Ground Landlord and the Sublandlord modify the Ground Lease, the Sublandlord shall provide a copy of the modification to the Subtenant.

The Sublandlord shall not terminate the Ground Lease during the Subterm without the Subtenant's consent. The Sublandlord shall comply with the Ground Lease and if the Sublandlord breaches the Ground Lease, it shall promptly cure that breach. If the Ground Lease terminates during the Subterm, then so long as the Subtenant's breach of this Sublease did not cause the termination of the Ground Lease, the Sublandlord shall be liable for all damages the Subtenant incurs due to (1) relocating, (2) loss of use of the Premises, (3) property of the Subtenant the Subtenant is unable to relocate or which is commercially unreasonable to relocate, and (4) lost income.

5. **Use.** The Subtenant shall use the Premises only for the purposes permitted under the Ground Lease (those uses, the "**Permitted Use**"). The Subtenant shall not (1) create any nuisance on or commit any waste to the Premises, (2) use the Premises for any unlawful purpose or conduct, and (3) permit any activity in violation of any laws (those matters, the "**Laws**").

6. **Aircraft Storage.** The Aircraft Owner represents to the Subtenant that (1) the Aircraft Owner is an affiliate of the Sublandlord, (2) the Aircraft Owner owns a \_\_\_\_\_ (the "**Aircraft**"), and (3) the Aircraft does not exceed 55 feet in width or 55 feet in length. During the Subterm, the Aircraft Owner may store the Aircraft in the Hangar at no charge. The Subtenant shall designate the space in the Hangar where the Aircraft will be stored and may change that location from time to time. The Aircraft Owner shall give reasonable prior notice to the Subtenant of the Aircraft's flight activity and the Aircraft Owner shall be responsible for (1) towing or moving the Aircraft in and out of the Hangar and/or the Premises, and (2) coordinating with the Subtenant regarding towing, moving or relocating other aircraft in the Hangar to enable the Aircraft to be moved in and out of the Hangar. In addition to the foregoing, the Subtenant may move the Aircraft in and out of the Hangar and within the Hangar. Before storing the Aircraft in the Hangar, the Aircraft Owner shall (1) obtain hull, casualty and liability insurance covering the Aircraft at the Aircraft Owner's sole expense, (2) name the Subtenant as an additional insured under those policies, and (3) provide the Subtenant with a copies of the certificates for those policies. The Aircraft Owner shall maintain such insurance coverage during for as long as the Aircraft is stored in the Hangar during the Subterm. The Aircraft Owner acknowledges that the Subtenant has no obligation to carry any insurance covering the Aircraft. The Sublandlord and the Aircraft Owner (1) state that this section only creates an agreement to store the Aircraft and does not create a bailment, (2) state that the Aircraft Owner bears all risk of loss concerning the Aircraft, irrespective of the cause of the loss, excepting only losses due to the Subtenant's gross negligence, (3) waive any right either of them may have to bring any action or claim against the Subtenant for any loss or damage to Aircraft, excepting only an action or claim occasioned by the Subtenant's gross negligence, (4) state that the Aircraft Owner waives any right of subrogation the insurance company or companies issuing the policy or policies described in this section may have against the Subtenant, and (5) agree that the Subtenant's maximum liability for any damages the Aircraft Owner suffers relating to the Aircraft, the storage of the Aircraft, the movement of the Aircraft or for any matter arising under or relating to this section is \$5,000. Except to the extent caused by the Subtenant's gross negligence, the Sublandlord and the Aircraft Owner shall indemnify and hold the Subtenant harmless from any and all claims or damages arising from or relating to the Aircraft or the storage or the movement of the Aircraft.

7. **Subrent.** The monthly rent for the Premises is \$ \_\_\_\_\_ (that rent, the "**Subrent**"). The Subtenant shall pay the Subrent to the Sublandlord (1) in advance on the first day of every calendar month during the Subterm, (2) without the right of notice, setoff or abatement, and (3) at the Sublandlord's address designated in the section with the descriptive heading Notices. If the Subterm

does not begin on the first day of a calendar month or end on the last day of a calendar month, the parties will prorate the installment of Subrent for each partial month, if any.

8. **Taxes.** The Ground Lease obligates the Sublandlord to pay property taxes and assessments any taxing body levies against the Premises during the term of the Ground Lease (those matters, the “**Ground Taxes**”). The Sublandlord shall pay the Ground Taxes during the Subterm. The Subtenant is not responsible for Ground Taxes.

9. **Services.** At levels reasonably required for normal use and occupation of the Premises for the Permitted Use, the Sublandlord shall furnish the Premises with utility services through electricity lines, water and sanitary sewer lines, storm water lines, natural gas lines, telecommunications lines, natural gas lines, other similar lines and utilities (those lines and utilities, together with the related facilities and equipment, the “**Utility Facilities**”). The parties shall contact the utility providers and place the utility services in the name of the Subtenant effective as of the Sublease Date. During the Subterm, the Subtenant shall pay the periodic charges those utility providers charge for the consumption of the utilities.

10. **Maintenance.** As set forth herein, the parties shall maintain the Premises in a good, safe, and operable condition, perform upkeep on the Premises, and make repairs and replacements to the Premises (those obligations, the “**Maintenance Obligations**”; the Subtenant’s Maintenance Obligations, the “**Subtenant Maintenance**”; the Sublandlord’s Maintenance Obligations, the “**Sublandlord Maintenance**”). Beginning on the Sublease Date, the Subtenant shall perform the Subtenant Maintenance, which comprises (1) routine maintenance on, and minor repairs to, the Hangar and the Hangar’s mechanical, plumbing, electrical, elevator, heating, cooling, ventilation, utility, alarm, energy, and fire suppression systems (those systems, the “**Hangar Systems**”), (2) cleaning, janitorial services, broken window replacement, light bulb replacement, pest control, trash removal, landscaping maintenance, and snow and ice removal, and (3) routine maintenance on, and minor repairs to, the parking lots, driveways, sidewalks and walkways. The Subtenant shall perform the Subtenant Maintenance at the Subtenant’s expense unless the Subtenant Maintenance is due to the negligence or misconduct of the Sublandlord or the Sublandlord’s owners, employees, contractors, or agents, in which event the Sublandlord shall reimburse the Subtenant for the cost of that Subtenant Maintenance. The Sublandlord shall perform the Sublandlord Maintenance, which comprises the Maintenance Obligations for (1) the structural portions of the Hangar, (2) the Hangar’s roof, roof structure, flashing, eaves, gutters, downspouts, and similar or related items, (3) the Hangar’s foundation, structural columns, and floor slabs, (4) the Hangar’s load-bearing walls and the structural integrity of windows and doors, (5) the Utility Facilities (excluding routine maintenance and minor repairs), (6) the Hangar Systems (excluding routine maintenance and minor repairs), (7) parking lots, driveways, sidewalks, and walkways (excluding routine maintenance and minor repairs), and (8) not included within the Subtenant Maintenance. The Subtenant shall promptly notify the Sublandlord of the need for Sublandlord Maintenance, which the Sublandlord will perform within a reasonable period after notification. The Sublandlord will complete the Sublandlord Maintenance at the Sublandlord’s expense unless the Sublandlord Maintenance is due to the negligence or misconduct of the Subtenant or the Subtenant’s owners, employees, contractors, agents, invitees, or licensees occurring after the Sublease Date, in which event the Subtenant shall reimburse the Sublandlord for the cost of that Sublandlord Maintenance. The Sublandlord shall endeavor to perform the Sublandlord Maintenance and conduct any other work the Sublandlord performs on the Premises in a manner attempting to reasonably minimize interference with the conduct of Subtenant’s business in the Premises.

**11. Alterations.** The Subtenant, at its cost and subject to this section, may make changes, alterations, additions, or replacements to the Premises it deems expeditious or necessary for its business purposes (those matters, "**Alterations**"). If the Alterations will cost more than \$5,000.00, or if the Alterations will impair, impact, or otherwise affect the Hangar's foundation, structural elements, roof, exterior, or Hangar Systems, then before making the Alterations the Subtenant must obtain the Sublandlord's consent, which the Sublandlord shall not unreasonably deny, delay, or condition. The Subtenant shall perform all work in connection with Alterations in a good and workmanlike manner and in accordance with the Laws. The Subtenant may remove Alterations before the Subterm expires but shall repair any damage occasioned by such removal. Alterations the Subtenant does not remove before the expiration of the Subterm shall become the property of the Sublandlord.

**12. Signs.** The Subtenant shall not display or install any signs (those items, the "**Signs**") on any part of the outside of the Hangar or on the windows or doors of the Hangar without the Sublandlord's consent, except that the Sublandlord's consent is not required for Signs that are attractive and professionally produced and compliant with the Ground Lease. Notwithstanding the immediately preceding sentence, the Subtenant may continue to display any Signs on any part of the Premises in place as of the Sublease Date.

**13. Entry and Security.** If the Sublandlord wants to enter the Premises, it shall notify the Subtenant. Within a reasonable time after receiving that notice, the Subtenant shall allow the Sublandlord to enter the Premises to (1) inspect the Premises, (2) perform Sublandlord Maintenance, (3) perform any obligations the Ground Lease requires the Sublandlord to perform that are not delegated to the Subtenant under this Sublease, or (4) perform the obligations the Subtenant has under the Sublease but fails to perform, but this ability does not obligate the Sublandlord to perform any obligations the Subtenant fails to perform. Notwithstanding the foregoing, in the event of an emergency, the Sublandlord may enter the Premises without notice to the Subtenant, provided the Sublandlord first attempts to provide notice as reasonably practicable to the Subtenant of its need to enter the Premises. The Subtenant assumes full responsibility for protecting the Premises from theft, robbery, pilferage, or vandalism, which includes keeping doors locked and other means of entry to the Hangar secure. The Subtenant has all keys, devices, or pass codes necessary to unlock or disarm the mechanisms securing the Premises (those mechanisms, together with any keypads, entry devices and security systems, the "**Security System**"). The Subtenant may enhance or change the Security System and install additional locks, bolts, and security systems. Upon the expiration of the Subterm, the Subtenant shall provide the keys, devices, and pass codes for the Security System to the Sublandlord.

**14. Liens.** The Subtenant shall not cause or permit any liens to attach to the Premises. The Sublandlord may pledge, assign, mortgage, or otherwise allow liens to attach to its interest in the Premises, the Ground Lease and this Sublease, whether through a deed of trust or otherwise (any such pledge, assignment, mortgage or lien, a "**Permitted Encumbrance**"; the pledgee, assignee, mortgagee, beneficiary or holder of the lien comprising a Permitted Encumbrance, the "**Mortgagee**"). Before allowing a Permitted Encumbrance, the Sublandlord must cause the Mortgagee to sign and deliver to the Subtenant an instrument (a "**Non-Disturbance Agreement**") stating that as long as the Subtenant is not in default under this Sublease (1) the Mortgagee shall recognize the Subtenant as the valid subtenant under this Sublease, (2) the Mortgagee will not interfere with the Subtenant's right to quiet enjoyment of the Premises, and (3) any transferee which succeeds to the Sublandlord's interest in the Premises or this Sublease under a foreclosure sale, trustee's sale, deed in lieu of foreclosure, or other



proceeding pertaining to the Permitted Encumbrance (a “**Transferee**”) (i) will be bound to recognize the Subtenant as the valid subtenant under this Sublease, and (ii) will not interfere with the Subtenant’s right to quiet enjoyment of the Premises. In the Non-Disturbance Agreement, the Subtenant will agree to (1) attorn to the Mortgagee and any Transferees, and (2) subordinate this Sublease to the Permitted Encumbrance.

15. **Assignment.** If the Ground Landlord consents, the Sublandlord may assign this Sublease and upon that assignment (1) the Sublandlord will notify the Subtenant, (2) the Subtenant shall attorn to the assignee, and (3) the assignor shall concurrently assign the Ground Lease to the assignee. The Subtenant, subject to Sublandlord’s prior consent, which shall not be unreasonably withheld, conditioned, or delayed, may assign this Sublease and upon that assignment (1) the Subtenant will notify the Sublandlord, (2) the Sublandlord shall attorn to the assignee, (3) the assignor and the assignee will be jointly and severally liable for all the obligations and liabilities of the Subtenant under this Sublease.

16. **Subletting.** The Subtenant, with the Sublandlord’s prior consent, which shall not be unreasonably withheld, conditioned, or delayed, may sublet the Premises or any portion of the Premises. Subletting, whether with or without the Sublandlord’s consent, does not relieve the Subtenant from any of its obligations or liabilities under this Sublease. The Subtenant shall cause any such subtenants to follow this Sublease and any such subleases will be subordinate to this Sublease and the Ground Lease.

17. **Insurance.** The Sublandlord shall obtain and maintain property insurance coverage insuring the Premises against casualty, fire, and other risks with commercially reasonable coverage amounts (the “**Property Insurance**”). The Sublandlord shall (1) ensure the Property Insurance policy names the Subtenant as an additional insured and precludes cancellation or nonrenewal without 30 days written notice from the Property Insurance carrier to the Subtenant (but if the Property Insurance carrier does not agree to provide such notice to the Subtenant, then the Sublandlord shall cause the Property Insurance carrier to provide such notice to the Sublandlord and the Sublandlord shall then promptly provide notice to the Subtenant of the Sublandlord’s receipt of any such cancellation or nonrenewal), and (2) promptly furnish the Subtenant with a certificate of the Property Insurance policy. If the Sublandlord fails to obtain and maintain the Property Insurance, the Subtenant may elect to do so. At the Sublandlord’s option and expense, the Sublandlord may obtain additional insurance coverage. At the Subtenant’s expense, it shall obtain and maintain comprehensive general liability insurance coverage against any loss or liability which might result from the use or condition of the Premises with coverage limits of not less than (1) \$1,000,000 in case of injury or death to one person, and (2) \$2,000,000 for any number of persons injured or killed arising out of one accident (the “**Liability Insurance**”). The Subtenant shall (1) ensure the Liability Insurance policy names the Sublandlord as an additional insured and precludes cancellation or nonrenewal without 30 days written notice from the Liability Insurance carrier to the Sublandlord (but if the Liability Insurance carrier does not agree to provide such notice to the Sublandlord, then the Subtenant shall cause the Liability Insurance carrier to provide such notice to the Subtenant and the Subtenant shall then promptly provide notice to the Sublandlord of the Subtenant’s receipt of any such cancellation or nonrenewal), (2) ensure the Liability Insurance is primary and non-contributory, and (3) promptly furnish the Sublandlord with a certificate of the Liability Insurance policy. If the Subtenant fails to obtain and maintain the Liability Insurance, the Sublandlord may elect to do so, in which event the Subtenant shall reimburse the Sublandlord for the cost of all premiums and other expenses. At the Subtenant’s option and expense, the Subtenant may obtain additional insurance

coverage. By way of subrogation or otherwise, a party will not be liable to the other party or any insurance company insuring that other party for any loss or damage to any part of the Premises, personal property, or any resulting loss of income to the extent insurance benefiting the party suffering the loss or damage covers such loss or damage, or was required of such party under this Sublease.

**18. Damage or Destruction.** If fire, flood, tornado, hurricane, earthquake, windstorm, hail, or other casualty destroys or damages any part of the Premises (that event, a “**Casualty**”; that damage or destruction, “**Damage**”), then (1) the Sublandlord shall promptly fix the Damage at the Sublandlord’s expense, (2) the Sublandlord shall perform that work in a manner to bring the Premises back into a condition substantially similar to or better than the condition existing immediately before the Damage, and (3) the parties shall equitably abate Subrent and all other charges payable by Subtenant under this Sublease after the date of Casualty in the proportion to the extent the Premises is unusable and for so long as such portion of the Premises is unusable by the Subtenant for the Permitted Use due to such Casualty. Within 30 days after the Casualty, the Sublandlord shall notify the Subtenant if the Sublandlord cannot fix the Damage within 180 days after the Casualty. Within 15 days after the date of that notice, the Subtenant may terminate this Sublease by notifying the Sublandlord.

**19. Condemnation.** This Sublease shall terminate if due to the taking, condemnation, or similar legal action (those actions, a “**Condemnation**”) by a governmental authority (1) of all the Premises, or so much of the Premises it renders the Premises unusable by the Subtenant, (2) the Subtenant no longer has reasonable vehicular access to or use of the Premises, (3) all or substantially all the Hangar is taken, or (4) the number of parking spaces on the Premises are reduced by a taking below the number of spaces required by any Laws and that reduction adversely affects the use of the Premises. If this Sublease terminates under this section, then (1) the termination will be effective upon transferring title to the part of the Premises being taken, and (2) the Sublandlord shall receive the award except that the Subtenant may make a separate claim to the condemning authority for the value of the Subtenant’s property, Subtenant improvements, and relocation expenses. If a Condemnation does not terminate this Sublease the Sublandlord shall (1) at Sublandlord’s expense and to the extent reasonably practicable and necessary, restore the part of the Premises not taken so the Premises is usable for the Subtenant’s operations, (2) effective from the date of the transfer of the part of the Premises the condemning authority takes, reduce the Subrent by the same proportion of the area of the Premises taken, if any, and (3) receive the entire award.

**20. Surrender of Premises.** Upon the expiration of the Subterm, the Subtenant shall (1) quietly and peaceably surrender possession of the Premises, (2) remove the Subtenant’s property, and (3) leave the Premises in good order and condition, except for (i) ordinary wear and tear, (ii) damage the Subtenant is not responsible to repair, and (iii) damage predating the Sublease Date. If the Subtenant fails to remove any of the Subtenant’s property, the Sublandlord may remove, retain, destroy, or otherwise dispose of those items at the Subtenant’s cost. If the Subtenant continues to occupy the Premises after the Subterm expires either with or without the Sublandlord’s consent, that holding over constitutes a month-to-month tenancy that is subject to (1) the Subtenant’s monthly rent shall equal 125% of the monthly Subrent for the month immediately preceding the expiration of the Subterm, (2) the Subtenant’s payment of all other sums coming due under this Sublease, and (3) either party shall have the right to terminate such holding over month-to-month tenancy upon 30 days’ notice.

**21. Sublandlord Default.** The Subtenant may notify the Sublandlord if the Sublandlord breaches this Sublease (a “**Sublandlord Breach**”). The Sublandlord shall cure the Sublandlord Breach within 30 days of

date of that notice. If the Sublandlord cannot with diligence accomplish corrective action within that 30-day period, then it will have an additional period for the amount of time that is reasonably necessary to accomplish corrective action if it (1) notifies the Subtenant of its intention to comply with reasonably detailed steps to be taken and commences compliance within that 30-day period and thereafter diligently pursues corrective action to completion, and (2) provides the Subtenant with weekly status updates regarding the cure process. If the Sublandlord does not timely cure a Sublandlord Breach, the may exercise any combination of the following remedies (1) terminate this Sublease, (2) use self-help to mitigate, cure, or attempt to cure the Sublandlord Breach and offset from Subrent the cost of such self-help measures notwithstanding the provision in the section with the descriptive heading Subrent precluding offsetting Subrent, and (3) pursue the Sublandlord for monetary damages, specific performance, injunctive relief, or any combination thereof.

**22. Subtenant Default.** These events constitute the Subtenant's default under this Sublease (each such event, an "**Event of Default**") (1) the Subtenant fails to pay any installment of Subrent or other sum due under this Sublease within ten days after receiving notice from the Sublandlord, (2) except regarding the payment of Subrent or other sum due under this Sublease, if the Subtenant breaches any obligation under this Sublease and that failure continues for 30 days following the Subtenant's receipt of notice from the Sublandlord unless the Subtenant cannot with diligence accomplish corrective action within that 30 day period then it will have an additional period not to exceed 30 days to accomplish corrective action if it notifies the Sublandlord of its intention to comply with reasonably detailed steps to be taken and commences compliance within that 30-day period and diligently pursues corrective action to completion, or (3) if (i) a petition for bankruptcy or an application for any other relief under any provision of the United States Bankruptcy Code is filed by or against the Subtenant and the Subtenant cannot dismiss the proceeding within 90 days, (ii) a receiver is appointed for the assets or affairs of the Subtenant and the Subtenant cannot dismiss the receivership within 90 days, or (iii) the Subtenant's interest under this Sublease is levied upon under execution or seized. Upon an Event of Default, the Sublandlord may, without demand or notice, retake possession of the Premises or any part thereof and expel Subtenant and those claiming by, through or under it, and remove its effects, if any, forcibly, if necessary, without being deemed guilty of trespass or unlawful eviction, and without prejudice to any remedy which otherwise might be used, such as for arrears of Subrent. In addition, upon an Event of Default, the Sublandlord may (1) terminate this Sublease, holding the Subtenant liable for all damages the Sublandlord incurs or (2) without terminating this Sublease, take control of and relet the Premises, in which case the Sublandlord will apply rent received from reletting the Premises to the amounts the Subtenant owes the Sublandlord and if the amounts the Sublandlord receives from reletting are less than the Subrent and other sums owed by the Subtenant, the Subtenant shall immediately pay to the Sublandlord that deficiency upon notification from the Sublandlord. The Subtenant shall reimburse the Sublandlord for all reasonable attorney fees, costs, and expenses arising from any Event of Default, regardless of whether there is an adversarial proceeding between the parties.

**23. Indemnification.** If the Sublandlord makes a claim for indemnification against the Subtenant as permitted under this section, then except to the extent caused by the negligence or misconduct of the Sublandlord or its owners, employees, contractors, or agents, the Subtenant shall indemnify and defend the Sublandlord against the claims, liabilities, losses, or damages the Sublandlord incurs from third-parties arising from (1) the negligence of intentional misconduct of the Subtenant or the Subtenant's owners, employees, contractors, agents, invitees, or licensees, and (2) Hazardous Materials placed on or about the Premises by the Subtenant or its owners, employees, contractors, agents, invitees, or licensees. For purposes of this section, "**Hazardous Materials**" means (1) "hazardous wastes," as defined

by the Resource Conservation and Recovery Act of 1976, as amended from time to time, (2) "hazardous substances," as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, (3) "toxic substances," as defined by the Toxic Substances Control Act, as amended from time to time, (4) "hazardous materials," as defined by the Hazardous Materials Transportation Act, as amended from time to time, (5) asbestos containing materials, radioactive materials, and all other materials, substances, wastes and chemicals classified as hazardous or toxic substances, materials, wastes or chemicals under then-current applicable governmental laws, rules or regulations. If the Subtenant makes a claim for indemnification against the Sublandlord as permitted under this section, then except to the extent caused by the negligence or misconduct of the Subtenant or its owners, employees, contractors, or agents, the Sublandlord shall indemnify and defend the Subtenant against the claims, liabilities, losses, or damages the Subtenant incurs from third-parties arising from the negligence of intentional misconduct of the Subtenant or the Subtenant's owners, employees, contractors, agents, invitees, or licensees.

**24. Attorney Fees.** In any adversarial proceedings between the parties arising out of this Sublease or the subject matter of this Sublease, the prevailing party will be entitled to recover from the other party, in addition to any other relief awarded, all expenses that the prevailing party incurs in those proceedings, including legal fees and expenses.

**25. Notices.** For a notice, consent, approval, or other communication under this Sublease to be valid (1) it must be in writing, (2) it must be delivered by (i) hand, (ii) a transportation organization with end-to-end tracking and all fees prepaid, or (iii) registered or certified mail, return receipt requested and postage prepaid, and (3) the party sending it must address it using the other party's information specified in this section or any other information the other party specifies in a notice made under this section. Such notice, consent, approval, or other communication shall be deemed to be received (1) if it is delivered by hand, upon receipt as indicated by the date on a signed receipt, (2) if it is delivered by a transportation organization, upon receipt as indicated by the date stated in the tracking system, (3) if it is delivered by registered or certified mail, return receipt requested, upon receipt as indicated by the date on the signed receipt, and (4) if the party to which it is addressed rejects or otherwise refuses to accept it, or if it cannot be delivered because of a change in address for which no notice was given, then upon that rejection, refusal, or inability to deliver. A party wishing to change the address that party designates below shall do so by notifying the other party under this section and upon doing so, subsequent notices and other communications to that party must reflect that changed address to be valid.

To Sublandlord: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Subtenant: Ridgeline Aviation Inc.  
210 Aviation Lane  
Belgrade, Montana 59794

**26. Modification; Waiver.** No amendment to this Sublease will be effective unless it is in writing and signed by the parties. No waiver of any provision of this Sublease will be effective unless it is in writing and signed by the party granting the waiver and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation. No failure or delay in exercising any right or remedy under this Sublease operates as a waiver of that right or remedy. A waiver granted on one occasion will not operate as a waiver on other occasions.

27. **Severability.** The parties acknowledge that if a dispute between the parties arises out of this Sublease or the subject matter of this Sublease, they would want a court to interpret this Sublease as follows (1) regarding any provision it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision, and (2) if an unenforceable provision is modified or disregarded in accordance with this section, by holding that the rest of this Sublease will remain in effect as written.

28. **Entire Agreement.** This Sublease constitutes the entire understanding between the parties as to the subject matter of this Sublease and supersedes all other agreements, whether written or oral, between the parties.

29. **Governing Law.** Montana law governs this Sublease.

30. **Interpretation.** If either party asserts an ambiguity in this Sublease or if a question of intent or interpretation arises, the parties shall construe this Sublease as drafted jointly by the parties and no presumption will arise favoring or disfavoring either party.

31. **Counterparts.** If the parties sign this Sublease in several counterparts, each will be deemed an original, but all counterparts together will constitute one instrument. The signatures of all parties need not appear on the same counterpart, and delivery of a signed counterpart signature page by fax or by scanned image as an attachment to electronic mail is as effective as signing and delivering this Sublease in the presence of the other parties to this Sublease.

32. **Survival.** The sections with the following descriptive headings will survive termination of this Sublease: Ground Lease, Aircraft Storage, Subrent, Taxes, Maintenance, Alterations, Entry and Security, Liens, Insurance, Damage or Destruction, Condemnation, Surrender of Premises, Sublandlord Default, Subtenant Default, Indemnification, Attorney Fees, Notices, Modification; Waiver, Severability, Entire Agreement, Governing Law and Interpretation.

*[SIGNATURE PAGE FOLLOWS]*

The parties are signing this Agreement on the Sublease Date.

**Sublandlord:**

[SUBLANDLORD]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Subtenant:**

RIDGELINE AVIATION INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

***For the sole purpose of the section  
of this Sublease with the descriptive  
heading Aircraft Storage:***

**Aircraft Owner:**

[AIRCRAFT OWNER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A**

**[copy of prime Ground Lease, as amended, attached]**

*Cover page for:*

# **AUCTION EXHIBIT C**

## **Form of Addendum for Pre-Closing Aircraft Storage**

*For sealed bid auction, with 5/10/2023 bid deadline, conducted by:*

**Schrader Real Estate and Auction Company, Inc.**

*On behalf of:*

**Centerline Properties, LLC**

*With respect to:*

**Commercial Hangar and Ground Lease  
at 210 Aviation Lane, Belgrade, Montana in Gallatin County  
(Bozeman Yellowstone International Airport)**



## ADDENDUM FOR PRE-CLOSING AIRCRAFT STORAGE

(Applies only if Buyer so elects)

This Addendum is executed by the undersigned \_\_\_\_\_ ("**Buyer**") and Centerline Properties, LLC ("**Seller**") in connection with a sealed bid auction conducted on Seller's behalf with a sealed bid deadline of May 10, 2023 and in connection with an Agreement to Purchase ("**Purchase Agreement**") pursuant to which Buyer has agreed to purchase from Seller certain property in Gallatin County, Montana, as further described in the Purchase Agreement (the "**Property**"), including Seller's interest in a ground lease with respect to the premises located at 210 Aviation Lane in Belgrade, Montana ("**Premises**") and a commercial aircraft hangar located at the Premises ("**Hangar**").

This Addendum is also executed by Ridgeline Aviation, Inc. ("**Ridgeline**"), the current subtenant and occupant of the entire premises, as well as the party identified below as the owner ("**Aircraft Owner**") of the aircraft described below ("**Aircraft**"):

Description of Aircraft: \_\_\_\_\_

Owner of Aircraft: \_\_\_\_\_

1. **Aircraft Owner; Aircraft.** Buyer and Aircraft Owner represent to Seller and Ridgeline that: (a) Aircraft Owner is an affiliate of Buyer; (b) Aircraft Owner is the owner of the Aircraft; and (c) the Aircraft does not exceed 55 feet in width or 55 feet in length.
2. **Pre-Closing License.** Upon execution of the Purchase Agreement and this Addendum and prior to Buyer's acquisition of the Property pursuant to the Purchase Agreement at closing ("**Closing**"), Aircraft Owner shall have a license to store the Aircraft in the Hangar in accordance with and subject to the terms and conditions of this Addendum ("**Pre-Closing License**"). The term of the Pre-Closing License ("**Pre-Closing License Term**") shall commence upon the execution of the Purchase Agreement by Buyer and Seller and the execution of this Addendum by Buyer, Seller, Ridgeline and Aircraft Owner and shall terminate upon completion of the Closing; provided, however, upon completion of the Closing, Aircraft Owner will continue to have aircraft storage rights pursuant to the terms of the Sublease to be executed by the Buyer, Ridgeline and Aircraft Owner at the time of Closing in accordance with the provisions of the Purchase Agreement ("**Sublease**"); provided, further, if for any reason Buyer fails to acquire the Property pursuant to the Purchase Agreement, the Pre-Closing License and the Pre-Closing License Term shall terminate immediately and automatically as of the earliest time that Seller is no longer obligated to sell the Property pursuant to the terms of the Purchase Agreement.
3. **Aircraft Storage Prior to Closing.** During the Pre-Closing License Term, Aircraft Owner may store the Aircraft in the Hangar at no charge. Ridgeline shall designate the space in the Hangar where the Aircraft will be stored and may change that location from time to time. Aircraft Owner shall give reasonable prior notice to Ridgeline of the Aircraft's flight activity and Aircraft Owner shall be responsible for (a) towing or moving the Aircraft in and out of the Hangar and/or the Premises, and (b) coordinating with Ridgeline regarding towing, moving or relocating other aircraft in the Hangar to enable the Aircraft to be moved in and out of the Hangar. In addition to the forgoing, Ridgeline may move the Aircraft in and out of the Hangar and within the Hangar.
4. **Insurance.** Before storing the Aircraft in the Hangar, Aircraft Owner shall: (a) obtain hull, casualty and liability insurance covering the Aircraft at Aircraft Owner's sole expense; (b) name Seller and Ridgeline as an additional insureds under those policies, and (c) provide Seller and Ridgeline with copies of the certificates for those policies. Aircraft Owner shall maintain such insurance coverage until Closing (and after Closing pursuant to the Sublease). Neither Seller nor Ridgeline has any obligation to carry any insurance covering the Aircraft.
5. **Risk of Loss.** This Addendum creates only a license (with respect to the non-exclusive use of the Hangar as described herein) and not a bailment. Aircraft Owner bears all risk of loss concerning the Aircraft, irrespective of the cause of the loss, excepting only losses due to the gross negligence of Seller or Ridgeline. Buyer and Aircraft Owner waive any right either of them may have to bring any action or claim against Seller or Ridgeline for any loss or damage to Aircraft, excepting only an action or claim occasioned by the gross negligence of Seller or Ridgeline. Aircraft Owner waives any right of subrogation the insurance company or companies issuing the policy or policies described in Section 4 above may have against Seller or Ridgeline. Seller's and Ridgeline's combined cumulative maximum liability for any damages Buyer or Aircraft Owner suffers relating to the Aircraft, the storage of the Aircraft, the movement of the Aircraft or for any matter arising under or relating to this Addendum is \$5,000. Except to the extent caused by the Seller's or Ridgeline's gross negligence, Buyer and Aircraft Owner shall indemnify and hold Seller and Ridgeline harmless from any and all claims or damages arising from or relating to the Aircraft or the storage or the movement of the Aircraft. The provisions of this Section shall survive notwithstanding the Closing and/or any termination of the Pre-Closing License for any reason.
6. **Buyer's Failure to Acquire Property.** If for any reason Buyer fails to acquire the Property pursuant to the Purchase Agreement, the Pre-Closing License described in this Addendum shall terminate immediately and automatically as of the earliest time that Seller is no longer obligated to sell the Property pursuant to the terms of the Purchase

Agreement and, upon such termination of the Pre-Closing License: (a) Aircraft Owner shall permanently remove the Aircraft from the Premises; (b) without limiting any other remedy, Seller or Ridgeline may charge (and Aircraft Owner agrees to pay) a reasonable storage fee from the time of such termination until the Aircraft is permanently removed from the Premises; and (c) Aircraft Owner shall maintain the insurance coverage described in Section 4 above until the Aircraft is permanently removed from the Premises.

7. **Additional Limitations and Conditions.** This Addendum grants only a limited, temporary license on the terms and conditions expressly stated herein. Nothing herein shall be construed to create or convey (and Buyer and Aircraft Owner hereby disclaim) any leasehold interest, right of exclusive possession, or other legal or equitable interest with respect to the Hangar or the Premises by virtue of this Addendum. The rights of the licensee with respect to the Pre-Closing License may not be assigned, sold, sublicensed, transferred, leased, pledged or mortgaged without Seller's and Ridgeline's prior written consent. Seller and Ridgeline reserve all rights and privileges that are not inconsistent with the limited rights expressly granted by Seller or Ridgeline in this Addendum.
8. **Execution.** This Addendum may be executed in multiple counterparts, all of which together shall constitute one and the same instrument. For purposes of the execution of this Addendum, the electronic transmission of a signed counterpart via email, fax or a commonly-used electronic signature service such as DocuSign® or dotloop® shall have the same effect as the delivery of an original signature.

**BUYER:**

\_\_\_\_\_  
(Name of Buyer)

By: \_\_\_\_\_

Print: \_\_\_\_\_

Office/Title: \_\_\_\_\_

Date: \_\_\_\_\_

**AIRCRAFT OWNER:**

\_\_\_\_\_  
(Name of Aircraft Owner)

By: \_\_\_\_\_

Print: \_\_\_\_\_

Office/Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SELLER:**

Centerline Properties, LLC, by:

By: \_\_\_\_\_  
(Grayson Sperry, President)

Date: \_\_\_\_\_

**RIDGELINE:**

Ridgeline Aviation Inc., by:

By: \_\_\_\_\_  
(Grayson Sperry, President)

Date: \_\_\_\_\_

*Cover page for:*

# **AUCTION EXHIBIT D**

## **Preliminary Title Insurance Schedules & form of Leasehold Endorsement**

*For sealed bid auction, with 5/10/2023 bid deadline, conducted by:*

**Schrader Real Estate and Auction Company, Inc.**

*On behalf of:*

**Centerline Properties, LLC**

*With respect to:*

**Commercial Hangar and Ground Lease  
at 210 Aviation Lane, Belgrade, Montana in Gallatin County  
(Bozeman Yellowstone International Airport)**

*Contents:*

- **Preliminary title insurance schedules (preliminary Schedules A, B-I & B-II) prepared by Montana Title & Escrow, Inc., dated March 15, 2023, and identified by reference to File Number M-36780;**
- **Form of Leasehold Endorsement (ALTA Endorsement 13-06).**

**Note: Copies of all recorded documents referenced in the preliminary Schedule B-II are posted to the auction website at [www.schraderauction.com/auctions/8424](http://www.schraderauction.com/auctions/8424) (except Financing Statement and Deed of Trust, which are to be released from the Property and removed from the Final Title Policy).**

**COMMITMENT - SCHEDULE A**

1. Commitment Date: March 15, 2023 at 7:30AM

2. Policy or Policies to be Issued:	Liability	Premium
<b>2021 ALTA Standard Owners Policy</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>PROPOSED INSURED:</b>		
<b>TBD</b>		
<b>ALTA 13-06/CLTA 119.5-06 Leasehold</b>		<b>\$0.00</b>

3. The estate or interest in the Land described at the Commitment Date is:

**Leasehold**

4. The Title is, at the Commitment Date, vested in:

**Centerline Properties, LLC, a Montana limited liability company**

and, as disclosed in the Public Records, has been since

5. The land is described as follows:

**See Exhibit "A" Attached For Legal Description**

**Inquiries should be directed to:**

Montana Title & Escrow, Inc.  
1925 N. 22nd Avenue  
Suite 102  
Bozeman, MT 59718

Escrow Officer: Candace Elser  
Title Officer: Rick Schultz  
Phone: (406) 587-7702  
Fax: (406) 587-2891

## **Exhibit "A"**

### **Legal Description**

A LEASEHOLD ESTATE AS CREATED IN COMMERCIAL HANGAR GROUND LEASE AGREEMENT BY AND BETWEEN THE GALLATIN AIRPORT AUTHORITY, AS THE "AUTHORITY", AND CENTERLINE PROPERTIES, LLC, AS THE "LESSEE", RECORDED AUGUST 1, 2018 AS DOCUMENT NO. 2621854, RECORDS OF GALLATIN COUNTY, MONTANA. SAID LEASEHOLD ESTATE IN GROUND ONLY UNTIL TERMINATION OF SAID ESTATE AS TO THE FOLLOWING DESCRIBED PROPERTY:

A TRACT OF LAND LOCATED IN THE NE1/4 OF SECTION 7, TOWNSHIP 1 SOUTH, RANGE 5 EAST, P.M.M., GALLATIN COUNTY, MONTANA. SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 7, TOWNSHIP 1 SOUTH, RANGE 5 EAST; THENCE SOUTH 64°18'13" EAST A DISTANCE OF 4227.26 FEET TO THE POINT OF BEGINNING;  
THENCE NORTH 45°33'39" EAST A DISTANCE OF 138.90 FEET;  
THENCE SOUTH 44°26'21" EAST A DISTANCE OF 287.00 FEET;  
THENCE SOUTH 45°33'39" WEST A DISTANCE OF 138.90 FEET;  
THENCE NORTH 44°26'21" WEST A DISTANCE OF 287.00 FEET TO THE POINT OF BEGINNING.

## **SCHEDULE B - Part I REQUIREMENTS**

The following requirements must be met and completed to the satisfaction of the Company before its Policy of Title Insurance will be issued:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to the be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. WE REQUIRE A FULLY EXECUTED COPY OF THE BUY/SELL AGREEMENT BE PROVIDED TO THE TITLE COMPANY PRIOR TO CLOSING THIS TRANSACTION.
6. A HIGH LIABILITY CLEARANCE MUST BE OBTAINED PRIOR TO THE CLOSE OF ESCROW. PLEASE ADVISE AS SOON AS POSSIBLE AS TO WHAT THE PARTICULARS OF THE TRANSACTION ARE, INCLUDING ENDORSEMENTS REQUIRED AND, IF THERE IS TO BE A LOSS OF PRIORITY, FINANCIAL INFORMATION ON THE BORROWER AND THE WORK IN PROGRESS.
7. THE REQUIREMENT THAT WE BE PROVIDED WITH A COPY OF THE OPERATING AGREEMENT AND ANY AMENDMENTS THERETO FOR CENTERLINE PROPERTIES, LLC,, A MONTANA LIMITED LIABILITY COMPANY.
8. TO REMOVE EXCEPTION NO(S). 17 AND 18 OF SCHEDULE B-SECTION II SPECIAL EXCEPTIONS HEREOF, THE COMPANY REQUIRES PAYMENT, SATISFACTION, CANCELLATION, RELEASE OR OTHER DISPOSITION OF SAID MORTGAGE.
9. **IT IS REQUIRED THERE BE AN ASSIGNMENT OF LEASE AND BILL OF SALE FROM THE SELLER TO THE PURCHASER, ALONG WITH THE CONSENT FROM THE GALLATIN AIRPORT AUTHORITY, AS LESSOR, FOR THE PROPOSED TRANSFER.**

**\*\*\*PLEASE NOTE: THE ASSIGNMENT OF LEASE AND BILL OF SALE MUST BE RECORDED WITH THE GALLATIN COUNTY CLERK AND RECORDER.**

## SCHEDULE B - Part II EXCEPTIONS

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.**

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met
2. Rights or Claims of parties in possession not shown by the public records.
3. Easements or claims of easements not shown by the public records.
4. Discrepancies, conflicts in boundary lines, encroachments, overlaps, variations or shortage in area or content, party walls and any other matters that would be disclosed by a correct survey and/or physical inspection of the land.
5. Any lien, or right to lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public record.
6. Any water or well rights, or rights or title to water or claims thereof, in, on or under the land.
7. GENERAL TAXES FOR THE YEAR 2023, A LIEN IN THE PROCESS OF ASSESSMENT, NOT YET DUE OR PAYABLE.  
  
TAX NOTE:  
TAXES, SPECIAL AND GENERAL, ASSESSMENT DISTRICTS AND SERVICE AREAS, FOR THE YEAR 2022. PARCEL NO. RFF81308 (IMPROVEMENTS ONLY).  
1ST INSTALLMENT:     \$2,467.45     PAID  
2ND INSTALLMENT:     \$2,467.44     PAID
8. ALL RIGHTS, TITLES OR INTERESTS IN MINERALS OF ANY KIND, OIL, GAS, COAL, OR OTHER HYDROCARBONS AND THE CONSEQUENCES OF THE RIGHT TO MINE OR REMOVE SUCH SUBSTANCES INCLUDING, BUT NOT LIMITED TO EXPRESS OR IMPLIED EASEMENTS AND RIGHTS TO ENTER UPON AND USE THE SURFACE OF THE LAND FOR EXPLORATION, DRILLING OR EXTRACTION RELATED PURPOSES

(THIS COMMITMENT OR POLICY DOES NOT PURPORT TO DISCLOSE DOCUMENTS OF RECORD PERTAINING TO THE ABOVE REFERENCED RIGHTS.)

9. RIGHT OF WAY EASEMENT AS GRANTED TO THE MONTANA POWER COMPANY, RECORDED NOVEMBER 16, 1937 IN BOOK 11 OF MISC., PAGE 545, AND DEED CONVEYING ALL EXISTING EASEMENTS TO NORTHWESTERN CORPORATION, RECORDED DECEMBER 4, 2002 AS DOCUMENT NO. 2089795, OFFICIAL RECORDS.
  10. DISCLOSURES IN WARRANTY DEED RECORDED , RECORDED APRIL 05, 1946, FILM/BOOK 93, PAGE 185, OFFICIAL RECORDS.
  11. RIGHT OF WAY EASEMENT AS GRANTED TO THE MONTANA POWER COMPANY, RECORDED MAY 01, 1975, AS FILM/BOOK 28, PAGE 675 AND 676, AND DEED CONVEYING ALL EXISTING EASEMENTS TO NORTHWESTERN CORPORATION, RECORDED DECEMBER 4, 2002 AS DOCUMENT NO. 2089795, OFFICIAL RECORDS.
  12. AVIGATION EASEMENT FROM STATE OF MONTANA, DEPARTMENT OF HIGHWAYS TO GALLATIN AIRPORT AUTHORITY, RECORDED JANUARY 02, 1985, FILM/BOOK 86, PAGE 583, OFFICIAL RECORDS.
  13. EASEMENT TO U.S. WEST COMMUNICATIONS, INC, RECORDED SEPTEMBER 17, 1996 IN FILM 166, PAGE 3793, OFFICIAL RECORDS.
  14. THE EFFECT OF ANY FAILURE TO COMPLY WITH THE TERMS, COVENANTS, CONDITIONS AND PROVISIONS OF THE LEASE, SUBLEASES, AND ANY AMENDMENTS THERETO.
  15. ANY FACTS, RIGHTS, INTEREST OR CLAIMS WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS BUT WHICH COULD BE ASCERTAINED BY MAKING INQUIRY OF THE LESSORS, LESSEES, AND THEIR SUCCESSORS IN INTEREST.
  16. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE AGREEMENT ENTITLED "COMMERCIAL HANGAR GROUND LEASE AGREEMENT", BY AND BETWEEN GALLATIN AIRPORT AND CENTERLINE PROPERTIES, LLC, DATED AUGUST 1, 2018, RECORDED AUGUST 1, 2018, AS (INSTRUMENT) 2621854, OFFICIAL RECORDS.
- LANDLORD'S RELEASE AND CONSENT RECORDED APRIL 27, 2021 AS DOCUMENT NO. 2731199, OFFICIAL RECORDS.
17. A FINANCING STATEMENT RECORDED IN THE OFFICE OF THE COUNTY RECORDER, SHOWING CENTERLINE PROPERTIES, LLC, AS DEBTOR, AND AMERICAN BANK, AS SECURED PARTY, RECORDED AUGUST 16, 2018, (INSTRUMENT) 2623399, OFFICIAL RECORDS.
  18. DEED OF TRUST TO SECURE AN INDEBTEDNESS OF \$ [REDACTED], DATED APRIL 19, 2021, RECORDED APRIL 27, 2021, AS (INSTRUMENT) 2731198, OFFICIAL RECORDS.

TRUSTOR: CENTERLINE PROPERTIES, LLC,, A MONTANA LIMITED LIABILITY COMPANY  
TRUSTEE: SECURITY TITLE COMPANY  
BENEFICIARY: AMERICAN BANK

AN AGREEMENT TO MODIFY THE TERMS AND PROVISIONS OF SAID DEED OF TRUST RECORDED NOVEMBER 10, 2021, AS (INSTRUMENT) 2757798, OFFICIAL RECORDS.

\*\*\*\*\* END OF SCHEDULE B \*\*\*\*\*

\*\*\* INFORMATIONAL NOTES:

THE POLICY TO BE ISSUED CONTAINS AN ARBITRATION CLAUSE. ALL ARBITRABLE MATTERS WHEN THE AMOUNT OF INSURANCE IS \$2,000,000 OR LESS SHALL BE ARBITRATED AT THE OPTION OF EITHER THE COMPANY OR THE INSURED AS THE EXCLUSIVE REMEDY OF THE PARTIES. YOU MAY REVIEW A COPY OF THE ARBITRATION RULES



AT ~WWW.ALTA.ORG~.

IF THE PROPOSED INSURED UNDER THE POLICY TO ISSUE HAS ANY QUESTIONS CONCERNING THE COVERAGE OR EXCLUSIONS FROM COVERAGE, THE COMPANY WILL BE PLEASED TO PROVIDE AN EXPLANATION. PLEASE CONTACT THE TITLE OFFICER NAMED ON SCHEDULE A OF THIS COMMITMENT.

ADDRESS: 210 Aviation Lane, Belgrade, MT 59714

IMPORTANT NOTICE- ACCEPTABLE TYPES OF FUNDS

ANY FUNDS DEPOSITED FOR THE CLOSING MUST BE DEPOSITED INTO THE ESCROW DEPOSITORY AND CLEARED PRIOR TO DISBURSEMENT.

ALL FUNDS DEPOSITED MUST BE BY WIRE, CASHIERS CHECK, OFFICIAL CHECK OR PERSONAL CHECK. REQUIRED TIME NECESSARY TO CLEAR EACH TYPE OF FUNDS WILL VARY.

IMPORTANT NOTE: PLEASE BE ADVISED THAT ESCROW HOLDER DOES NOT ACCEPT CASH, MONEY ORDERS, ACH TRANSFERS OR ANY FOREIGN CHECKS.

PLEASE CONTACT ESCROW REGARDING QUESTIONS ON TYPE OF FUNDS REQUIRED IN ORDER TO FACILITATE THE PROMPT CLOSING OF THIS TRANSACTION.

**ENDORSEMENT**

Attached to Policy No. \_\_\_\_\_

Issued by

**BLANK TITLE INSURANCE COMPANY**

1. As used in this endorsement, the following terms shall mean:
  - a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
  - b. "Lease": the lease described in Schedule A.
  - c. "Leasehold Estate": the right of possession granted in the Lease for the Lease Term.
  - d. "Lease Term": the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
  - e. "Personal Property": property, in which and to the extent the Insured has rights, located on or affixed to the Land on or after Date of Policy that by law does not constitute real property because (i) of its character and manner of attachment to the Land and (ii) the property can be severed from the Land without causing material damage to the property or to the Land.
  - f. "Remaining Lease Term": the portion of the Lease Term remaining after the Insured has been Evicted.
  - g. "Tenant Leasehold Improvements": Those improvements, in which and to the extent the Insured has rights, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.
2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction of the Insured, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

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3. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 2 of this endorsement, any other endorsement to the policy, or Section 8(a)(ii) of the Conditions:

- a. The reasonable cost of (i) removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, (ii) transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, (iii) repairing the Personal Property damaged by reason of the removal and relocation, and (iv) restoring the Land to the extent damaged as a result of the removal and relocation of the Personal Property and required of the Insured solely because of the Eviction.
  - b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
  - c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
  - d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
  - e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
  - f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.
  - g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping.
4. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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[Witness clause optional]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
Authorized Signatory

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