STATE OF MONTANA STANDARD LEASE CONTRACT
(Lease Template last revised February 24, 2016)

This lease #6443-B is made by and between the State of Montana, Department of Corrections, PO Box 201301, 5 S. Last Chance Gulch, Helena, Montana, 59601, "Lessee," and Plains Plaza, LLC, 309 Klein Ave, Glasgow, Montana, 59230, "Lessor."

1. PURPOSE OF LEASE

The Lessee has a need to lease space in Glasgow, Montana, for the purpose of department business. The Lessor has space available for lease in Glasgow, Montana, suitable for the stated purpose.

Effective October 1, 2016, this lease replaces lease #6443-A between the Montana Department of Corrections and Plains Plaza, LLC. Effective October 1, 2016, lease #6443-A terminates with no binding effect on the parties.

2. PREMISE DESCRIPTION

The space being leased (leased premise) is approximately 1,800 square feet, and includes the right to use common areas within the leased premise. The leased premise is located at 312 1st Alley North, Glasgow, Montana.

3. TERM OF LEASE

The lease term is seven years, effective October 1, 2016 through September 30, 2023, unless earlier terminated as provided in Sections 13, 18, 19, 21 or 22 of this lease.

4. CONSIDERATION

The annual amount of rent the Lessee shall pay to the Lessor is $32,400.00, payable in equal monthly installments of $2,700.00. This reflects a rate of approximately $18.00 per square foot per year.

The Lessee shall make monthly lease payments without the need for a separate invoice from the Lessor. The lease payments are due on the first business day of the month. Lessor may request payments be made by electronic funds transfer by submitting a completed Standard Form 1199A (Direct Deposit Sign-Up Form) to the Lessee. Such an election shall remain in force until cancelled

5. RENEWAL OPTION

All lease renewals are subject to prior approval by the Department of Administration as provided in Section 26.

6. UTILITIES AND SERVICES

The Lessor shall provide all utilities, including water, gas, electricity, heat, grounds maintenance, building maintenance, garbage removal, sewer use charges and weed and pest control.

The Lessor shall re-key all access doors and provide adequate keys for the space at Lessor expense prior to occupancy. After occupancy, the Lessee shall be responsible for lost keys or re-keying if claim is caused by Lessee.

The Lessor shall provide janitorial services as listed in Attachment "A," at Lessor's expense.

The Lessee shall provide its own office equipment, telecommunications equipment and installation, and is responsible for all use charges related to the equipment/service.

7. PARKING SPACE

Lessor shall provide adequate parking spaces, including the requisite number of handicapped spaces in compliance with the Americans With Disabilities Act, as part of the leased premise at no additional charge or cost to the Lessee.

8. PARKING AREA AND SIDEWALK MAINTENANCE

Lessor shall keep the parking area and sidewalks in good repair and timely remove snow, ice, sand, gravel and debris from the parking area and sidewalks.

9. NOTICE PROTOCOL

Any notice or demand required or permitted to be given under this lease must be in writing. Written notice shall be deemed given when hand delivered, when mailed by first class mail, postage prepaid, to the addresses specified in this section, or by e-mail with confirmation of delivery.

The Lessor's address for purpose of receiving demand or notice is Plains Plaza, LLC, 309 Klein Ave, Glasgow, Montana, 59230.

The Lessor's representative for purposes under this lease is John Arneson, 309 Klein Ave, Glasgow, Montana, 59230, telephone (406) 263-2046, e-mail address: leaharneson0@gmail.com.

The Lessee's address for the purpose of receiving demand or notice is the State of Montana, Department of Corrections, PO Box 201301, 5 S. Last Chance Gulch, Helena, Montana, 59601.

The Lessee's representative for purposes under this lease is Mike Barthel, 1465 Hwy 2 NW, Suite

F, Havre, MT 59501, telephone (406) 265-9718 x204, e-mail address: mbarthel@mt.gov.

If either party changes its address or contact person, it must notify the other party in writing at the address provided in this section.

10. QUIET ENJOYMENT

The Lessee has the right to quiet and peaceful enjoyment and utilization of the leased premise for the term of this lease upon paying rent as provided and upon Lessee's adherence to performance conditions set forth in this lease.

11. ACCESS FOR MAINTENANCE/INSPECTION

Upon prior notice, the Lessee shall permit the Lessor or its agent to enter into and upon the leased premise at all reasonable times to: (a) maintain or inspect the leased premise or (b) make repairs, alterations or additions to any portion of the leased premise, including, but not limited to, the installation and maintenance of scaffolding, canopies, fences, or props as may be needed.

12. MAINTENANCE OF LEASED PREMISE

Lessor shall, at its cost and expense, keep and maintain in good working order and repair during the term of this lease or any extension thereof, the following: (a) the exterior of the leased premise including the roof; (b) the foundation; (c) all landscaping including sprinkler systems if any; mowing of the grass, weed and tree/bush control; (d) the interior, including all fixtures in the building (except those owned by the Lessee); and (e) all plumbing, heating, ventilation, air conditioning, window treatments/blinds and electrical circuits. The Lessor, at its cost and expense, shall be responsible for the replacement of light bulbs, fluorescent tubes and other lighting elements and shall do so within seven working days after notification.

The Lessee shall notify the Lessor in writing immediately of any damage or need for repair. Lessor shall make or cause to be made the necessary repairs as soon as possible after receiving notice. The Lessee shall be financially responsible only in cases of damages resulting from the Lessee's negligence or that of its employees.

Should the Lessor fail to make or begin to make necessary repairs within 30 days of notification of damages by the Lessee to the Lessor, the Lessee may then make necessary repairs at the Lessor's expense at the lowest reasonable cost.

An itemized statement of repairs made by the Lessee under this section, including verification of labor and material, may be tendered in lieu of full or partial payment of rent due for the succeeding months until the cost of the work performed is fully credited against rent due under this lease.

13. CASUALTY OR FIRE DAMAGE

If the leased premise becomes 25% or more destroyed or made uninhabitable, or if the premise is condemned by a proper authority, this lease may be terminated, without incurring liability, by the Lessee.

If the leased premise is less than 25% destroyed or made uninhabitable, the rent shall be reduced by the proportion the premise has been rendered uninhabitable or declared unsafe.

If the leased premise is not restored, or cannot be restored, and returned to proper condition for use and occupancy within 15 days of the casualty, then either the Lessor or the Lessee may terminate this lease, without incurring liability, on 10 days' written notice to the other party.

Upon written notice of termination under this section, the Lessor shall refund any unearned rent paid by the Lessee, and the Lessee shall have no further obligation to the Lessor under this lease. Lessor shall continue to insure the premise until Lessee's personal property is removed from the premise. The Lessee shall have 30 days after termination of this lease to remove its property from the premise.

14. ALTERATIONS TO LEASED PREMISE

The Lessee shall not alter the leased premise without the Lessor's prior written consent.

Lessor shall provide, at its expense, window blinds, shades and treatments.

15. SIGNS

The Lessor shall provide and install on the exterior of the leased premise a mutually acceptable sign or signs to advertise the Lessee's presence in and on the leased premise at Lessee's expense.

16. HOLD HARMLESS AND INDEMNIFICATION CLAUSE

The Lessor agrees to protect, defend, and save the Lessee, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Lessor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Lessor and/or its agents, employees, representatives, assigns and sublessors under this lease.

17. INSURANCE SPECIFICATIONS

a. Property

At its sole cost and expense, the Lessor shall keep the building and all other improvements on the premise insured throughout the term of the agreement against the following hazards:

- Loss or damage by fire and such other risks (not including earthquake damage) in an amount sufficient to permit such insurance to be written at all times on a replacement costs basis. This may be insured against by attachment of standard form extended coverage endorsement to fire insurance policies.

- Loss or damage from leakage or sprinkler systems now or hereafter installed in any building on the premise.

  - Loss or damage by explosion of steam boilers, pressure vessels, and oil or gasoline storage tanks, or similar apparatus now or hereafter installed in a building or buildings on the premise.

b. General Liability

General Liability: the Lessor shall purchase Occurrence coverage with combined single limits of $1 million per occurrence/$2 million aggregate per year for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location or the general aggregate limit shall be twice the required occurrence limit. This insurance must be from an insurer licensed to do business in Montana or a domiciliary state and with a Best's rating of no less than A-. The Lessor must provide 30 days written notice to the Lessee of any material change in coverage including cancellation and the Lessee reserves the right to request copies of the Lessor's insurance coverage at any time. The State, its officers, officials, employees, and volunteers are to be covered as additional insureds for liability arising out of activities performed by or on behalf of the Lessor, including the insured's general supervision of the Lessor, products and completed operations; and the premise owned, leased, occupied, or used.

The Lessor's insurance coverage shall be primary insurance as respects the Lessee, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Lessee, its officers, officials, employees, or volunteers shall be excess of the Lessor's insurance and shall not contribute with it.

18. COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAWS

The Lessor shall comply with all applicable state and federal laws. This includes, but is not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of

1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, PL 101-336, Section 504 of Rehabilitation Act of 1973, the Patient Protection and Affordable Care Act, [P.L. 111-48, 124 Stat. 119], if applicable, and 18-5-401, MCA et seq. concerning the Blind Enterprise Program's vending facility rules. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016, Lessor agrees that (i) the hiring of persons, if any, to perform this Lease will be made on the basis of merit and qualifications and (ii) there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this lease.

The Lessor shall comply with the Montana Occupational Safety and Health Act (MCA 50-71-111 et seq.) and all rules adopted thereunder. The Lessor further agrees to comply with the ordinances and laws of the City of Glasgow, and the State of Montana, affecting the use of the premise and to assume all legal responsibility for any charges or damages for non-observance.

The Lessor shall provide the Department of Administration, the Legislative Auditor or their authorized agents access to any records concerning this lease. A state agency may terminate a contract, without incurring liability, for the refusal of a nonstate entity to allow access to records as required in MCA 18-1-118.

The Lessor shall retain all records supporting the services rendered or goods delivered for a period of eight years after either the completion date of this lease or the conclusion of any claim, litigation or exception relating to this lease taken by the state of Montana or a third party.

The Lessor warrants that the space is ADA accessible and compliant.

19. ENVIRONMENTAL HAZARDS

The Lessor hereby represents and warrants that no leak, spill, release, discharge, emission or disposal of hazardous or toxic substances has occurred on the leased premise to date and that the soil and groundwater on or under the leased premise are free of toxic or hazardous substances as of the date that the term of this lease commences.

The Lessor represents and warrants that the leased premise shall be free of all asbestos containing materials, except undamaged vinyl asbestos floor tile in the premise or undamaged boiler or pipe insulation outside the leased premise. Radon levels in the leased premise shall not equal or exceed the Environmental Protection Agency (EPA) action level for homes or 4 Pico curies per liter (PCI/L).

If, at any time, the Lessee determines that the leased premise poses a significant environmental hazard to its employees, this lease may be terminated, without incurring liability, with a

minimum of 10 days' written notice.

20. HOLDOVER TENANCY

If the Lessee holds the premise beyond the terms of this lease, in the absence of a written agreement to the contrary, it shall be deemed a month-to-month tenancy subject to all terms and conditions of this lease. This holdover tenancy may be terminated, without incurring liability, at any time by either the Lessor or the Lessee by means of a 30 days' written notice delivered prior to the beginning of the final month.

21. TERMINATION FOR LACK OF FUNDING

The Lessor acknowledges, understands, and agrees that the Lessee, as a state agency, is dependent upon state and federal appropriations for its funding. If state or federal government funds are not appropriated or otherwise made available to support continued performance of this lease in subsequent fiscal periods, the Lessee shall terminate this lease. The Lessee shall provide Lessor the date Lessee's termination shall take effect. The Lessee shall not be liable to the Lessor for any rental payment that would have been payable had the lease not been terminated under this provision. The Lessee shall be liable to the Lessor only for the rental payment, or prorated portion of that payment, owed to the Lessor under Section 4 up to the date the Lessee's termination takes effect. This is the Lessor's sole remedy. Lessee shall not be liable to the Lessor for any other payments or damages, including but not limited to general, special or consequential damages such as lost profits.

22. DEFAULT

If either party to this lease defaults in the performance of any term or condition of this lease, the other party may give the defaulting party notice of the default. The notice shall specify the action required to correct the default and a period of time, not less than 30 days, within which to correct the default. If the default is not corrected within the time specified in the notice, the party not in default may terminate this lease without further obligation under this lease, other than obligations incurred or accrued to the date of termination, and pursue the remedies available under Montana law.

At the expiration or termination of this lease or any extension of it, the Lessee will vacate and surrender the premise to the Lessor in as good condition and repair as when it took possession, reasonable wear and tear excepted. All property and fixtures placed in the premise by the Lessee or owned by the State of Montana may be removed by the Lessee within 30 days of termination.

23. SEVERABILITY

If any term or provision of this lease is held to be illegal, void or in conflict with any Montana law, the validity of the remaining terms and conditions shall not be affected. The rights and

obligations of the parties shall be construed and enforced as if this lease did not contain the particular term, condition, or provision held to be invalid.

24. VENUE AND INTERPRETATION

The Lessor and Lessee agree that this lease shall be governed and interpreted according to the laws of the State of Montana. If a lease dispute arises, the proper venue for the hearing of the case is the District Court of the First Judicial District of the State of Montana, in and for the County of Lewis and Clark.

25. SUCCESSORS

All rights and liabilities herein given to or imposed upon both parties shall extend to, be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

26. LEASE APPROVAL

This entire lease, in addition to any change, alteration, or renewal thereof, addendum, amendment, sublease or letter of understanding, is subject to prior approval by the Department of Administration.

27. ENTIRE LEASE/AMENDMENT

This lease, consisting of 12 pages, sections 1 through 29, the attached Janitorial Specifications, the Scope of Remodel and the Floor Plan, contains the entire contract between the Lessor and the Lessee. Any agreement hereafter made shall not be effective to modify this lease unless it is in writing and signed by both parties and the Department of Administration.

28. SUBLEASE

Subject to prior approval by the Department of Administration as provided in section 26, Lessee shall have the right to sublet the premise to a sublessee, with the consent of the Lessor, which consent shall not be unreasonably withheld.

29. SMOKE FREE ENVIRONMENT

The Lessor shall make all parts of the leased premise smoke-free. "Smoke" means smoke from a lighted cigar, cigarette, or pipe or any other lighted tobacco product as defined in 50-40-103, MCA.

IN WITNESS HEREOF, all parties have entered into and executed this Lease on the dates stated below:

PARTIES TO THE LEASE

Lessee

By: _____ 7/15/16
Mike Batista, Director — Date
Department of Corrections

Lessor

By: _____ 8/15/16
John Arneson, Member — Date
Plains Plaza, LLC

APPROVED BY:

By: _____ July 11, 2016
Garett M. Bacon, Leasing Officer — Date
Department of Administration, General Services Division

By: _____ July 12, 2016
Mike Manion, Chief Legal Counsel — Date
Department of Administration

By: _____ 8/4/16
Dan Villa — Date
OBPP Director/Designee

By: _____ 8/4/16
Sheila Hogan, Director — Date
Department of Administration

ATTACHMENT "A"
JANITORIAL SPECIFICATIONS

All janitorial work, equipment and supplies necessary to accomplish the duties described will be furnished by the Lessor.

1. The janitorial supply list includes but is not limited to:
   a. Hand towels and toilet tissue;
   b. Restroom hand soap for dispensers;
   c. Trash can liners; and
   d. Entrance or walk-off mats.

2. Two Times Per Week Requirements:
   a. Floor sweeping and damp mopping all tiled areas.
   b. Clean and sanitize plumbing fixtures, and toilet rooms (sinks, showers, toilets, mirrors, etc.)
   c. Vacuum carpet, using industrial type vacuum cleaner with a power head in entrance area and hallways.
   d. Remove all trash from building.
   e. Cleaning supplies: re-stock toilet tissue, towels, soap, etc. in restrooms.

3. Weekly Requirements:
   a. Vacuum all areas of carpeting.
   b. Clean interior glass by each doorway.

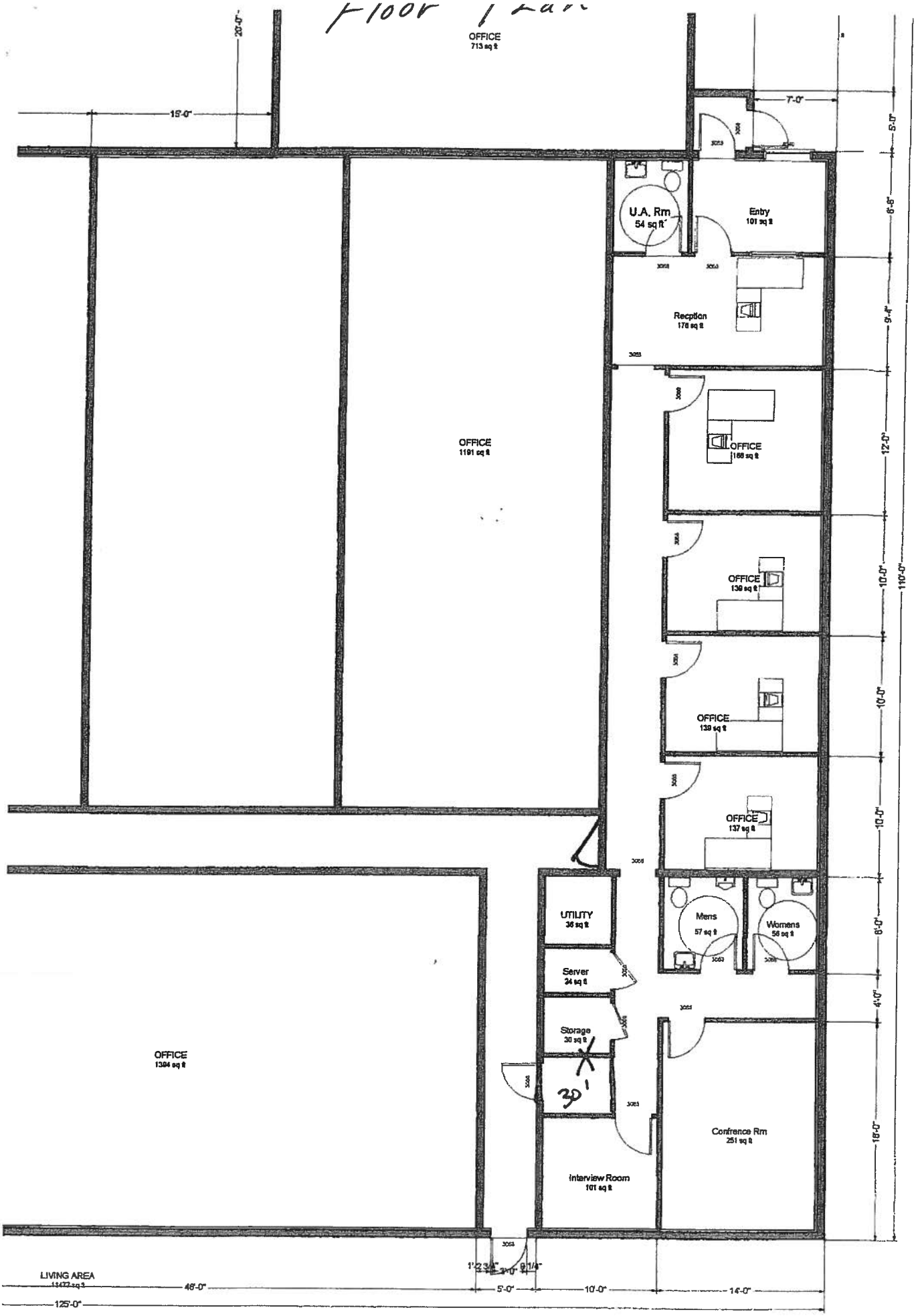
4. Quarterly Requirements:
   a. Complete dusting of all offices.

5. Semi-annual Requirements:
   a. Glass Cleaning - all interior/external windows and window dressings (shades, curtains, blinds) in space leased by the Lessee (October and May).
   b. Carpet Cleaning - all carpeted areas in space leased by the Lessee shall be cleaned using professional process carpet cleaning equipment.
   c. Clean all light fixtures.

Scope of Remodel

- Install a new UA/public restroom in lobby area
- Install staff bathrooms (male/female) at the rear of the office space, or south side.
- Remodel empty space into new office space
- Install steel doors in entrance area to reception area and evidence room
- Add a sink and a counter top in the conference room
- Add bullet proof sheeting and bullet proof glass at the entrance and portions of wall of the Lobby

Floor Plan


OFFICE
713 sq ft
15'-0"
20'-0"
7'-0"
5'-0"
U.A. Rm
54 sq ft
Entry
101 sq ft
Reception
178 sq ft
OFFICE
1191 sq ft
OFFICE
168 sq ft
OFFICE
139 sq ft
OFFICE
139 sq ft
OFFICE
137 sq ft
Mens
57 sq ft
Womens
56 sq ft
UTILITY
36 sq ft
Server
34 sq ft
Storage
30 sq ft
3D
OFFICE
1384 sq ft
Confrence Rm
251 sq ft
Interview Room
101 sq ft
LIVING AREA
46'-0"
5'-0"
10'-0"
14'-0"
125'-0"
110'-0"