

2nd_AMENDMENT TO LEASE #6407-C
(Amendment Template last revised April 29, 2021)

This 2nd Amendment to Lease #6407-C ("Lease") for Probation and Parole space at 301 1st Street South in Shelby is made by and between the State of Montana, Department of Corrections, PO Box 201301, 5 S. Last Chance Gulch, Helena, Montana, 59620, "Lessee" and Turner and Iverson, 301 First Street South, Shelby, Montana, 59474, "Lessor."

The purposes of this Amendment are to (i) extend the lease through June 30, 2025; and (ii) modify the consideration paid.

The parties agree to amend the Lease as follows (new language underlined, old language interlined):

3. TERM OF LEASE

The lease term is ~~five years, effective~~ July 1, 2013, through June 30, ~~2024~~ 2025, unless earlier terminated as provided in Sections 13, 18, 19, 21 or 22 of this lease.

4. CONSIDERATION

Beginning July 1, 2021, the annual amount of rent the Lessee shall pay to the Lessor is ~~\$8,880.00~~ \$9,324.00, payable in equal monthly installments of ~~\$740.00~~ \$777.00. This reflects a rate of approximately ~~\$8.88~~ \$9.32 per square foot per year.

Except as expressly amended herein, all the terms and conditions of the Lease, including all prior amendments, remain in effect.

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All parties have entered into and executed this Amendment on the dates stated below:

PARTIES TO THE LEASE

Lessee

DocuSigned by:
By: Brian Gootkin 6/21/2021
3860A08642B043F...
Brian Gootkin, Director Date
Montana Department of Corrections

Lessor

DocuSigned by:
By: Dwaine Iverson 9/24/2021
3CBF088B233E4AD...
Dwaine Iverson, Partner Date
Turner and Iverson, General Partnership

APPROVED BY:

DocuSigned by:
By: Garett M. Bacon 6/18/2021
DE2F3B08CD084C0...
Garett M. Bacon Date
Leasing Officer, Department of Administration, General Services Division

DocuSigned by:
By: Mike Manion 6/18/2021
8E2DE9301B4E4EF...
Mike Manion Date
Department of Administration Chief Legal Counsel

DocuSigned by:
By: Christine Hultin 6/22/2021
EDC7654C9FDA4CB...
Office of Budget and Program Planning Date

DocuSigned by:
By: Misty Ann Giles 9/3/2021
4EE6E5C45FE0409...
Misty Ann Giles, Director Date
Department of Administration

1st AMENDMENT TO LEASE #6407-C
(Amendment Template last revised January 23, 2017)

This 1st Amendment to Lease #6407-C ("Lease") for Probation and Parole space at 301 1st Street South in Shelby is made by and between the State of Montana, Department of Corrections, PO Box 201301, 5 S. Last Chance Gulch, Helena, Montana, 59620, "Lessee" and Turner and Iverson, 301 First Street South, Shelby, Montana, 59474, "Lessor."

The purpose of this Amendment is to extend the lease through June 30, 2021 at the current rate of \$8.88 per gross square foot per year.

The parties agree to amend the Lease as follows (new language underlined, old language interlined):

4. TERM OF LEASE

The lease term is ~~five years, effective~~ July 1, 2013, through June 30, 2021 ~~2018~~, unless earlier terminated as provided in Sections 13, 18, 19, 21 or 22 of this lease.

Except as expressly amended herein, all of the terms, covenants and conditions of the Lease, including all prior amendments, remain in effect.

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

PARTIES TO THE LEASE

Lessee

By: Reginald D. Michael 6/28/18
Reginald D. Michael, Director Date
Montana Department of Corrections

Lessor

By: Dwaine Iverson 7/14/18
Dwaine Iverson, Partner Date
Turner and Iverson, General Partnership

APPROVED BY:

By: Garett M. Bacon June 29, 2018
Garett M. Bacon Date
Leasing Officer, Department of Administration, General Services Division

By: Mike Manion June 24, 2018
Mike Manion Date
Department of Administration Chief Legal Counsel

By: Dan Villa 7/16/18
Dan Villa Date
OBPP Director/Designee

By: John Lewis 7.17.18
John Lewis, Director Date
Department of Administration

STATE OF MONTANA STANDARD LEASE CONTRACT
(Lease Template last revised January 3, 2013)

This lease #6407-C 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 Turner and Iverson, 301 First Street South, Shelby, Montana, 59474, "Lessor".

1. PURPOSE OF LEASE

The Lessee has a need to lease space in Shelby, Montana, for the purpose of conducting business operations relative to Probation & Parole services. The Lessor has space available for lease in Shelby, Montana, suitable for the stated purpose.

2. PREMISE DESCRIPTION

The space being leased (leased premise) is 1,000 square feet and includes the right to use common areas within the leased premise. The leased premise is located at 301 1st St. South, Shelby, Montana.

3. TERM OF LEASE

The lease term is five years, effective July 1, 2013, through June 30, 2018, 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 \$8,880.00, payable in equal monthly installments of \$740.00. This reflects a rate of approximately \$8.88 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 by Lessor with 30 days' advance written notice to the Lessee.

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 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 use charges related to said 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 to 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 Turner and Iverson, 301 First Street South, Shelby, Montana, 59474, "Lessor".

The Lessor's representative for purposes under this lease is Dwaine Iverson, telephone (406) 424-5272, e-mail address: djicpa@3rivers.net.

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, telephone (406) 265-9718, Ext. 204, 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 30 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 premise a mutually acceptable sign or signs to advertise the Lessee's presence in and on the 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 Bests 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 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 and 18-5-401, MCA et seq. concerning the Blind Enterprise Program's vending facility rules.

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 Shelby, 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

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