REQUEST FOR PROPOSALS (RFP)

for

LEASE OF THE 7TH AVENUE GYM PROPERTY

DEADLINE TO SUBMIT PROPOSALS: December 7, 2026, 1:00 P.M. MST

PROPOSALS MUST BE DELIVERED TO:

HELENA PUBLIC SCHOOLS
ATTN: SAMANTHA HOLMAN
1325 POPLAR STREET
HELENA, MT HPS

For information concerning the RFP process, required format and the schedule of activities, please direct questions to:

Samantha Holman, Director of Business Services
Helena Public Schools
sholman@helenaschools.org
1325 Poplar Street
Helena, MT HPS

Telephone: (406) 324-2040

KEY DATES

Important dates including proposal deadlines are shown below. Changes to these dates will be issued in a formal addendum to the known Proposers. Dates indicated are tentative and may be changed during the RFP process due to revision(s) of any part of the RFP because of questions from Proposers and/or the discovery of additional information after the proposal opening.

	Activity	Date
1.	Advertisement	November 7, 2026
2.	Deadline for Questions	November 21, 2026
3.	Distributions of RFP Amendments (if needed)	Ongoing
4.	Deadline to Submit Proposals	December 7, 2026 (1:00 pm)
5.	Proposal Opening	December 7, 2026 (1:00 pm)
6.	Notice of Intent to Award	December 15, 2026
7.	Board of Trustee Approval	January 12, 2027

PROPOSAL SUBMISSION CONTENTS

Proposals must include all information required by the following section:
(Reference Section XV)

LEASE PROPOSAL CONTENTS

1. Cover Letter
2. Table of Contents
3. Lease History
4. Use of Facility
5. Occupancy Schedule
6. Length of Lease
7. Payment Proposal
8. Improvements/Modifications
9. History
10. Other

I. REQUIREMENTS

Helena Public Schools (HPS) is soliciting proposals with the intent to lease the 7th Avenue Gym which sits behind Central School at the intersection of 7th and Cruse Avenues. HPS prefers that the use of the parcel would be mindful of its proximity to Central School.

HPS will not consider proposals for entities providing K-12 educational services, incarceration or detention center use, pre-release center services, drug rehabilitation services, gaming establishments, any establishments serving alcohol or any retail sales.

HPS will consider leasing based on the proposal that is most advantageous to HPS. The HPS Board of Trustees reserves the right to negotiate terms of the lease before any agreement is put into effect and reserves the right to refuse or reject any and all proposals.

HPS reserves the right to select tenants that best fit the overall objectives of HPS regarding compatible use, longevity and economic benefit.

II. PROPERTY DESCRIPTION

HELENA TOWNSITE 1869, S30, T10 N, R03 W, CENTRAL SCHOOL BLOCK 1 PER COS #3173575

(Individually and collectively referred to herein as “Property”.)

III. REQUEST FOR PROPOSAL

This RFP is issued in accordance with §18-4-304, Montana Code Annotated and MCA § 2.5.602, Administrative Rules of Montana. The RFP process is a procurement option allowing the award to be based upon stated criteria or evaluation factors.

Proposers may request an explanation of the intent or content of this RFP and clarification of procedures used for this procurement. No interpretation made to any Proposer as to the meaning of the RFP shall be binding on HPS unless repeated in writing and distributed as an addendum by HPS. Official written responses to all relevant written questions will be mailed or emailed by HPS.

Requests for written explanation or clarification shall be made in writing and submitted to Samantha Holman, Director of Business Services by email sholman@helenaschools.org, or mail to 1325 Poplar Street, Helena, MT 59601. All written questions or comments submitted via email or mail must include “Questions- Lease of 7th Avenue Gym Property” in the subject line or clearly marked on the outside of the envelope. Such requests must be received no later than November 21, 2026

Failure of Proposer to make appropriate inquiries, evaluate the property, or to verify requirements of this RFP shall not relieve Proposer of the responsibility of fulfilling lease agreement in accordance with the terms of this RFP.

Oral communication with any HPS employee, unit, department or organization concerning this RFP is not binding on HPS and shall in no way modify the RFP or the obligation of HPS or Proposer.

IV. AVAILABILITY AND SITE INSPECTION

The Property will be available for inspection from November 30 – December 4, 2026, not including weekends and holidays.

An on-site inspection of the Property should be made by all Proposers prior to submitting a proposal. An HPS representative may accompany the Proposer on said inspection. Proposers shall verify dimensions of the Property. Failure of the Proposers to visit and evaluate any special conditions, or to verify measurements, shall not relieve the successful Proposer of the responsibility of fulfilling the lease agreement in accordance with the award.

Site visits can be arranged with Wynter Banks at (406) 324-1723 or wbanks@helenaschools.org

V. ADDENDA TO RFP

In the event it becomes necessary to revise any part of this RFP, an addendum will be provided in writing to the known Proposers by HPS. No oral statements, explanations, or commitments by whomsoever made, shall be of any effect except as the same are confirmed in writing by HPS.

VI. ORAL PRESENTATION

Proposers selected for final evaluation may be required to make an oral presentation of their proposal(s). Such presentations provide an opportunity for the Proposer to clarify their proposal to ensure mutual understanding. HPS will schedule the time and location for these presentations.

VII. COMPLIANCE WITH LAWS

The Proposer must fully comply with all applicable federal, state, or local laws, rules and regulations, including, but 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 (and its amendments), and Section 504 of the Rehabilitation Act of 1973.

Subletting the facility after a lease agreement has been finalized is prohibited.

The Proposer shall also comply with HPS Board Policies, which can be accessed at https://helenaschools.org/board-of-trustees/policies/

VIII. ACCEPTANCE OF PROPOSALS

HPS reserves the right in this award to consider the longevity, availability, and suitability of the Proposer, as well as usage of the Property. HPS further reserves the right to accept or reject any proposal, to waive any irregularities or informalities, and to make this award in the best interest of HPS. Neither HPS nor any agent thereof on behalf of HPS will be obligated in any way by any Proposer's response to the RFP.

IX. MODIFICATION OR WITHDRAWAL OF PROPOSALS

Any Proposer may withdraw its proposal at any time prior to the scheduled closing time for the receipt of proposals. Modifications or corrections of a previously submitted proposal,

which are addressed in the same manner as the original proposal, will be considered by HPS if received prior to the scheduled closing time for receipt of proposals.

Oral or telephonic modifications or corrections will not be recognized or considered.

X. NEWS RELEASES

News releases or advertising pertaining to this RFP will not be made without prior written approval of HPS and then only in coordination with HPS. A lease agreement issued as a result of this RFP shall not entitle the tenant to use the trademark, logo, seal or any copyrighted material of HPS.

XI. GENERAL CONTRACTUAL REQUIREMENTS

It is the intent of HPS through this RFP and conditions contained herein, to establish to the greatest possible extent, complete clarity regarding the requirements of both parties to the sale or lease agreement resulting from the RFP.

Before submitting a proposal, the Proposer shall be thoroughly familiar with all conditions referred to in this document, and any addenda issued before the proposal submission date. Such addenda shall form a part of the RFP and shall be made a part of the agreement. It shall be the Proposer's responsibility to ascertain that the proposal includes all addenda issued prior to the proposal submission date.

XII. MULTIPLE PROPOSALS

A Proposer may submit more than one (1) proposal. To be considered, each proposal must be complete and comply with all stated instructions. However, additional proposals may be in an abbreviated form following the same format, but providing only that information which differs in any way from that contained in the complete proposal.

XIII. PROPOSAL DEADLINE/NUMBER OF COPIES

To be considered for selection, proposals shall arrive at HPS by 1:00 p.m. on December 7, 2026. Five (5) hard copies and one (1) electronic copy of the Proposal shall be submitted in a sealed envelope clearly marked with the name of the Proposer and labeled "RFP – Lease of 7th Avenue Gym Property." One (1) of the copies shall be marked "Master Copy" and will contain original signatures in all locations requiring a Proposer signature. The remaining copy does not require original signatures.

The mailing of proposals shall allow for normal mail delivery time to ensure timely receipt of the proposal by HPS. Proposals arriving after the deadline will not be considered. All proposals become the property of HPS.

The proposals must be addressed as follows:

RFP - Lease of 7th Avenue Gym Property
Helena Public Schools
Attention: Samantha Holman
1325 Poplar Street
Helena, MT 59601

XIV. LEASE PREPARATION AND MODIFICATION OF THE SITE

HPS will not provide any leasehold improvements to the Property. Proposers agree to accept the Property "AS IS," and HPS makes no warranties regarding the fitness of the Property for any particular use. Proposers of a lease shall provide a description of the improvements, construction and work, contemplated to be performed on the leased premises. HPS and Proposer shall agree on the interior and exterior design of the area as well as standards of construction, workmanship, materials to be used in construction and matters involving signage. A successful Proposer will make no changes without the prior written consent of HPS.

A successful Proposer of a lease acknowledges that Proposer shall meet with HPS and secure HPS's approval of Proposal's design, materials, and workmanship. The successful Proposer will build or modify, only in accordance with such plans as are supplied to and approved by HPS.

It shall be agreed and understood that HPS shall not be obligated to make any expenditure of any nature whatsoever whether in providing funds, services or materials in connection with any agreed upon work to be done by the Proposer. In addition, HPS shall not be required to expend funds, services or materials during the term of the lease agreement in connection with remodeling, upkeep or maintenance of the Property or improvements therein, other than as specifically identified in the lease agreement.

At the conclusion of the lease agreement, or any extension thereof, all improvements of every character of the leased area shall be the property of HPS and shall not be removed by the tenant. All interests, rights and claims of the tenant in and thereto as well as all persons named by and under the tenant shall absolutely terminate upon the termination of the lease agreement for any cause, all at no cost or expense to HPS except as hereinafter provided. Personal property of the tenant not permanently affixed to the walls, ceiling or floor of the leased area may be removed by tenant on the termination of the lease agreement, or any extension thereof.

XV. FORMAT FOR PROPOSAL

Any term or condition stated in this RFP shall be considered accepted by the Proposer unless specifically objected to by the Proposer. HPS may accept or reject Proposer's alternative proposals to the terms of this RFP. A proposal may be rejected if it is incomplete or conditional. The following sections outline the required components of a Lease Proposal.

A. LEASE PROPOSAL COMPONENTS

Every lease proposal must have the following components:

1. COVER LETTER

   Each proposal will have a Cover Letter on the letterhead of the company or organization submitting the proposal. The Cover Letter must include the following information:

   a. Provide your name, organization and contact information, including e-mail.

   b. Briefly summarize the Proposer's intended use of the Property and any

planned improvements.

c. A Statement identifying the facility the Proposer is willing to lease, statement that the Proposer is willing to enter into a lease agreement with HPS for such Property. The Cover Letter must be signed by a person having the authority to commit the Proposer to an agreement.

d. The company name, federal Taxpayer Identification Number, address, telephone number, email, name, and title of the person to contact, name(s) of principal(s) assigned to negotiate for Proposer (if any), and the name of the individual or company who will lease the Property. If the Proposer is a corporation, partnership or other entity (i.e., LLC), the proposal should include the names of the principals, officers, and directors and a brief description of the participation of each. If the Proposer is a subsidiary or affiliate, or parent, the same information shall be given for the parent, affiliate, or subsidiary as the case may be.

e. Certification as to correctness of the proposal and the authority of person signing to bind Proposer.

2. TABLE OF CONTENTS

Each proposal must include a table of contents with page numbers for each of the required components of the proposal.

3. LEASE HISTORY

The Proposer shall provide a narrative demonstrating an established, successful track record of past leasing experience. The narrative shall include all leases for the last ten (10) years. References must include:

a. Length of lease.

b. Name, address and telephone number of contact person for each lease.

c. Information on any default in the lease, a description of the lease, and the reason for default.

d. Banking references.

4. USE OF FACILITY

The Proposer shall provide a narrative indicating the type of activity anticipated for use of the Property.

If known at this time, address parking needs and how they will be met.

5. OCCUPANCY SCHEDULE

The proposal shall include a detailed occupancy schedule based on all parameters outlined in this RFP.

6. LENGTH OF LEASE

The proposal response shall include the length of lease in months and years, as well as a narrative indicating a specific interest in extending the lease beyond the initial term.

7. PAYMENT PROPOSAL

Proposer shall provide a basic monthly lease rate for lease of the entire Property with the understanding that Proposer would pay utilities (gas, electric, water, telephone, garbage, sewer), and all snow removal and maintenance of the Property.

Proposer may present a scenario which is different from the above.

8. IMPROVEMENTS

Proposer shall provide a description of improvements, construction and work to be performed solely at Proposer's expense on the leased premises.

9. HISTORY

Describe your experience in completing projects similar to the one you are proposing and in obtaining necessary financing (loans, private financing or grants). Provide examples of successful projects, briefly outlining the nature and purpose of the projects, the process used in developing/executing the projects and timeline from inception to completion.

10. OTHER

Provide any additional information you feel the Board should consider.

XVI. PROPOSAL PROCESS/EVALUATION CRITERIA

A. After the date established for receipt of proposals, a register of proposals shall be prepared which shall include the name of each Proposer. The register of proposals shall be open to public inspection only after award of the lease agreement. No additional proposals will be accepted after the opening date.

B. The evaluation shall be based on the following criteria (**100 points total**):

1. **Alignment with District Mission and Principles (35%)**: Describe how your proposed use aligns closely with the school district's educational mission and goals. How do the proposed activities or programs enhance the educational experience of students and support their overall development.
2. **Community Impact (35%)**: What positive impact will the proposal have on students, families, and the broader Helena community (opportunities for community engagement, wellness initiatives, or educational partnerships).
3. **Financial Considerations (20%)**: Explain the financial terms of your proposal to include lease amount, escalation clauses, and additional fees. Highlight your organization's financial stability and ability to meet your obligations throughout the term of the lease.

4. **Facility Maintenance and Improvements (10%)**: Explain how you will maintain the facility to include routine upkeep, repairs, and upgrades (if any). Highlight how the long-term impact or your use may impact the facility's condition and the possible costs associated with these maintenance responsibilities.

C. For the purpose of conducting discussions, proposals shall be initially classified as responsive or non-responsive.

D. Discussions may be held with one or more Proposers to:

1. Promote understanding of HPS's requirements and the Proposer's proposal.

2. Facilitate arriving at an agreement that will be most advantageous to HPS, taking into consideration all factors set forth in the RFP.

3. Proposers must be prepared to send qualified personnel to discuss all aspects of the proposal.

4. One or more Proposers may be provided an opportunity to submit a "best and final" offer.

5. References and the credit and financial responsibility of the Proposers may be verified as appropriate.

The selection of a Proposer will be made after evaluating proposals, based upon the responsiveness of the proposals.

XVII. AWARD

HPS will review all proposals. HPS reserves the right to cancel the selection process or the negotiations of an agreement, at any time prior to entering into a formal written agreement with Proposer.

HPS intends to execute an agreement with the Proposer submitting the proposal which HPS determines to best meet HPS's requirements. The HPS Board of Trustees will have sole authority for the acceptance of any and all proposals.

In awarding the agreement, HPS may take into consideration the references, experience, responsibility, reputation, financial standing of the Proposer, and the ability of the Proposer to meet the requirements of HPS. The inability of any Proposer to meet these requirements may be cause for rejection of his/her proposal.

After selection, HPS will submit the recommendation to the Board of Trustees for approval and will initiate an agreement to be prepared for signatures by both parties. The agreement will be issued to the responsible Proposer whose proposal is the most advantageous to HPS.

XVIII. LEASE AGREEMENT

If lease of the Property is approved by the Board of Trustees, the terms and conditions attached hereto as Exhibit A shall be part of the Lease Agreement:

EXHIBIT A—LEASE AGREEMENT TERMS

1. **USE.** Tenant shall only use the Property and any improvements placed thereon for the purpose outlined in Proposers response to the RFP. Tenant shall not create a nuisance or use the Property for any illegal purposes. HPS reserves the discretion to withhold consent to any other use. Tenant acknowledges that neither HPS nor HPS's agents have made any representation or warranty as to the present or future suitability of the Property for Tenant's intended use.

2. **ACCEPTANCE OF PROPERTY**. Tenant accepts the Property **"AS IS"** and in its present condition. Tenant acknowledges that HPS has provided Tenant and/or Tenant's representatives with ample opportunities to examine the Property to their satisfaction. Tenant acknowledges that HPS has not warranted the Property and that neither HPS nor HPS's agents have made any representation or warranty as to the present or future suitability of the Property for Tenant's intended use.

3. **TAXES**. Before delinquency, Tenant shall pay all taxes, if any, assessed during the term against the Property, improvements to the Property, trade fixtures, or personal property placed by Tenant on the Property.

4. **IMPROVEMENTS.** Tenant shall have the right to make changes to the interior of the Property, provided; Tenant pays for all costs of alterations, changes and renovations, and obtains HPS's written permission for changes, alterations and renovations prior to commencing work. Permission for improvements or remodeling shall be at the sole discretion of HPS. HPS shall be kept informed of the status of all alterations, renovations, improvements and repairs. Tenant will provide sufficient notice of proposed improvements to HPS to allow opportunity for feedback and approval by HPS. Upon termination of the Lease, or any extension thereof, all improvements of every character of the Property shall be the property of HPS and shall not be removed by Tenant. All interests, rights and claims of the tenant in and thereto as well as all persons named by and under Tenant shall absolutely terminate upon the termination of the Lease for any cause, all at no cost or expense to HPS except as hereinafter provided. Personal property of the tenant not permanently affixed to the walls, ceiling or floor of the leased area may be removed by Tenant on the termination of the Lease, or any extension thereof.

5. **COMPLIANCE WITH LAWS**.

a. **Tenant's Compliance**. Tenant shall comply with all applicable laws, rules, regulations, ordinances and zoning, including laws:

(1) regarding the physical condition of the Property and any improvements it places thereon, but only to the extent the applicable laws pertain to the particular manner in which Tenant is allowed to use the Property and improvements placed thereon; and

(2) regarding the lawful use of the Property and with which only the occupant can comply, such as laws governing maximum occupancy and illegal business operations such as unlicensed gambling.

b. **Warranty**. Tenant warrants that all improvements placed on the Property, and Tenant's use of the Property will comply with all laws, ordinances, rules, zoning, regulations, and HPS's policies ("applicable laws"). Tenant shall comply with all applicable laws that relate to the physical condition of the Property and relate to the use of the Property.

6. **USES PROHIBITED**. Tenant agrees that it shall not use or permit the Property, or any part thereof, or any improvement thereon to be used for any other purpose than what is agreed upon in the agreement or any unlawful or illegal purpose, including uses that are not in compliance with HPS's policies, rules and regulations or uses that are not specifically approved by the Board of Trustees.

Tenant shall not cause or permit the unlawful disposal, storage, or release of any hazardous substance near or upon the Property. Tenant shall not do or allow any of its employees, representatives, guests, or invitees to do anything affecting the Property that is in violation of any environmental law or regulation. As used in this section, "hazardous substances" are those substances defined as toxic or those substances whose use or disposal is regulated in any fashion by federal laws, laws of the state or county wherein the Property is located and any other law or regulation relating to health or environmental protection, other than those substances permitted, necessary, and reasonably related to the provision of medical and dental services contemplated herein. Tenant shall abide by all federal, state, and local laws relating to the storage and disposal of medical waste.

Tenant shall indemnify and hold HPS harmless from any and all liability associated to its use and operation of the Property. Tenant shall promptly give HPS written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the use or disposal of any hazardous substance or medical waste or the alleged violation of any environmental law or regulation to the extent that Tenant has actual or implied knowledge, and shall take all necessary action as required by environmental laws and regulations to comply therewith. Any violation of this section by Tenant shall be considered as an event of default. In addition to the other provisions contained herein, Tenant agrees to indemnify and hold HPS harmless from any liability resulting from Tenant's violation of this section. Said indemnification shall survive the termination of this Lease by default or any other act of the parties or action of law.

Tenant shall enforce HPS's alcohol-free, drug-free, tobacco/vapor-product-free, harassment-free and weapon-free policies relating to its use of the Property. Tenant shall require all individuals, while in any improvements constructed on the Property or otherwise on the Property, to refrain from committing any criminal conduct, using tobacco/vapor products, possessing or drinking alcoholic beverages, possessing or using illegal drugs or any unauthorized controlled substance, carrying weapons, or engaging in any inappropriate interactions of any nature whatsoever with student and staff members, including talking, touching, staring or otherwise contributing to a hostile or offensive environment for HPS's students and staff members.

7. MAINTENANCE AND SERVICES.

a. **Utilities**. Tenant shall pay all costs associated with utilities, water, sewer, garbage disposal, electricity, gas, taxes, access and assessments, telecommunication and janitorial services. HPS will not be liable for any loss that may result from the quality, quantity, interruption, or failure of any such utilities or services, under any circumstances.

b. **Maintenance.** Tenant shall pay all maintenance costs to maintain the Property and any improvements placed thereon by Tenant in good condition. Tenant shall maintain the Property and make such repairs, including with regard to any improvements (buildings and parking areas), necessary to keep them in a safe and serviceable condition. Tenant's maintenance of the Property shall conform to the standards established by HPS regarding maintenance of school grounds.

Tenant may act at its own discretion to minimize any injury to persons or property and shall take all reasonable steps under the circumstances to mitigate any damages.

Tenant will repair all damage and provide cleaning of graffiti within 24 hours. Tenant will be required to pick up trash and maintain weekly garbage service for the Property and any improvements placed thereon. Tenant shall maintain a supervisor or on-call employee during operations on the Property. HPS is not responsible for providing supervision or security for the Property or any improvements placed thereon.

All areas will be kept orderly, sanitary and good condition and be kept free of insects, rodents, vermin and other pests.

If there is evidence of Tenant abuse or neglect involving maintenance or repair, HPS will have the right to perform maintenance and repairs and to charge Tenant for the direct cost of the maintenance and repairs.

c. **Landscaping and Snow Plowing**. Tenant, at its expense, shall maintain all landscaping (including parking striping and weed control) and shall remove snow and ice from the parking lots, sidewalks and walkways that service the Property and any improvements thereon.

d. **Tenant's Care of Property**. Tenant shall:

(1) keep the Property and any improvements placed thereon in a good, safe, and serviceable order and in accordance with the standards established by HPS;

(2) pay and discharge, as they become due, any expenses necessary for upkeep and maintenance of the Property and any improvements thereon, which shall include miscellaneous expenses deemed necessary and appropriate by HPS to maintain the safety, security, appearance and integrity of the Property and any improvements thereon;

(3) make repairs and replacements to the Property and any improvements thereon as required to maintain all aspect of the Property; and

(4) not commit waste.

e. **Surrendering the Property**. Upon the ending date of the lease, abandonment, the date of the last extension term, if any, or upon judicial termination of the lease, Tenant shall surrender the Property to HPS.

Upon surrender, Tenant's improvements (including buildings), trade fixtures, and any other fixtures or improvements (including signs) installed by Tenant shall remain with the Property. Tenant shall remove personal property from the Property. Any personal property not removed by Tenant shall be considered abandoned. HPS may dispose of abandoned items as HPS chooses and bill Tenant for the cost of their disposal, minus any revenues received by HPS for their disposal.

8. ASSIGNMENT AND SUBLEASING. Tenant shall not transfer, mortgage, encumber, assign or sublease all or any part of the Property.

9. ABANDONMENT OF PROPERTY. Tenant shall not vacate or abandon the Property at any time during the term of this Lease. If Tenant abandons, vacates or surrenders the Property or any improvements placed thereon, or is dispossessed by process or law, or otherwise, any personal property and/or improvements belonging to Tenant and left on the Property shall, at the option of HPS, be deemed to be abandoned and surrendered to HPS.

10. INSURANCE.

a. **Liability Insurance**. Tenant shall, at Tenant's sole expense, maintain in effect at all times during the term, insurance coverage with limits not less than those set forth below:

(1) Workers' Compensation Insurance minimum limit as defined by statute and as same may be amended from time to time;

(2) Commercial General Liability, Bodily Injury/Property Damage Insurance minimum limit of not less than One Million Dollars ($1,000,000) per occurrence/Two Million Dollars ($2,000,000) aggregate, and

Tenant shall make HPS an additional insured on its excess liability insurance policy and shall provide proof of such coverage upon demand by HPS.

b. **Insurance Criteria**. Insurance policies required by this Lease shall:

(1) be reviewed by Tenant periodically to determine the extent, if any, to which the amount of coverage should be increased to adequately reflect the same level of coverage that existed at the beginning date.

(2) obtain insurance with a reputable insurance company licensed to do business in the State of Montana or self- insure risks in accordance with Mont. Code Ann. § 2-9-211;

(3) name HPS party as an additional insured as its interest may appear;

(4) provide that the insurance not be canceled by Tenant or materially changed in the scope or amount of coverage unless fifteen (15) days' advance notice is given to HPS;

(5) be primary policies--not as contributing with, or in excess of, the coverage that the other party may carry;

(6) be permitted to be carried through a "blanket policy" or "umbrella" coverage; and

(7) be maintained during the entire term and any extension term.

c. **Evidence of Insurance**. Tenant shall provide HPS with a copy of its certificates of insurance confirming coverage on an annual basis. The certificate shall specify the amount, types of coverage, the waiver of subrogation and the insurance criteria listed above. The policies shall be renewed or replaced and maintained by the party responsible for that policy. If Tenant fails to give the required certificate within thirty (30) days after notice of demand for it, HPS may obtain and pay for that insurance and receive reimbursement from Tenant.

d. **Optional Insurance Coverage of Property**. Tenant may also obtain such renter's insurance, vandalism insurance, insurance for its own equipment or loss of business insurance as Tenant deems appropriate. Any such insurance obtained shall be at the sole and exclusive expense of Tenant.

11. INDEMNIFICATION OF HPS. Except as set forth herein, HPS shall not be liable for any loss, injury, death or damage to persons or property which at the time may be suffered or sustained by Tenant or Tenant's employees or agents or by any persons whosoever may at any time be using the Property or its improvements or occupying or visiting the Property or its improvements or be in, on, or about the same, and Tenant shall indemnify HPS against all claims, liability, loss or damage whatsoever, including attorneys' fees and costs, on account of any such loss, injury, death or damage and shall further indemnify and hold harmless HPS from and against all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, arising from negligence or willful misconduct of Tenant or Tenant's agents, contractors or employees, and from and against all costs, attorney's fees, expenses thereon. If any action or proceeding shall be brought against HPS by reason of

such claim, Tenant upon notice from HPS, shall defend the same at Tenant's expense by counsel reasonably satisfactory to HPS. Tenant shall also indemnify and hold HPS harmless from any penalty, damage or change imposed for any violation of any laws, ordinance or regulation, whether occasioned by negligence, or willful acts of Tenant, or any person on said Property. Said indemnification shall survive the termination of this Lease by default or any other act of the parties or action of law.

12. DEFAULT AND REMEDIES.

a. Each of the following events shall be a default by Tenant and a breach of this Lease:

(1) abandonment or surrender of the Property or any improvements placed thereon, or of the leasehold estate;

(2) failure to adequately and properly maintain the Property and improvements resulting in the Property and improvements being in a state of disrepair;

(3) the subjection of any right or interest of Tenant to attachment, execution or other levy, or to seizure under legal process;

(4) the appointment of a receiver to take possession of any Tenant-owned improvements placed on the Property, or of Tenant's interest in the leasehold estate, or of Tenant's operations on the Property or any improvements placed thereon for any reason including but not limited to assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings, unless the appointment or proceeding and all consequent orders, adjudications, custodies and supervisions are dismissed, vacated or otherwise permanently stayed or terminated within sixty (60) days after appointment, filing or other initial event;

(5) an assignment by Tenant for the benefit of creditors, or the filing of a voluntary or involuntary petition by or against Tenant under any law for the purpose of adjudicating Tenant as bankrupt; or for reorganization, dissolution or arrangement on account of or to prevent bankruptcy or insolvency' unless the assignment or proceedings, and all consequent orders, adjudications, custodies and supervisions are dismissed, vacated or otherwise permanently styed or terminated within sixty (60) days after the assignment, filing or other initial event;

(6) any material violation of any laws, rules, ordinances or regulations of the State of Montana, County of Lewis & Clark, and/or City of Helena in the use and operation of the Property; and

(7) any material violation of the terms, conditions, or covenants of this Lease.

b. The parties agree:

(1) The word "default" in this Lease includes breach; and

(2) No act relating to curing a default, shall constitute a waiver of default or render HPS liable for any loss or damage resulting from any such act.

c. If any default of Tenant shall continue uncured, HPS, at its election, may file a judicial action to terminate the lease. Judicial action is not required in the event that Tenant abandons the Property. In the event of abandonment, all Tenant's rights in the Property shall terminate and HPS

may re-enter and take possession of the Property and all improvements. Any termination of this Lease shall not relieve Tenant from payment of any sum then due to HPS or from any claim for damages previously accrued or then accruing against Tenant.

d. In the event that HPS pursues a judicial remedy to terminate this Lease, HPS reserves the right to pursue any and all remedies it may have at law or equity. In the event that HPS pursues a judicial remedy to terminate this Lease, Tenant reserves the right to maintain any and all defenses and counterclaims it may have at law or equity. A judicial action to terminate this Lease shall be filed in the Fourth Judicial District, Lewis & Clark County. The parties agree that the prevailing party in an action to terminate the Lease shall be entitled to the costs of such action and the reasonable attorneys fees incurred.

e. In addition to any other remedies HPS may have at law or equity and/or under this Lease, Tenant shall pay upon demand all HPS's costs, charges and expenses, including attorney's fees, agents and others retained by HPS incurred in connection with recovery of sums due under this Lease, or because of the breach of any covenant under this Lease or for any other available relief against Tenant. In the event either party shall bring any action against the other for relief hereunder, the prevailing party shall be entitled to their reasonable attorneys fees and all court costs incurred.

No waiver of any covenant or condition of the breach of any covenant or condition of this Lease shall be taken to constitute a waiver of any subsequent breach of such covenant or conditions, nor to justify or authorize the nonobservance on any other occasion of the same or of any other covenant or condition hereof, be construed as a waiver or such default or of HPS's right to terminate this Lease on account of such default, nor shall any waiver or indulgence granted by HPS to Tenant be taken as an estoppel against HPS.

The rights and remedies given to HPS by the Lease shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive at law or in equity of the rights and remedies which HPS might otherwise have by virtue of a default under this Lease and the exercise of one such right or remedy by HPS shall not impair HPS's standing to exercise any other right or remedy.

13. LIENS.

a. **Lien**. Tenant shall ensure that no liens are placed against the Property for material or work claimed to have been furnished to the Property on Tenant's behalf and at Tenant's request. In the event that a lien is placed against the Property, Tenant shall, within twenty (20) days after receiving notice of any such lien:

(1) discharge the lien; and

(2) post a bond equal to one and one half (1 & 1/2) the amount of the disputed claim with companies reasonably satisfactory to HPS.

(3) In the event that Tenant is required to secure a bond for the construction of any improvements on the Property, HPS shall be named as an additional payee under such bond.

If Tenant posts a bond, Tenant shall contest the validity of the lien. Tenant shall indemnify, defend and hold HPS harmless from losses incurred from these liens.

b. **HPS's Discharge**. If Tenant does not discharge the lien or post the bond

within the twenty (20) day period, HPS may pay any amounts, including interest and legal fees, to discharge the lien. Tenant shall then be liable to HPS for the amounts paid by HPS, including all fees and costs incurred.

c. **Consent Not Implied**. This paragraph does not grant consent to subject HPS's property to these liens. Tenant covenants and agrees to keep the Property at all times during the term hereof free and clear of all liens.

14. PARTIES BOUND. The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer and subletting, apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder to the extent of their guarantees.

15. CONFLICTS OF LAW. This Lease shall be governed and construed pursuant to the laws of the State of Montana. The parties agree that any litigation concerning this Lease will be brought in the First Judicial District, Lewis & Clark County, Montana.

16. SEVERABILITY. If any provision of this Lease shall be declared to be invalid, void or illegal, it shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect. Each provision of this Lease will be and is deemed to be separate and severable from each other provision.

17. ATTORNEYS' FEES AND COSTS. If HPS shall commence any action against Tenant for any unlawful detainer of the Property, or to enforce any term hereof, or if Tenant shall commence an action against HPS for breach, or to enforce any term hereof, the prevailing party shall be entitled to all costs and expenses incurred, including reasonable attorneys' fees and costs incurred.

18. WAIVER. No waiver by any party of any provision of this Lease shall be deemed to be a continuing waiver of that provision, or of any other provision hereof, or of any subsequent breach by the other party of the same or any other provision. A consent or approval to an act of the other party shall not be deemed to render unnecessary the obtaining of consent and approval for any subsequent act whether or not similar to the prior act consented to or approved.

19. RECORDING OF LEASE. Tenant shall record this Lease and any amendments thereto in the Clerk and Recorder's Office in Lewis & Clark County, Montana.

END OF THIS REQUEST FOR PROPOSALS