## **REQUEST FOR PROPOSAL (RFP)**

for

## LEASE OF THE MCPS ADMINISTRATION BUILDING 215 S 6<sup>TH</sup> ST W, MISSOULA, MT 59801

DEADLINE TO SUBMIT PROPOSALS: May 5, 2020

PROPOSALS MUST BE DELIVERED TO:

MISSOULA COUNTY PUBLIC SCHOOLS ATTN: KARA TORTORICH 915 SOUTH AVENUE WEST MISSOULA, MT 59801

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

Pat McHugh, Executive Director of Business Services Missoula County Public Schools <u>pmchugh@mcps.k12.mt.us</u> 915 South Avenue West Missoula, MT 59801

Telephone: 406-728-2400, Ext. 3020

#### KEY DATES

Important dates, including proposal deadlines, are shown below. Changes to these dates will be issued in a formal addendum to known Proposers. Dates indicated, including submittal deadline, 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.

### Activity and Date

- 1. Advertisement (weekly): 12/1/2019
- 2. Deadline for Questions: 4/28/2019
- 3. Distributions of RFP Amendments (if needed): Ongoing
- 4. Deadline to Submit Proposals: 5/5/2020 at 10 a.m.
- 5. Proposal Opening: 5/5/2020
- 6. Notice of Intent to Award: 6/2/2020
- 7. MCPS Board of Trustee Approval: 6/9/2020

### **PROPOSAL SUBMISSION CONTENTS**

Proposals must include all information required by Section XIV.

### LEASE PROPOSAL CONTENTS

- Cover Letter
- Table of Contents
- Lease History
- Use of Facility
- Occupancy Schedule
- Length of Lease
- Payment Proposal
- Improvements

### I. REQUIREMENTS

Missoula County Public Schools (MCPS) is soliciting proposals with the intent of negotiating a lease agreement for the MCPS Administration Building located at 215 S 6<sup>th</sup> St W., Missoula, MT 59801. The Administration Building is described in more detail below (Section II).

The MCPS Board of Trustees (Board) 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.

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

### II. PROPERTY DESCRIPTION

The Administration Building consists of an original building, constructed in 1897, and a print shop/warehouse, constructed in 1968. The original building consists of approximately 29,200 square feet, and the print shop/warehouse consists of approximately 9,500 square feet. The original building operated as a school until 1954. The buildings sit on 1.9 acres. A new roof was added to the original building in 2012, and a relatively new boiler was relocated from the Lowell Elementary building to the original building in 2016-2017. *See diagram of Property attached hereto*. The property is more particularly described as follows:

Knowles Addition #2, S21, T13 N, R19 W, Block 83, South Missoula-All of Blk 3.

(Referred to herein as "Property".)

#### III. REQUEST FOR PROPOSAL

This RFP is issued in accordance with §18-4-304, Montana Code Annotated and § 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 MCPS unless repeated in writing and distributed as an addendum by MCPS. Official written responses to all relevant written questions will be mailed or emailed by MCPS.

Requests for written explanation or clarification shall be made in writing and submitted to Pat McHugh, Executive Director of Business Services by email at <u>pmchugh@mcps.k12.mt.us</u>, or by mail to 915 South Avenue West, Missoula, MT 59801. All written questions or comments submitted via email or mail must include "Questions-Lease of the MCPS Administration Building" in the subject line or clearly marked on the outside of the envelope. Such requests must be received no later than May 5, 2020 at 10:00 a.m.

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

Oral communication with any MCPS employee, unit, department or organization concerning

this RFP is not binding on MCPS and shall in no way modify the RFP or the obligation of MCPS or Proposer.

### IV. AVAILABILITY AND SITE INSPECTION

MCPS does not have a specific date that the Property will be available for a tenant to take possession. MCPS anticipates that the original building will be available by January of 2021. Proposers should consider this timing as they develop their planned use of the Property.

An on-site inspection of the Property should be made by all Proposers prior to submitting a proposal. An onsite public inspection is available on the following dates and times:

December 12, 2019	5:00 p.m. to 6:00 p.m.
December 19, 2019	5:00 p.m. to 6:00 p.m.
February 20, 2020	5:00 p.m. to 6:00 p.m.

Appointments, with weekend preference, can also be scheduled by calling Charlene Hubbard at 406-728-2400 ext. 3030.

An MCPS 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.

### 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 MCPS. No oral statements, explanations, or commitments by whomsoever made, shall be of any effect except as the same are confirmed in writing by MCPS.

#### VI. ORAL PRESENTATION

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

#### VII. ACCEPTANCE OF PROPOSALS

MCPS reserves the right in this award to consider the longevity, availability, and suitability of the Proposer, as well as usage of the Property. MCPS 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 MCPS. Neither MCPS nor any agent thereof on behalf of MCPS will be obligated in any way by any Proposer's response to the RFP.

#### VIII. MODIFICATION OR WITHDRAWAL OF PROPOSALS

A 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 MCPS if received prior to the scheduled closing time for receipt of proposals.

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

### IX. NEWS RELEASES

News releases or advertising pertaining to this RFP will not be made without prior written approval of MCPS and then only in coordination with MCPS. 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 MCPS.

### X. GENERAL CONTRACTUAL REQUIREMENTS

It is the intent of MCPS through this RFP and conditions contained herein, to establish, to the greatest possible extent, complete clarity regarding the requirements of both parties to the 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 including all addenda issued prior to the proposal submission date.

### XI. MULTIPLE PROPOSALS – MCPS CONTINUES TO USE PRINT SHOP/WAREHOUSE

A Proposer may submit more than one (1) proposal. MCPS intends to consider proposals to lease the original building only. Based upon the submittals, MCPS will evaluate whether it is economically feasible to continue to utilize the print shop/warehouse for MCPS operations. The duration of use by MCPS is subject to negotiations, but the successful Proposer would be granted the first right of refusal to lease the print shop/warehouse.

### XII. PROPOSAL DEADLINE/NUMBER OF COPIES

To be considered for selection, proposals must arrive at MCPS, at the address described below, by May 5, 2020 at 10 a.m. Six (6) 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 the MCPS Administration Building". One (1) of the copies shall be marked "Master Copy" and will contain original signatures in all locations requiring a Proposer signature. The remaining copies do not require original signatures.

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

The proposals must be addressed as follows:

RFP - Lease of the MCPS Administration Building MCPS Attention: Kara Tortorich 915 South Avenue West Missoula, MT 59801

Late submittals will not be accepted.

### XIII. LEASE PREPARATION AND MODIFICATION OF THE SITE

MCPS will not provide any leasehold improvements to the Property. Proposers of a lease shall provide a description of any improvements, construction and work, contemplated to be performed on the leased premises. MCPS and Proposer shall agree on the proposed improvements, 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 MCPS.

A successful Proposer of a lease acknowledges that Proposer shall meet with MCPS and secure MCPS's approval of Proposer's improvements, materials and workmanship. The successful Proposer will make improvements, only in accordance with such plans as are supplied to and approved by MCPS.

It shall be agreed and understood that MCPS shall not be obligated to make any expenditure of any nature whatsoever, whether in providing funds, services or materials, in connection with the work to be done by the Proposer. In addition, MCPS 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 premises, shall become the property of MCPS 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 MCPS except as in the lease agreement provided. Personal property of the tenant not permanently affixed to the walls, ceiling or floor of the leased area may be removed by the tenant upon termination of the lease agreement, or any extension thereof.

### XIV. 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. MCPS 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 improvement and use of the Property.

- c. A statement that the Proposer is willing to enter into a lease agreement with MCPS 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 the 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 OR RELATED BUSINESS HISTORY

The Proposer shall provide a narrative demonstrating an established, successful, track record of past leasing of property or related experience owning and operating a commercial venture. The narrative shall include all leases and/or related property development or business operating experience for the last ten (10) years. References must include:

- a. Length of lease or other experience.
- b. Name, address and telephone number of a contact person for each lease or commercial venture.
- c. Information on any default in the lease or commercial contract, a description of the lease or contract, 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. The narrative should address whether the Proposer would be agreeable to the continued use of the print shop/warehouse by MCPS, including the time period when the Proposer would like to begin use the print shop/warehouse. 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 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 identify a monthly lease rate for the 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.

### XV. PROPOSAL PROCESS/EVALUATION

After the date established for receipt of proposals, a register of proposals shall be prepared which shall include the name of each Proposer. No additional proposals will be accepted after the opening date. MCPS 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. The Board will have sole authority for the acceptance of any and all proposals.

**Initial Classification of Proposals as Responsive or Nonresponsive.** All proposals will initially be classified as either "responsive" or "nonresponsive". Proposals may be found nonresponsive at any time during the procurement process if: any of the required information is not provided; the submitted price is found to be inadequate as measured by criteria stated in the RFP; or the proposed use is incompatible. If a proposal is found to be nonresponsive, it will not be considered further.

**Determination of Responsibility.** MCPS will determine whether a Proposer has met the standards of responsibility. Such a determination may be made at any time during the procurement process if information surfaces that would result in a determination of non-responsibility. If a Proposer is found non-responsible, the determination must be in writing, made a part of the procurement file and mailed to the affected Proposer.

**Evaluation of Proposals.** An evaluation committee will evaluate the remaining proposals and recommend whether to award the contract to the highest scoring Proposer or, if necessary, to seek discussion/negotiation in order to determine the highest scoring Proposer. All responsive proposals will be evaluated based on stated evaluation criteria. In scoring against stated criteria, MCPS may consider such factors as accepted industry standards and a comparative evaluation of all other qualified RFP responses in terms of differing price, quality, and contractual factors. These scores will be used to determine the

most advantageous offering to MCPS.

Prior to the determination of the award, the highest scoring Proposers may be required to make an oral presentation in Missoula, Montana, to clarify their response or to further define their offer. Oral presentations, if requested, shall be at the Proposer's expense.

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

<u>Completeness of Proposals.</u> Selection and award will be based on the Proposer's proposal and other items outlined in this RFP. Submitted responses may not include references to information located elsewhere, such as Internet websites or libraries, unless specifically requested. Information or materials presented by Proposer outside the formal response or subsequent discussion/negotiation, if requested, will not be considered, will have no bearing on any award, and may result in the Proposer being disqualified from further consideration.

**Opportunity for Discussion/Negotiation**. Although proposals may be accepted, and a contract awarded without discussion, MCPS may initiate discussions with one or more Proposers should clarification or negotiation be necessary. Proposers should be prepared to send qualified personnel to Missoula, Montana, to discuss technical and contractual aspects of the proposal at no cost to MCPS. One or more Proposers should also be prepared to submit a "best and final" offer.

**Evaluation Committee Recommendation for Award.** The evaluation committee will provide a written recommendation for award that contains the scores, justification, and rationale for the decision. The evaluation committee will review their recommendation to ensure its compliance with the RFP process and criteria before recommending the responsive and responsible Proposer that achieves the highest score and is, therefore, the most advantageous to MCPS. All recommendations for the award are subject to final approval by the Board.

**Contract Negotiation and Execution**. MCPS will enter into negotiations with the highest scoring Proposer for a contract, incorporating the applicable Terms and Conditions attached as Exhibit A, as well as this RFP and any addenda. The highest scoring Proposer will be expected to negotiate in good faith and to agree to all material requirements contained herein and set out in Exhibit A, as applicable. If the highest scoring Proposer does not accept all material requirements or an agreement cannot be reached after good faith negotiations, MCPS may move to the next highest scoring Proposer, or cancel the RFP.

Any response that fails to achieve a passing score of 70 will be eliminated from further consideration.

In awarding points to the evaluation criteria, the evaluation committee will consider the following guidelines:

Superior Response (90-100%): A superior response is a highly comprehensive, excellent reply that meets all of the requirements of the RFP. In addition, the response may cover areas not originally addressed within the RFP and/or include additional information and recommendations that would prove both valuable and beneficial to MCPS.

Good Response (75-89%): A good response meets all the requirements of the RFP and demonstrates in a clear and concise manner a thorough knowledge and understanding of the project, with no deficiencies noted.

Fair Response (60-74%): A fair response minimally meets most requirements set forth in the RFP. The Proposer demonstrates some ability to comply with guidelines and requirements of the project, but knowledge of the subject matter is limited.

Failed Response (59% or less): A failed response does not meet the requirements set forth in the RFP. The Proposer has not demonstrated sufficient knowledge of the subject matter.

Oral Presentation: If MCPS request an oral presentation, MCPS reserves the right to interview only the two highest scoring Proposers, to interview all Proposers within 10% of the highest scoring Proposer, or to interview all Proposers who are deemed to have a passing score. The Proposer's oral presentation will include a review of their proposal. Prior to the presentation, the Proposer must provide a list of names of all personnel attending the presentation. The Proposer's named Authorized Representative must attend this meeting. After oral presentations, MCPS will provide an additional scoring matrix in making its final decision.

Scoring Criteria	Maximum Points
	Allowed
Lease Consideration (lease payment terms)	35
Compliance with MCPS Requirements	10
Timing/Plan/Lease Terms	35
<ul> <li>Points shall be awarded to proposals which provide lease terms most favorable to MCPS, including compatible use,</li> </ul>	
longevity, asset preservation, and overall benefit to MCPS.	
Delivery Schedule	
<ul> <li>Start Date for Lease</li> </ul>	
<ul> <li>Rollout Schedule and type of Improvements</li> </ul>	
• Timing of Closing & Expiration of Contingencies, if any	
<ul> <li>Points shall be awarded to proposals that minimize the use of MCPS resources and/or minimize MCPS risk.</li> </ul>	
Proposer Qualifications	20
References	
<ul> <li>Experience and qualifications to perform</li> </ul>	

XVI. LEASE AGREEMENT

If lease of the Property is approved by the Board, Proposers shall be expected to execute a lease with the terms set forth in the attached Lease Agreement.

# LEASE AGREEMENT

## BETWEEN

# MISSOULA COUNTY PUBLIC SCHOOLS

## AND

THIS LEASE is made and effective on this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between Missoula County Public Schools (hereinafter referred to as "Lessor" or "District"), and \_\_\_\_\_ (hereinafter collectively referred to as "Lessee").

### RECITALS

WHEREAS, \_\_\_\_\_; and

WHEREAS, \_\_\_\_\_\_.

NOW THEREFORE, in consideration of the foregoing recitals, and other good and valuable consideration, the parties agree as follows:

### 1. DESCRIPTION OF PREMISES AND USES.

Lessor leases to Lessee the District owned facility known as the MCPS Administration Building, located at 215 S. 6th St W., Missoula, MT 59801, which includes the 38,792 square foot building and the 1.9 acre lot hereinafter referred to as "Premises"). The Premises are more particularly described on the diagram attached hereto as "Exhibit A".

### 2. USE.

Lessee may only use the Premises for the operation of \_\_\_\_\_\_, and all incidental uses thereto, unless Lessor gives advance written consent to another use. Lessee shall not create a nuisance or use the Premises for any illegal purposes. Lessee acknowledges that neither Lessor nor Lessor's agents have made any representation or warranty as to the present or future suitability of the Premises for Lessee's intended use.

Lessee agrees to allow the Premises to be used as an official polling place for any School, City, County, State, or General Elections for the term of the Lease.

### 3. TERM AND POSSESSION.

The term of this Lease shall be \_\_\_\_ (\_\_\_) years commencing on \_\_\_\_\_, 2020 through September 30, 20\_\_\_\_, unless extended or sooner terminated pursuant to any provision contained herein. Provided Lessor and Lessee can agree upon the terms of renewal, Lessee may renew this Lease for an additional \_\_\_\_ (\_\_\_) years under terms and conditions agreed upon, subject to the discretion of the MCPS Board of Trustees ("Board"). If a majority of the Board determines not to renew, or if the parties cannot agree upon new terms, the Lease shall terminate at the end of the initial term.

### 4. ACCEPTANCE OF PREMISES.

Lessee accepts the Premises "AS IS" and in its present condition. Lessor has provided Lessee and/or Lessee's representatives with ample opportunities to examine the Premises to their satisfaction. Lessee's possession of the Premises under this tenancy, shall be conclusive evidence that the

Premises are in good, clean and of sanitary condition and are, in all respects, satisfactory and acceptable to lease.

## 5. <u>RENT</u>.

- a. <u>Monthly Rent</u>. Lessee shall pay Lessor monthly rent on or before the 15<sup>th</sup> day of each month during the term of this Lease. The monthly rent will be paid in advance at the address specified for Lessor below without prior demand and without any abatement, deduction or setoff. The monthly rent for the Premises shall be, \_\_\_\_\_\_ Dollars (\$ ).
- b. <u>Annual Increase.</u> Each year, on \_\_\_\_\_, the anniversary date of the commencement of this Lease, the monthly rent for the ensuing year shall be increased to reflect the percentage change in the Consumer Price Index, All Item Index, or any subsequent list or index designated by the appropriate governmental agency as the replacement for the foregoing Index. Notwithstanding the foregoing, the annual increase shall not exceed three percent (3%) in any year.
- c. <u>Late Charge</u>. All payments of rent called for hereunder or under the terms of any option are due and payable on the 15<sup>th</sup> day of each month. If said rental payments are not in the hands of Lessor on or before the 20<sup>th</sup> day of the month in which they are due, then, in that event, Lessee shall pay an additional late fee. Lessee shall pay an additional Fifty Dollars (\$50.00) per day for each day after the 20<sup>th</sup> day of the month that the rent is late as the late fee.
- d. <u>Personal & Real Property Taxes</u>. Before delinquency, Lessee shall pay taxes assessed during the term against trade fixtures or personal property placed by Lessee in the Premises. Lessee shall pay all real estate taxes, fees, and assessments, if any, levied against the Premises by any governmental entity during the term of this lease.

## 6. COMPLIANCE WITH LAWS.

a. <u>Lessee's Compliance</u>. Lessee shall comply with all applicable laws, rules, ordinances and zoning, including laws:

1. regarding the physical condition of the Premises, but only to the extent the applicable laws pertain to the particular manner in which Lessee is allowed to use the Premises;

2. regarding the lawful use of the Premises and with which only the occupant can comply, such as laws governing maximum occupancy, workplace smoking and illegal business operations such as unlicensed gambling; and

3. regarding local, state, and federal child care licensing laws, rules and regulations.

## 7. USES PROHIBITED.

Lessee agrees that it shall not use or permit the Premises or any part thereof to be used for any unlawful or illegal purpose, including uses that are not in compliance with Missoula County Public Schools' policies, rules and regulations. Any such unlawful or illegal use will be deemed a default of the terms of the Lease.

Lessee shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substance near or upon the Premises. Lessee shall not do or allow any of its employees, representatives, guests, or invitees to do anything affecting the Premises that is in violation of any environmental law or regulation. Lessee shall indemnify and hold Lessor harmless from any and all liability associated to its use and operation of its school. Lessee shall promptly give Lessor 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 the alleged violation of any environmental law or regulation to the extent that Lessee has actual or implied knowledge, and shall take all necessary action as required by environmental laws and regulations to comply therewith. 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 Premises is located and any other law or regulation relating to health or environmental protection. Any violation of this section by Lessee shall be considered as an event of default. In addition to the other provisions contained herein, Lessee agrees to indemnify and hold Lessor harmless from any liability resulting from Lessee'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.

## 8. UTILITIES AND MAINTENANCE SERVICES.

- a. <u>Utilities</u>. Lessee shall pay all costs associated with utilities, water, sewer, garbage disposal, electricity, gas, telecommunication, and janitorial services ("utilities") beginning on the date this Lease is executed, and for the full term of this Lease, including the due diligence period. At Lessor's discretion, Lessor may pay for the cost of utilities, the cost of which will be reimbursed by Lessee. Lessee shall pay for all utilities of the school, including the portion of the Premises that is not being leased. Future tenants of the school will be responsible for their share of the utilities. Lessor 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. Lessor will continue to maintain and monitor the security system currently installed. Any changes to the security system proposed by Lessee must be approved in writing by Lessor prior to any work commencing.
- b. <u>Maintenance.</u> Lessee shall pay all maintenance costs to maintain Lessor's Premises in good condition for the full term of this Lease. Lessee shall be responsible for maintaining the interior of the Premises, entryway, and all glass and windows.

Lessee agrees to maintain the Premises in a manner that is consistent with the maintenance standards and requirements of Lessor. To that end, Lessee shall consult with Lessor regarding Lessor's maintenance practices. Lessee shall not be responsible for failures to the heating or plumbing caused by Lessor or resulting from failure of the system due to age or wear and tear not associated by Lessee's use or failure to maintain the system. Lessee has inspected the Premises and accepts the same in their present condition, agreeing to maintain the Premises as set forth above. Lessee shall be required to maintain the boiler with the assistance of a properly licensed boiler man.

If Lessor's repair or replacement costs for structural parts, including without limitation, roofing, heating and plumbing systems, exceeds \$50,000.00 during the term of the Lease, Lessor may terminate the Lease at its sole option with 30-day written notice to Lessee. Lessee reserves the right to pay for repairs or replacement of structural parts, including heating and plumbing systems, in excess of \$50,000.00 during the term of the Lease.

Lessee 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.

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

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

- c. <u>Landscaping and Snow Plowing</u>. Lessee, 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 school building. Lessee's maintenance of the grounds, including sidewalks, driveways, and parking areas shall be in accordance with the standards and requirements currently practiced by Lessor.
- d. <u>Lessor's Access</u>. Lessee will provide District's representative with access to the Premises when request, and the District will have the right to retain a complete set of keys for the use in emergencies. All keying must be on District's key system. Lessee shall be responsible for the control and safekeeping of keys, access codes, or cards for swipe access issued by District. If a key is lost, Lessee shall be responsible for the cost of rekeying. District shall make reasonable efforts to preserve and maintain the confidentially of any of Lessee's records during any such access for emergencies.

Lessor may temporarily close the building, if required, because of a life threatening or building-threatening situation. Lessor shall use its best efforts to close the building during Lessee's non-business hours only. If, however, the building must be closed during Lessee's business hours, then the rent shall abate during any closing that lasts more than eight (8) hours.

e. <u>Security System</u>. Lessee will pay for maintenance and service of the alarm system, including payment of any monthly service fee. Lessee shall be responsible for any cost relating to false alarms originating from the Premises. Lessee shall be and is solely responsible to respond to the Premises when requested by the security company or police department.

## 9. **REPAIRS AND SURRENDER**.

- a. Lessee's Care of Premises. Lessee shall:
  - 1. keep the Premises in good order;
  - 2. pay and discharge, as they become due, any expenses necessary for upkeep and maintenance of the Premises, which shall include miscellaneous expenses deemed necessary and appropriate by Lessor to maintain the safety, security, appearance and integrity of the building;
  - 3. make repairs and replacements to the Premises as required to maintain all aspect of the Premises, other than the structural components and the roof, in good order as required herein;
  - 4. not commit waste; and
  - 5. provide Lessor with notice of all repairs in excess of Five Hundred and no/100 Dollars (\$500.00), and perform all repairs to Lessor's satisfaction.
- b. <u>Surrendering the Premises</u>. Upon the ending date or the date of the last extension term, if any, ends, whichever is later, Lessee shall surrender the Premises to Lessor in the same condition that the Premises were in on the beginning date except for:
  - 1. ordinary wear and tear;
  - 2. from any cause not required to be repaired or replaced by Lessee; and
  - 3. alterations as permitted by this Lease, unless consent was conditioned on their removal.

Upon surrender, Lessee shall remove from the Premises Lessee's personal property, trade fixtures and any fixtures or improvements (including signs) installed by Lessee or at Lessee's request <u>and</u> required by Lessor to be removed. Lessee shall repair any damage to the Premises caused by the removal of said improvements, fixtures or personal property. Unless Lessor demands certain fixtures, signs and improvements be removed upon surrender of the Premises, said fixtures, signs and improvements shall remain with the Premises. Any personal property not removed by Lessee

shall be considered abandoned. Lessor may dispose of abandoned items as Lessor chooses and bill Lessee for the cost of their disposal, minus any revenues received by Lessor for their disposal.

### 10. ASSIGNMENT AND SUBLEASING.

- a. <u>**Consent Required</u>**. Lesse shall not transfer, mortgage, encumber, assign or sublease all or part of the Premises without Lessor's advance written consent.</u>
- b. Reasonableness. Lessor's consent shall not be considered unreasonably withheld if:
  - the proposed sub Lessee's or assignee's financial responsibility does not meet the same criteria Lessor uses to select comparable building Lessees;
  - 2. the proposed sub Lessee's or assignee's business is not suitable for the building. Lessor retains absolute discretion to determine suitability in light of the historical use of the building as a school; and

### c. Procedure.

- Lessee must provide Lessor in writing: (a) the name and address of the proposed sub Lessee or assignee; (b) the nature of the proposed sub Lessee's or assignee's business it will operate in the Premises; (c) the terms of the proposed sublease or assignment; and (d) reasonable financial information so that Lessor can evaluate the proposed sub Lessee or assignee under the terms herein.
- 2. Lessor shall, within ten (10) business days after receiving the information as required above, give notice to Lessee to permit or deny the proposed sublease or assignment. The denial or permission may be conditional if Board approval is deemed appropriate. In which case, an additional ten (10) business days will be allowed. If Lessor denies consent, it must explain the reasons for the denial. If Lessor does not give notice within the prescribed period, then Lessee may sublease or assign part or all of the Premises upon the terms Lessee gave in the information provided.
- d. <u>Affiliates.</u> Notwithstanding the above, Lessee may assign or sublease part or all of the Premises without Lessor's consent to:
  - 1. any corporation or partnership that controls, is controlled by, or is under common control with, Lessee; or
  - 2. any corporation resulting from the merger or consolidation with Lessee or to any entity that acquires substantially all of Lessee's assets as a going concern of the business that is being conducted on the Premises, as long as the assignee or sub lessee is a bona fide entity and assumes the obligations of Lessee, and uses the Premises for the limited purpose provided herein.
- e. <u>Conditions</u>. Subleases and assignments by Lessees are also subject to:
  - 1. the terms of this Lease;
  - 2. the term shall not extend beyond the lease term;
  - 3. Lessee shall remain liable for all Lease obligations;
  - 4. consent to one sublease or assignment does not waive the consent requirement for future assignments or subleases;
  - 5. Fifty percent (50%) of the consideration (excess consideration) received by Lessee from an assignment or sublease that exceeds the amount Lessee must pay Lessor, which amount is to be prorated where a part of the Premises is subleased or assigned, shall also be paid to Lessor. Excess consideration shall exclude reasonable leasing commissions paid by Lessee, payments attributable to the amortization of the cost of Lessee improvements made to the Premises at Lessee's cost for the assignee or sub lessee and other reasonable, out-of-pocket costs paid by Lessee such as attorneys' fees, directly related to Lessee's obtaining an assignee or sub lessee. Lessee shall pay this excess consideration to Lessor at the end of each calendar year during which Lessee collects any excess consideration. Each payment shall be sent with a detailed statement showing the

total consideration paid by the sub Lessee or assignee and the total consideration paid by the sub Lessee or assignee and any exclusion from the consideration permitted by this paragraph. Lessor shall have the right to audit Lessee's books and records to verify the accuracy of the detailed statement; and

6. regardless of when in the term this Lease is assigned or the Premises sublet, monthly rent payments as required herein shall equal the monthly rental Lessee is paying at the time of assignment.

Paragraph 10(e)(5) shall not apply to assignments and subleases by Lessee to entities described in Paragraph 10d(1) and (2).

### 11. <u>SIGNAGE</u>.

The parties acknowledge that the use of the Premises may require the use, erection or other construction of signs. Any sign or advertising which is intended to be placed outside the interior walls of the Premises shall be approved, in advance, by Lessor. Lessee shall submit photographs or drawings to Lessor in sufficient detail to adequately demonstrate Lessee's request and Lessor shall approve or disapprove of the construction or erection of such signs at the sole discretion of Lessor. Any signage or advertising utilized within the Premises shall be tastefully done and shall not create an appearance which detracts from the general school atmosphere of the entire building. Any signage must conform to all state and local regulations. Upon surrender of the Premises, Lessor may demand the removal of any or all signage. Lessee must completely repair and restore the Premises after removing signs.

## 12. REMODEL OF PRESENT STRUCTURE.

Lessee shall have the right to make changes to the interior of the Premises, provided; Lessee pays for all costs of alterations, changes and renovations, and obtains Lessor's written permission for changes, alterations and renovations prior to commencing work. Permission for improvements or remodeling shall be at the sole discretion of Lessor. Lessor will be kept informed of the status of all alterations, renovations, improvements and repairs. Lessee will provide sufficient notice of proposed improvements to Lessor to allow opportunity for feedback and approval by Lessor. Lessor's board shall approve all improvements in excess of \$80,000. Unless required by Lessor to be removed by Lessee, all improvements, alterations and renovations affixed to the Premises shall remain with the Premises.

## 13. INSPECTION OF PREMISES.

Lessee acknowledges that its representatives have had sufficient access to the Premises to conduct a full and complete inspection and investigation of the Premises, which has been accomplished prior to the execution of this Lease. Accordingly, Lessee accepts the Premises on an "AS IS" condition and acknowledges that Lessor has not warranted the Premises. Lessor represents to Lessee that, to the best of Lessor's knowledge, there are no latent defects in the plumbing, electrical or structural components of the Premises.

## 14. WASTE AND NUISANCE PROHIBITED.

During the term of this Lease, Lessee shall comply with all applicable laws affecting the Premises, the breach of which might result in any penalty on Lessor or forfeiture of Lessor's title to the Premises. Lessee shall not commit, or suffer to be committed, any waste on the Premises or any nuisance. At the end of this Lease, Lessee shall return the Premises in "broom-clean" condition free from any damage excepting only reasonable wear and tear.

## 15. ABANDONMENT OF PREMISES.

Lessee shall not vacate or abandon the Premises at any time during the term of this Lease. If Lessee shall abandon, vacate or surrender the Premises, or be dispossessed by process or law, or otherwise,

any personal property belonging to Lessee and left on the Premises shall, at the option of Lessor, be deemed to be abandoned.

### 16. NOTICES.

All notices, demands or other writings required or permitted to be given hereunder shall be given in writing and may be effected by personal delivery, or by mail, and, if given by mail, shall be deemed sufficiently given if sent by registered or certified mail and addressed as follows:

To Lessor: Missoula County Public Schools 915 South Avenue West Missoula, Montana 59801

To Lessee:

\_\_\_\_\_

The address to which any notice, demand or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

### 17. INSURANCE.

- a. <u>Insurance Coverage of Premises</u>. Lessor shall maintain insurance for damage or destruction of the Premises with fire and extended coverage at replacement value for all Lessor owned improvements and equipment. Lessee shall reimburse Lessor the prorated cost of said insurance obligation associated with the Premises. Lessee may also obtain such renter's insurance, vandalism insurance, insurance for its own equipment or loss of business insurance as Lessee deems appropriate. Any such insurance obtained shall be at the sole and exclusive expense of Lessee.
- b. <u>Additional Insurance</u>. Lessee shall, at Lessee'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 and no/100 Dollars (\$1,000,000.00) per occurrence/Two million Dollars (\$2,000,000) aggregate.

Lessee shall make Lessor an additional insured under the terms of said policy and shall provide proof of such coverage upon demand by Lessor.

- c. Insurance Criteria. Insurance policies required by this Lease shall:
  - 1. be reviewed by Lessee periodically to determine the extent 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;
  - 3. name Lessor as an additional insured as its interest may appear;
  - 4. provide that the insurance not be canceled or materially changed in the scope or amount of coverage unless fifteen (15) days' advance notice is given to Lessor;
  - 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.
- d. Evidence of Insurance. Lessee shall provide Lessor 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 Lessee fails to give the required certificate within thirty (30) days after notice of demand for it, Lessor may obtain and pay for that insurance and receive reimbursement from Lessee.

### 18. INDEMNIFICATION OF LESSOR.

Except as set forth herein, Lessor 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 Lessee or Lessee's employees or agents or by any persons whosoever may at any time be using the Premises or occupying or visiting the Premises or be in, on, or about the same. Lessee shall indemnify Lessor against all claims, liability, loss or damage whatsoever, including attorneys' fees and costs, on account of any such loss, injury, death or damage, except as caused by the negligent or willful misconduct of Lessor. Lessee shall also indemnify and hold Lessor 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 Lessee, or any person on said Premises. Notwithstanding this provision, Lessee shall not indemnify or hold Lessor harmless from Lessor's negligent or intentional acts or omissions. This provision shall not act to limit the insurance coverage that has been or may be obtained Lessee.

### 19. INDEMNIFICATION OF LESSEE.

Lessor indemnifies, defends and holds Lessee harmless from claims for personal injury, death or property damage from incidents occurring in or about the Premises or building which are caused by the negligent or willful misconduct of Lessor, its agents, employees or invitees, except to the extent caused by Lessee's negligent or willful misconduct.

When the claim is caused by the joint negligence or willful misconduct of Lessor and Lessee, Lessor's duty to defend, indemnify and hold Lessee harmless shall be in proportion to Lessor's allocable share of the joint negligence or willful misconduct.

### 20. EFFECT OF EMINENT DOMAIN.

- a. <u>Effect of Total Condemnation</u>. In the event the entire Premises shall be appropriated or taken under the power of eminent domain or conveyed under the threat of eminent domain by any public or quasi-public authority, the Lease shall terminate and expire as of the date of such appropriation, taking or conveyance, and the parties hereto shall be relieved of any liability or responsibility of one to the other.
- b. <u>Effect of Partial Condemnation of Building</u>. In the event that a portion of the Premises shall be so appropriated, taken or conveyed, so as to reduce the square footage by twenty percent (20%) or more, then Lessee shall have the right to terminate this Lease as of the date of such taking, appropriation or conveyance. Lessee shall give written notice of such termination within twenty (20) days of the first written notice of such appropriation, taking or conveyance.
- c. <u>Reduction of Rent in the Event of Partial Condemnation</u>. In the event that a partial taking of the Premises does not terminate this Lease, Lessor and Lessee shall agree upon equitable reduction of the rental. In the event that the parties are unable to agree, this Lease shall terminate. The equitable reduction shall apply until 100% of the Premises are operationally viable.

### 21. DEFAULT AND REMEDIES

- a. Each of the following events shall be a default by Lessee and a breach of this Lease:
  - 1. abandonment or surrender of the Premises, or of the leasehold estate, or failure or refusal to pay, when due, any installment of rent or any other sum or deposit required to be paid by Lessee, or to perform as required, any other covenant or condition of this Lease;
  - 2. the subjection of any right or interest of Lessee to attachment, execution or other levy, or to seizure under legal process;
  - 3. the appointment of a receiver to take possession of the Premises, or of Lessee's interest in the leasehold estate, or of Lessee's operations on the Premises 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;
  - 4. an assignment by Lessee for the benefit of creditors, or the filing of a voluntary or involuntary petition by or against Lessee under any law for the purpose of adjudicating Lessee a bankrupt; or for extending time for payment, adjustment or satisfaction of Lessee's liabilities; or for reorganization, dissolution or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated or otherwise permanently stayed or terminated within sixty (60) day after the assignment, filing or other initial event; and
  - 5. any violation of Missoula County Public Schools' polices, rules and regulations, except minor violations.
  - 6. any violation of any laws, rules, ordinances or regulations of the State of Montana and/or County of Missoula in Lessee's use and operation of the Premises, except minor violations.
  - 7. revocation or termination of license by state licensing authority.

b. Notwithstanding any contrary provisions in this Lease between Lessor and Lessee, pertaining to the property herein described, it is agreed:

- 1. the word "default" in this Lease includes breach;
- 2. curing any default shall require the payment to Lessor of all late fees and reasonable attorneys' fees and costs incurred in preparation of said notice; and
- 3. after expiration of the applicable time for curing a particular default, or before the expiration of that time, in the event of emergency, Lessor may, at Lessor's election, make any payment required of Lessee under this Lease, or perform or comply with any covenant or condition imposed on Lessee under this Lease, and the amount so paid, plus the reasonable cost of any such performance or compliance, plus interest on such sum at the rate of ten percent (10%) shall be deemed to be additional rent payable by Lessee with the next succeeding installment of rent. No such act shall constitute a waiver of default or render Lessor liable for any loss or damage resulting from any such act.

c. In the event that any default or breach by Lessee shall continue for more than thirty (30) days after notice of such default shall have been given to Lessee, then Lessor, besides other rights or remedies it may have, shall have the immediate right to terminate this Lease or re-enter and attempt to relet without terminating this Lease and remove all persons and property from the Premises and such property may be removed and stored in a public

warehouse or elsewhere at the cost of, and for the account of Lessee, all without service of notice or resort to legal process and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby.

In addition to any other remedies Lessor may have at law or equity and/or under this Lease, Lessee shall pay upon demand all Lessor's costs, charges and expenses, including attorneys' fees, agents and others retained by Lessor, 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 Lessee. 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 or 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, nor shall the acceptance of rent by Lessor at any time when Lessee is in default under any covenant or condition hereof, be construed as a waiver of such default or of Lessor's right to terminate this Lease on account of such default, nor shall any waiver or indulgence granted by Lessor to Lessee be taken as an estoppel against Lessor, it being expressly understood that if at any time Lessee shall be in default in any of its covenants or conditions hereunder an acceptance by Lessor of rental during the continuance of such default or the failure on the part of Lessor promptly to avail himself of such other rights or remedies as Lessor may have, shall not be construed as a waiver of such default, but Lessor may at any time thereafter, if such default continues, terminate this Lease on account of such default.

The rights and remedies given to Lessor by this 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 Lessor might otherwise have by virtue of a default under this Lease, and the exercise of one such right or remedy by Lessor shall not impair Lessor's standing to exercise any other right or remedy.

### 22. DAMAGES

If more than twenty five percent (25%) of the Premises are damaged, either party may cancel the Lease. To cancel, notice must be given within thirty (30) days. The notice must specify the cancellation date, which shall be at least thirty (30) days, but not more than sixty (60) days, after the date notice is given. If either party cancels this Lease as permitted in this section, then this Lease shall end on the day specified in the cancellation notice. The rent and additional rent and other charges shall be payable up to the cancellation date subject to any abatement. Lessor shall promptly refund to Lessee any prepaid, unaccrued rent, accounting for any abatement, less any sum then owing by Lessee to Lessor.

### 23. <u>RULES</u>.

Lessor may adopt and Lessee, Lessee's employees and invitees, upon thirty (30) days advance notice, shall comply with rules which:

a. are for the safety, care, order and cleanliness of the Premises;

b. do not unreasonably and materially interfere with Lessee's conduct of Lessee's use and enjoyment of the Premises; and

- c. do not require payment of additional monies.
- d. If a rule issued under paragraph 23 (a) conflicts with or is inconsistent with any Lease provision, the Lease provision controls.

## 24. CONSTRUCTION LIENS.

a. <u>Discharge Lien</u>. Lessee shall, within twenty (20) days after receiving notice of any construction lien for material or work claimed to have been furnished to the Premises on Lessee's behalf and at Lessee's request:

- 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 Lessor.
- 3. If Lessee posts a bond, Lessee shall contest the validity of the lien. Lessee shall indemnify, defend and hold Lessor harmless from losses incurred from these liens, including attorney fees.

b. <u>Lessor's Discharge</u>. If Lessee does not discharge the lien or post the bond within the twenty (20) day period, Lessor may pay any amounts, including interest and legal fees, to discharge the lien. Lessee shall then be liable to Lessor for the amounts paid by Lessor, including all fees and costs incurred.

c. <u>**Consent Not Implied</u>**. This paragraph not a consent to subject Lessor's property to these liens. Lessee covenants and agrees to keep the Premises at all times during the term hereof free and clear of mechanic liens and liens of like nature.</u>

### 25. **SURRENDER**.

Upon the expiration, eviction or other termination of this Lease, Lessee shall quit and surrender to Lessor the Premises "broom-clean", in good order and condition, ordinary wear and damage by elements excepted. Lessee shall repair the Premises and land to original condition in the event Lessor requires Lessee to remove improvements and otherwise restore the Premises as set forth in this Lease.

### 26. 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.

## 27. CONFLICTS OF LAW.

This Lease shall be governed and construed pursuant to the laws of the State of Montana.

### 28. SEPARABILITY.

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.

### 29. ATTORNEYS' FEES AND COSTS.

If Lessor shall commence any action against Lessee for the recovery of any rent due hereunder, or for any unlawful detainer of the Premises, or to enforce any term hereof, or if Lessee shall commence an action against Lessor 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.

### 30. 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.

## 31. HOLDING OVER.

If Lessee remains in possession of the Premises, or any part thereof after the expiration of the term hereof, or any agreed upon extension, without the express written consent of Lessor, such occupancy shall be a tenancy from month-to-month at a rental in an amount of 1.5 times the last monthly rent plus all other applicable charges payable hereunder, and upon the terms hereof applicable to a month-to-month tenancy.

## 32. TIME IS OF THE ESSENCE.

Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

## 33. HEADINGS.

The paragraph captions contained in this Lease are for convenience only and shall not be considered as construing or interpreting any provision hereof.

MISSOULA COUNTY PUBLIC SCHOOLS