

From: [Dustin Davis](#)
To: joel@geopland.com
Subject: City Lease
Date: Tuesday, July 7, 2026 2:48:08 PM
Attachments: [City Lease1.pdf](#)

July 7, 2026

City Council of Miles City

Dustin Davis and John Kuntz of DMJ Properties LLC would like to exercise their right to renew the lease of the property of Lots 16 & 17, Tract E of the Industrial Site west of Miles City.

The previous lease term was a term of 10 years together with 2 one-time successive options to renew for additional 5-year terms. A lease of the previous terms continued on would be greatly appreciated. We have included a copy of our previous lease.

We submitted this request in June of 2024 and have been in contact with the city planner, Joel, to follow up on this matter. We would like this lease updated as 2 years have passed with no lease agreement.

Thank you,
Dustin Davis (406)853-2952
John Kuntz (406)951-0241
DMJ Properties LLC
43 Water Plant Rd
Miles City, MT 59301

City Council of Miles City

Dustin Davis and John Kuntz of DMJ Properties LLC would like to exercise their right to renew the lease of the property of Lots 16 & 17, Tract E of the Industrial Site west of Miles City.

Previous lease term was a term of 10 years together with 2 one time successive options to renew for additional 5 year terms. A lease of the previous terms continued on would be greatly appreciated. We have included a copy of our previous lease.

Thank You,
Dustin Davis and John Kuntz
DMJ Properties LLC

LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 25th day of May, 2004, by and between the **CITY OF MILES CITY, MONTANA**, a Montana municipal corporation, of 17 S. Eighth Street, Miles City, Montana 59301, hereinafter referred to as the "**CITY**" and **DMJ PROPERTIES, L.L.C.**, a Montana limited liability company, of 1413 Main Street, Miles City, Montana 59301 hereinafter referred to as "**TENANT**".

RECITALS:

WHEREAS the CITY owns certain real property located in the "Industrial Site" in Custer County, Montana, more particularly described as follows:

Lots 16 and 17, Tract "E" of the Industrial Site west of Miles City, Montana, containing approximately 49,812.5 square feet, more or less, hereinafter "*Leasehold*"

AND WHEREAS it is the desire of TENANT to lease the above described Leasehold for a term of ten (10) years, together with two, one-time, successive options to renew for additional five (5) year terms.

AND WHEREAS CITY is agreeable to providing such ten (10) year term lease, together with two, one-time, options to renew for additional five (5) year terms, upon the Leasehold under the following terms and conditions;

NOW, THEREFORE, the parties hereto mutually covenant and agree as follows:

I. AGREEMENT

The CITY, for and in consideration of the rents to be paid and the covenants to be performed by TENANT, does hereby demise, lease, and let unto TENANT the real property located in Custer County, Montana and more particularly described as follows:

Lots 16 and 17, Tract "E" of the Industrial Site west of Miles City, Montana, containing approximately 49,812.5 square feet, more or less, hereinafter "*Leasehold*"

II. INITIAL TERM

The term of this Agreement shall be for a period of ten (10) years, beginning on July 1, 2004 and expiring at midnight on June 30, 2014, hereinafter, "*the initial lease term*", subject to the option in TENANT to renew this lease as provided for in Article IV of this lease.

III. RENTAL

The initial annual rental for the initial lease term shall be the following:

49,812.5 sq. ft. with highway frontage @ 3 cents per sq. ft. - \$1,494.38

for a total rental of One Thousand Four Hundred Ninety Four and 38/100 Dollars (\$1,494.38) per year, due and payable in advance on July 1st of each year of the lease term, commencing July 1, 2004 through June 30, 2009.

Commencing with the annual rental due on July 1, 2009, the annual rental shall increase to the sum of One Thousand Six Hundred Forty Three and 82/100 Dollars (\$1,643.82) per year through the remaining initial term of the lease.

IV. OPTIONS TO RENEW

TENANT shall have two (2), one-time, options to renew this lease for additional five (5) year terms. To exercise the first such option, at least sixty (60) days prior to the date of expiration of the initial lease term, TENANT, shall notify CITY, in writing, as to TENANT'S exercise of this option to renew this lease for one additional term of five (5) years from and after the date of expiration of the initial lease term. Such renewal shall be under the same terms and conditions as for the initial term with the exception that the annual rental shall be the sum of One Thousand Eight Hundred Eight and 20/100 (\$1,808.20) per year.

To exercise the second such option, at least sixty (60) days prior to the date of expiration of the first renewal lease term, TENANT, shall notify CITY, in writing, as to TENANT'S exercise of this option to renew this lease for one additional term of five (5) years from and after the date of expiration of the first renewal lease term. Such renewal shall be under the same terms and conditions as for the initial term with the exception that the annual rental shall be the sum of One Thousand Nine Hundred Eighty Nine and 02/100 (\$1,989.02) per year.

If TENANT fails to serve upon CITY its written exercise of TENANT'S right to renew prior to such sixty (60) day period provided above, then this Lease shall terminate upon its original termination date and all rights and obligations of TENANT hereunder shall forever cease, other than TENANT'S indemnity obligations under Sections VI (I) and (K), which shall survive the termination of this lease.

V. LIMITED FIRST RIGHT TO RELEASE

If TENANT exercises both of the options to renew contained in Article IV, above, and fully, faithfully and timely performs all terms, conditions and covenants of this lease, then, at least ninety (90) days prior to the termination of the second option period, the CITY shall determine the fair market rental value of the leasehold and any changes in the

terms and conditions of the lease as the CITY may deem in its best interests. TENANT shall thereupon have the first right to lease the leasehold premises for such rental and upon such terms and conditions as the CITY has then determined. If TENANT fails to enter into a written lease with CITY for such rentals and upon such terms and conditions, within sixty (60) days of the date that the TENANT was given notice of the form of the new lease by CITY, then such first right to release shall forever cease and CITY may then offer the property constituting the leasehold for lease by any other person or entity.

VI. RESPONSIBILITIES OF THE TENANT

TENANT does hereby acknowledge, covenant and agree as follows:

A. Purpose.

TENANT desires to lease the premises described above for the following general purposes:

Operation of a trucking company and farm equipment repair service.
Equipment sales and service.

TENANT agrees to use the premises for the stated purpose and the stated purpose only, and covenants that it will not use or occupy said premises, or allow the same to be used or occupied, for any unlawful purpose or any purpose deemed extrahazardous on account of fire or otherwise.

B. Compliance with Laws.

TENANT shall comply with, conform to, and obey all present and future laws, ordinances, rules and regulations of all governmental authorities or agencies, respecting the use and occupation of the premises.

C. Independent Investigation.

TENANT acknowledges that it has carefully examined and inspected the premises and improvements and it is fully familiar and acquainted therewith, and agrees to accept the same in their present conditions, and that it is not leasing the premises because of any warranty, representation, information or promises made by the CITY or anyone acting for or on behalf of the CITY, which are not specifically set forth in this Agreement.

D. Maintenance.

TENANT agrees to keep the premises and improvements thereon in good repair and upkeep, reasonable wear and tear alone excepted, and further agrees neither to permit nor cause any waste on the property, or with respect to any improvements thereon. Tenant shall keep the premises in a reasonably clean and orderly condition, considering

the nature of the business conducted thereon, and shall not allow accumulations of junked or inoperable automobiles, trucks, farm equipment, or scrap upon the premises beyond the necessities of the business operation.

E. Improvements to Remain.

Within sixty (60) days immediately following the expiration of this lease, the TENANT shall remove any improvements located on the leasehold and shall restore, at TENANT'S expense, the leasehold premises to level with the adjoining property and in a debris free condition. If inclement weather during such sixty (60) day period delays such removal and restoration, CITY shall provide TENANT with a reasonable time, not to exceed an additional sixty (60) days, in which to remove the improvements and restore the leasehold. If TENANT fails to remove such improvements within such sixty (60) day period, CITY, at its option, may (1) cause the removal of such improvements and restoration of the leasehold premises to be done and shall be entitled to recover all costs and expenses of such removal and restoration from TENANT or (2) retain all such improvements as property of CITY without compensation to TENANT. Provided, however, that upon termination of the Lease, TENANT, within such same sixty (60) day period, shall have the right to sell the improvements upon the Leasehold to a successor tenant.

In the event that any financial institution holds a security interest upon any of the improvements hereon, then, in the event of termination of this lease, whether by expiration of term or uncured default, the financial institution holding such security agreement shall be allowed to remove any improvements upon which it holds a security interest within the times provided for the TENANT to remove improvements, as set forth in the first paragraph of this subsection.

F. Right to Inspect.

The CITY or the CITY'S authorized agents shall have the right to enter upon the premises after written notice and during normal business hours, in order to inspect and determine whether TENANT is in compliance with the terms of this Agreement.

G. Utilities.

TENANT agrees to pay for the use and maintenance of all utility services on the premises, including gas, electricity, telecommunications, water, sewer and solid waste disposal, if applicable.

H. Taxes and Assessments.

TENANT shall pay any and all taxes and assessments which may be lawfully levied against TENANT'S occupancy or use of the premises or any improvements thereon as a result of TENANT'S occupancy.

I. Indemnification.

TENANT shall indemnify and hold the CITY harmless for any loss, damage, claim and/or liability occasioned by, growing out of, or arising or resulting from any default hereunder, or any tortious or negligent act on the part of TENANT, its agents, employees or customers, and TENANT hereby agrees to indemnify and hold harmless the CITY for any such loss or damage. The obligations hereunder shall survive the termination of this lease.

J. Insurance.

TENANT agrees to maintain with a good and reputable insurance company a policy of fire and extended coverage insurance covering the improvements on the premises involved herein to the maximum insurable value, and said policy of insurance shall have a loss-payable clause specifically naming and covering the interests of the CITY. TENANT further agrees to carry minimum liability insurance in the amount of ONE MILLION AND NO/100THS DOLLARS (\$1,000,000.00) each accident, and to carry Worker's Compensation Insurance as required by the laws of the State of Montana. TENANT shall provide evidence of such current and valid insurance upon approval of this lease by the Miles City City Council and, thereafter, upon demand of the lease administrator of the CITY.

K. Environmental Warranty.

TENANT warrants and agrees to neither cause nor allow to be caused any release of hazardous substances from, into, or upon the premises, nor to cause or allow to be caused any contamination by hazardous waste or substances with respect to the premises, and that, when applicable, TENANT shall comply with all local, state and federal environmental laws and regulations.

TENANT agrees to indemnify, defend and hold harmless the CITY, its employees, agents, members, successors and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorneys and other fees, arising out of, or in any way connected to, any condition in, on or of the property, that is caused or allowed to be caused by TENANT, its agents, employees or customers. Such duty of indemnification shall include, but not to be limited to, damage, liability or loss pursuant to all local, state and federal environmental laws and regulations, strict liability and common law. The obligations hereunder shall survive the termination of this lease.

TENANT shall not be responsible under this Section for preexisting environmental hazards, if any.

L. Compliance with ADA.

TENANT agrees to comply with the Americans with Disabilities Act as the same

may apply to TENANT.

M. Nondiscrimination.

TENANT hereby agrees that the premises not be used in any manner that would discriminate against any person or persons on the basis of sex, age, physical or mental handicap, race, creed, religion, color, or national origin.

VII. ASSIGNABILITY OF INTEREST

TENANT shall not assign this Lease, nor sublet the premises, nor any part thereof, without the prior written consent of the CITY, which consent shall not be unreasonably withheld. No permitted sublease shall release TENANT from its obligations under this Lease.

VIII. DEFAULT

If TENANT shall at any time be in default in the payment of rent due hereunder, or in the performance of any of the covenants or provisions of this Lease, and TENANT shall fail to remedy such default within thirty (30) days after receipt of written notice thereof from the CITY, then it shall be lawful for the CITY to enter upon the premises, and again repossesses and enjoy the same as if the Lease had not been entered into, and thereupon this Lease and everything herein contained on the part of the CITY to be done and performed shall cease and terminate, without prejudice, however, to the right of the CITY to recover from TENANT all rent due up to the time of such entry. In the case of such default and entry by the CITY, the ownership of any and all improvements on the premises shall vest in the CITY (if the same shall not have already vested), and the CITY may relet the premises for the remainder of TENANT'S term for the highest rent obtainable and may recover from TENANT any deficiency between the amount so obtained and the rent due hereunder from TENANT. If the default is in the performance of any of covenants or provision of this Lease, other than failure to timely pay the rental called for herein, and, by the nature of the default, it cannot reasonably be cured within a thirty (30) day period, so long as TENANT commences and diligently pursues a cure of such default promptly within the initial 30 day cure period, then TENANT shall have a further reasonable time to complete such cure, not to exceed an additional sixty (60) days after the expiration of the initial thirty (30) day cure period.

IX. MISCELLANEOUS PROVISIONS

If is further mutually understood and agreed as follows:

A. Special Conditions:

1. TENANT shall, at the commencement of this Lease provide the CITY lease administrator with the name and address of the managing member of

the limited liability company, and such manager shall be the person upon whom notices under this lease shall be served. If the company changes the managing member it shall notify the CITY lease administrator in writing of the name and address of the new managing member.

B. Lease Contingent Upon Termination of Existing Leases.

This Agreement is contingent upon the TENANT obtaining executed terminations of the existing lease upon the above described real property by Jim Ferris, d/b/a Ferris & Sons, in the form attached hereto as Exhibit "C" and made a part hereof.

C. Notice.

Any notice hereunder shall be in writing and may be delivered personally or by registered or certified mail with postage prepaid. Notice shall be deemed complete when deposited in a United States Post Office addressed to the managing member noticed to the CITY pursuant to Section IX, A, 1, above, with proper postage attached.

D. Oral Modification Prohibited.

No modification or alteration of this Agreement shall be valid unless evidenced by a writing signed by the parties hereto.

E. Attorneys Fees and Costs.

Should either party incur any costs or expenses, including reasonable attorney fees, in enforcing this Agreement or any provision hereunder, or protecting its rights and interest hereunder, the other or unsuccessful party shall reimburse the prevailing party upon demand.

F. Binding Effects.

This Agreement shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of the parties hereto; provide, however, that no assignment by, from, through or under TENANT in violation of the provisions hereof shall vest in the assignee(s) any right, title, or interest whatsoever.

G. Time of the Essence.

Time is the essence of this Agreement and all obligations of this Agreement shall be performed on or before the dates set forth herein.

H. Incorporation of Recitals.

The Recitals set forth above are incorporated into the terms and conditions of this

128587 Fee: \$ 54.00

CUSTER COUNTY Recorded 06/11/2004 At 10:26 AM

Agreement and made a part hereof by reference.

I. Executed Copy.

Each of the parties hereby acknowledges receiving an executed copy of this Agreement.

J. Interpretation.

This Agreement shall be governed and construed in all respects according to the laws of the State of Montana.

K. Contingent Upon Approval of City Council.

This Agreement shall not become effective until a resolution approving this lease has been adopted by the affirmative vote of two-thirds of the membership of the City Council of the City of Miles City, pursuant to §7-8-4201(2) MCA.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement the date and year first hereinabove written.

CITY OF MILES CITY

By: C. A. Gung
ITS MAYOR

ATTEST:

Patricia D. Huss
CITY CLERK

TENANT:

DMJ PROPERTIES, L.L.C.

By: [Signature]
Managing Member

STATE OF MONTANA)
: SS.
COUNTY OF CUSTER)

This instrument was acknowledged before me on the 26th day of May, 2004 by
C.A. GRENZ in his capacity as Mayor of the City of Miles City, Montana, a Montana
municipal corporation.



Melissa Hartman
Melissa Hartman
(Printed name of notary)
Notary Public for the State of Montana
Residing at Miles City, Montana
My Commission expires: 02/24 2007

STATE OF MONTANA)
: SS.
COUNTY OF CUSTER)

This instrument was acknowledged before me on the 7 day of ^{June}~~May~~, 2004 by
Duke Walker in his capacity as Managing Member of DMJ
Properties, L.L.C., a Montana limited liability company.



Sandra K. Hafila
SANDRA K. HAFILA
(Printed name of notary)
Notary Public for the State of Montana
Residing at Miles City, Montana
My Commission expires: 02/01 2007

128587 Fee: \$ 54.00

CUSTER COUNTY Recorded 06/11/2004 At 10:26 AM

Exhibit "A"
CITY PROPERTY LEASE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2026, by and between the **CITY OF MILES CITY, MONTANA**, a Montana municipal corporation, of 17 S. Eighth Street, Miles City, Montana, 59301, hereinafter referred to as the "**CITY**" and **DMJ Properties L.L.C.**, 43 Water Plant Road, Miles City, Montana, 59301, hereinafter referred to as "**TENANTS**".

RECITALS:

WHEREAS the CITY owns certain real property located in the "Industrial Site" west of the City of Miles City, Custer County, Montana, more particularly described as follows:

Lots 16 and 17 of Tract "E" of the Industrial Site west of Miles City, Montana, in Custer County, containing approximately 49,686 square feet, more or less, as evidenced by a Certificate of Survey recorded at the Custer County Clerk & Recorder's Office in Envelope #570B, Document #172001;

AND WHEREAS it is the desire of TENANTS to lease the above-described Leasehold for a term of ten (10) years, plus the remainder of the current fiscal year, subject to the options to renew as hereinafter provided;

AND WHEREAS the CITY is agreeable to providing such 10-year term lease, together with the option to renew for two (2) additional five-year terms, plus the remainder of the current fiscal year, upon the Leasehold under the following terms and conditions.

NOW, THEREFORE, the parties hereto mutually covenant and agree as follows:

I. AGREEMENT

The CITY, for and in consideration of the rents to be paid and the covenants to be performed by TENANT, does hereby demise, lease, and let unto TENANTS the real property located in the Industrial Site and more particularly described as follows:

Lots 16 and 17 of Tract "E" of the Industrial Site west of Miles City, Montana, in Custer County, containing approximately 49,686 square feet, more or less, hereinafter "**Leasehold**".

II. INITIAL TERM

The term of this Agreement shall be for a period of ten (10) years, plus the remainder of the current fiscal year ending June 30, 2027. This agreement shall become effective on August 11, 2026 and expires at midnight on June 30, 2037, hereinafter, "*the initial lease*"

term", subject to the option to renew this lease as provided for in Article IV of this lease agreement.

III. RENTAL

The annual rental for the initial lease term described in Section II. shall be in accordance with the rates established by the CITY, as follows:

Lots 16 and 17 of Tract "E" of the Industrial Site, containing approximately 49,686 square feet, for a total annual rental of one-thousand, nine-hundred and eighty-nine and 02/100 dollars (\$1,989.02) per year for the remainder of the current fiscal year. Payment for the remainder of the current fiscal year ending June 30, 2027 shall be paid upon contract execution date.

Payments in subsequent years shall be due and payable in advance of July 1st of each subsequent year of the lease terms, commencing July 1, 2027 through June 30, 2047.

Commencing July 1, 2027, the annual rental amount shall become two-thousand, one-hundred and eighty-seven and 92/100 dollars (\$2,187.92) per year for the second and last five years of the initial lease term ending June 30, 2032.

Commencing July 1, 2032, the annual rental amount shall become two-thousand, four-hundred and six and 71/100 dollars (\$2,406.71) per year for the first renewal period of five years, ending June 30, 2037.

Commencing July 1, 2037, if lessees exercise the option to renew per Section IV, the annual rental amount shall become two-thousand, six-hundred and forty-seven and 39/100 dollars (\$2,647.39) per year for the first renewal period of five years, ending June 30, 2042.

Commencing July 1, 2042, if lessees exercise the option to renew per Section IV, the annual rental amount shall become two-thousand, nine-hundred and twelve and 12/100 dollars (\$2,912.12) per year for the second and final renewal period of five years, ending June 30, 2047.

IV. OPTION TO RENEW.

FOLLOWING the "INITIAL LEASE TERM", TENANTS shall have options to renew this lease again a maximum of two (2) additional times, for renewal periods of five (5) years each. TENANTS shall provide notice to the CITY of TENANTS' intent to renew not more than 90 days and not less than 30 days prior to the expiration of the initial or renewal term. Rental rates at each payment period shall be at the standard rates set by resolution adopted by City Council.

V. RESPONSIBILITIES OF THE TENANTS

TENANTS hereby acknowledge, covenant and agree as follows:

A. Purpose.

TENANTS desire to lease the premises described above for the following general purposes:

Operation of a trucking company and farm equipment repair service.
Equipment sales and service.

TENANTS agree to use the premises for the stated purpose and the stated purpose only, and covenants that TENANTS will not use or occupy said premises, or allow the same to be used or occupied, for any unlawful purpose or any purpose deemed extrahazardous due to fire or otherwise.

B. Compliance with Laws.

TENANTS shall abide by all local, state and federal rules, regulations and laws respecting the use of real property, pesticides, soil erosion, hazardous materials, and chemicals and farming practices.

C. Independent Investigation.

TENANTS acknowledge that the TENANTS have carefully examined and inspected the premises and improvements and are fully familiar and acquainted therewith, and agree to accept the same in their present conditions, and that TENANTS are not leasing the premises because of any warranty, representation, information or promises made by the CITY or anyone acting for or on behalf of the CITY, which are not specifically set forth in this Agreement.

D. Maintenance.

TENANTS agrees to keep the premises and improvements thereon in good repair and upkeep, reasonable wear and tear alone excepted, and further agree neither to permit nor cause any waste on the property, or with respect to any improvements thereon. TENANTS shall not create any condition which would be considered a public nuisance as defined in Chapter 15 of the Miles City Code of Ordinances. TENANTS shall keep the premises in a clean and orderly condition and not allow accumulations of junked or inoperable automobiles, trucks, farm equipment, or scrap upon the premises.

TENANTS will take all necessary steps to ensure proper weed control for all property subject to this lease. Fences and other improvements will be maintained in good condition.

CITY may require that TENANTS screen any condition which the CITY determines, in the CITY'S absolute and sole discretion, constitutes a public nuisance or unsightly condition, using fencing or other method as may be approved by the CITY.

E. Improvements to Remain.

Within sixty (60) days immediately following the expiration of this lease, the TENANT shall remove any improvements located on the leasehold and shall restore, at TENANTS' expense, the leasehold premises to level with the adjoining property and in a debris free condition. "Improvements" shall not include stormwater drainage facilities or other permanent improvements provided as City Services. If inclement weather during such sixty (60) day period delays such removal and restoration, CITY shall provide TENANTS with a reasonable time, not to exceed an additional sixty (60) days in which to remove the improvements and restore the leasehold. If TENANTS fail to remove such improvements within such sixty (60) day period, CITY, at its option, may (1) cause the removal of such improvements and restoration of the leasehold premises to be done and shall be entitled to recover all costs and expenses of such removal and restoration from TENANTS or (2) may retain all such improvements as property of CITY without compensation to TENANTS. Provided, however, that upon termination of the Lease, TENANTS, within such same sixty (60) day period, shall have the right to sell the improvements upon the Leasehold to a successor tenant.

In the event that any financial institution holds a security interest upon any of the improvements hereon, then, in the event of termination of this lease, whether by expiration of term or uncured default, the financial institution holding such security agreement shall be allowed to remove any improvements upon which it holds a security interest within the times provided for the TENANTS to remove improvements, as set forth in the first paragraph of this subsection.

F. Right to Inspect.

The CITY or the CITY'S authorized agents shall have the right to enter upon the premises after providing twenty-four (24) hours' written notice and during normal business hours, in order to inspect and determine whether TENANTS comply with the terms of this Agreement.

G. Utilities.

TENANTS agree to pay for the use and maintenance of all utility services on the premises, including gas, electricity, telecommunications, water, sewer and solid waste disposal, if applicable.

H. Taxes and Assessments.

TENANTS shall pay any and all taxes and assessments which may be lawfully levied against TENANTS' occupancy or use of the premises or any improvements thereon as a result of TENANTS' occupancy.

I. Indemnification.

TENANTS shall indemnify and hold the CITY harmless for any loss, damage, claim and/or liability occasioned by, growing out of, or arising or resulting from any default hereunder, or any tortious or negligent act on the part of TENANTS, their agents, employees or customers, and TENANTS hereby agree to indemnify and hold harmless the CITY for any such loss or damage. The obligations hereunder shall survive the termination of this lease.

J. Insurance.

TENANTS agree to maintain with a good and reputable insurance company a policy of fire and extended coverage insurance covering the improvements on the premises involved herein to the maximum insurable value, and said policy of insurance shall have a loss-payable clause specifically naming and covering the interests of the CITY. TENANTS further agree to carry minimum liability insurance in the amount of SEVEN-HUNDRED, FIFTY-THOUSAND AND NO/100THS DOLLARS (\$750,000.00) for each claim and ONE MILLION, FIVE-HUNDRED THOUSAND AND NO/100THS DOLLARS (\$1,500,000.00) each accident, and to carry Worker's Compensation Insurance as required by the laws of the State of Montana. TENANTS shall provide evidence of such current and valid insurance upon approval of this lease by the City Council of Miles City and, thereafter, each year on or before July 1, or upon demand by the lease administrator of the CITY.

K. Environmental Warranty.

TENANTS warrant and agree to neither cause nor allow to be caused any release of hazardous substances from, into, or upon the premises, nor to cause or allow to be caused any contamination by hazardous waste or substances with respect to the premises, and that, when applicable, TENANTS shall comply with all local, state and federal environmental laws and regulations.

TENANTS agree to indemnify, defend and hold harmless the CITY, its employees, agents, members, successors and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorneys and other fees, arising out of, or in any way connected to, any condition in, on or of the property, that is caused or allowed to be caused by TENANTS, TENANTS' agents, employees or customers. Such duty of indemnification shall include, but not to be limited to, damage, liability or loss pursuant to all local, state and federal environmental laws and regulations, strict liability and common law. The obligations hereunder shall survive the termination of this lease.

TENANTS shall not be responsible under this Section for preexisting environmental hazards, if any.

L. Compliance with ADA.

TENANTS agree to comply with the Americans with Disabilities Act as the same may apply to TENANTS.

M. Non-Discrimination.

TENANTS hereby agree that the premises will not be used in any manner that would discriminate against any person or persons on the basis of sex, age, physical or mental handicap, race, creed, religion, color, or national origin.

VI. ASSIGNABILITY OF INTEREST

TENANTS shall not assign this Lease, nor sublet the premises, nor any part thereof, without the prior written consent of the CITY, which consent shall not be unreasonably withheld. No permitted sublease shall release TENANTS from its obligations under this Lease. The CITY will not unreasonably withhold an assignment of the lease to a purchaser of TENANTS' buildings, and CITY will not unreasonably withhold a collateral assignment of the lease in favor of a lender who finances the purchase of the buildings.

VII. DEFAULT

If TENANTS shall at any time be in default in the payment of rent due hereunder, or in the performance of any of the covenants or provisions of this Lease, and TENANTS fail to remedy such default within thirty (30) days after receipt of written notice thereof from the CITY, then it shall be lawful for the CITY to enter upon the premises, and again repossesses and enjoy the same as if the Lease had not been entered into, and thereupon this Lease and everything herein contained on the part of the CITY to be done and performed shall cease and terminate, without prejudice, however, to the right of the CITY to recover from TENANTS all rent due up to the time of such entry. In the case of such default and entry by the CITY, the ownership of any and all improvements on the premises shall vest in the CITY (if the same shall not have already vested), and the CITY may re-let the premises for the remainder of TENANTS' term for the highest rent obtainable and may recover from TENANTS any deficiency between the amount so obtained and the rent due hereunder from TENANTS. If the default is in the performance of any of covenants or provision of this Lease, other than failure to timely pay the rental called for herein, and, by the nature of the default, it cannot reasonably be cured within a thirty (30) day period, so long as TENANTS commence and diligently pursue a cure of such default promptly within the initial thirty (30) day cure period, then TENANTS shall have a further reasonable time to complete such cure, not to exceed an additional sixty (60) days after the expiration of the initial thirty (30) day cure period. Payments not received by the City within thirty (30) calendar days of the annual due date shall be subject to a late fee at a rate of 10% per annum.

IX. MISCELLANEOUS PROVISIONS

If is further mutually understood and agreed as follows:

A. Notice.

Any notice hereunder shall be in writing and may be delivered personally or by registered or certified mail with postage prepaid. Postal notice shall be deemed complete when deposited in a United States Post Office addressed to the TENANTS with proper postage attached.

B. Oral Modification Prohibited.

No modification or alteration of this Agreement shall be valid unless evidenced by a writing signed by the parties hereto.

C. Attorneys Fees and Costs.

Should either party incur any costs or expenses, including reasonable attorney fees, in enforcing this Agreement or any provision hereunder, or protecting its rights and interest hereunder, the other or unsuccessful party shall reimburse the prevailing party upon demand.

D. Binding Effects.

This Agreement shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of the parties hereto; provided, however, that no assignment by, from, through or under TENANTS in violation of the provisions hereof shall vest in the assignee(s) any right, title, or interest whatsoever.

E. Time of the Essence.

Time is of the essence of this Agreement and all obligations of this Agreement shall be performed on or before the dates set forth herein.

F. Incorporation of Recitals.

The Recitals set forth above are incorporated into the terms and conditions of this Agreement and made a part hereof by reference.

G. Executed Copy.

Each of the parties hereby acknowledges receiving an executed copy of this Agreement.

H. Interpretation.

This Agreement shall be governed and construed in all respects according to the laws of the State of Montana.

I. Contingent Upon Approval of City Council.

This Agreement shall not become effective until a resolution approving this lease has been adopted by the affirmative vote of two-thirds of the membership of the City Council of the City of Miles City, pursuant to §7-8-4201(2) MCA.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement the date and year first hereinabove written.

CITY OF MILES CITY

By: _____
C.A. Grenz, Mayor

ATTEST:

Mary Rowe, City Clerk

STATE OF MONTANA)
) ss
COUNTY OF CUSTER)

On this ____ day of _____, 2026, before me, the undersigned, a Notary Public for the State of Montana, personally appeared C.A. Grenz in his capacity as Mayor of the City of Miles City, Montana, a Montana municipal corporation, who executed the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Signature of Notary Public
Residing at Miles City, Montana
My Commission expires: ____ / ____ / ____

(NOTARIAL SEAL)

TENANTS:

Dustin Davis of DMJ Properties L.L.C.

John Kuntz of DMJ Properties L.L.C.

STATE OF MONTANA)
) ss
COUNTY OF CUSTER)

On this ____ day of _____, 2026, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Dustin Davis of DMJ Properties L.L.C., who executed the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Signature of Notary Public
Residing at Miles City, Montana
My Commission expires: ____ / ____ / ____

(NOTARIAL SEAL)

STATE OF MONTANA)
) ss
COUNTY OF CUSTER)

On this ____ day of _____, 2026, before me, the undersigned, a Notary Public for the State of Montana, personally appeared John Kuntz of DMJ Properties L.L.C., who executed the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Signature of Notary Public
Residing at Miles City, Montana
My Commission expires: ____ / ____ / ____

(NOTARIAL SEAL)