



MONTANA DEPARTMENT OF NATURAL  
RESOURCES & CONSERVATION

**OPTION TO LEASE AGREEMENT #xxx**

This Option to Lease Agreement, is entered into this [redacted] Day of [redacted], 20[redacted], by and between the Montana Department of Natural Resources and Conservation, whose address is P.O. Box 201601, Helena, MT 59620 (hereinafter referred to as the "Department") and [redacted], whose address is [redacted] (hereinafter referred to as the "Optionee").

**GRANT OF OPTION:** In consideration of an annual payment ("Option Fee"), the Department grants to the Optionee an exclusive option to lease premises described in Exhibit A, ("Premises") attached hereto upon those terms and conditions as in the form, terms, and conditions of that lease agreement attached hereto as Exhibit B, ("Lease") and incorporated herein as if fully set forth. The Option Fee shall be:

[redacted]

**TERM:** This Option shall remain in effect from the Effective Date until 12 noon Mountain Time on the [redacted] Day of [redacted], 20[redacted], at which time it will expire and terminate automatically. Subject to the contingency provided herein, Optionee may exercise this Option to Lease and execute a Lease at any time during the Term. If the Option to Lease is exercised prior to the expiration of the Term, rent paid for the unused portion of the Term will be applied to the first-year rental payment of the lease agreement.

The Optionee may terminate this Option to Lease at any time prior to the expiration of the forgoing Term. The Optionee will provide the Department with a written notice of early termination at least thirty (30) days prior to the intended date of early termination. Upon the Department's receipt of such notice of termination, this Option shall terminate and the Optionee shall be released from all obligations under this Option other than those obligations that expressly survive such termination. Under early termination, Optionee shall not be entitled to any refund of any prepaid payments for the Grant of Option.

**ASSIGNMENT:** Optionee shall not assign its interest under this Option, in whole or as to any part, without Optionor's prior written consent.

**PAYMENT OF SPECIAL ASSESSMENTS AND TAXES:** Optionee will pay all special assessments (i.e. SIDs, RIDs, etc.) and other like impositions levied, assessed, or attributable to the lease premises described in Exhibit "A" during the Term. The Optionee will pay before delinquent, directly to the taxing authority, all Taxes that may accrue during or are attributable to any part of the Option term, including privilege taxes, also known as beneficial use taxes, per MCA 15-24-1203.

**MANNER OF EXERCISE OF OPTION:** The Optionee may exercise the option granted in the preceding paragraph at any time before the expiration of the option period by giving written notice of exercise of the option to the Department, at the address of the Department set out above. The notice of exercise of the option must specify the date upon which the lease is to commence, and such date must be within the term of the option.

**EXECUTION OF LEASE AGREEMENT:** Upon receipt of the notice of exercise of lease option, the Department must prepare or cause to be prepared duplicate originals of the lease agreement which is attached as Exhibit "B". The Department will deliver these duplicate originals for execution to the Optionee within thirty (30) days after receipt of the Optionee's notice of exercise of the option. The

Optionee must deliver the fully executed duplicate lease agreements to the Department within fourteen (14) days after receipt by the Optionee.

**CONTINGENCY:** Manner of Exercise of Option to Lease is contingent upon an environmental review conducted in compliance with the Montana Environmental Policy Act (MEPA), and associated decision document signed by Department. Department will have the sole right to determine whether MEPA compliance shall consist of the completion of an Environmental Assessment (EA) or Environmental Impact Statement (EIS). The Department shall ultimately be responsible for signing a Record of Decision (ROD) or other appropriate decision document. Optionee and Department agree that the final decision for the MEPA may require modifications to the attached lease document to ensure compliance with the MEPA decision.

Date: \_\_\_\_\_

STATE OF MONTANA, MONTANA DEPARTMENT  
OF NATURAL RESOURCES AND CONSERVATION

By: \_\_\_\_\_

Name of DNRC Signatory

Title

Land Office or Division

#### ACKNOWLEDGMENT

STATE OF MONTANA  
County of Lewis and Clark

This instrument was acknowledged before me on \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of the Montana Department of Natural Resources and Conservation.

\_\_\_\_\_  
(Notary Signature)

[SEAL]

Date: \_\_\_\_\_

OPTIONEE

By: \_\_\_\_\_

Its: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_

County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, \_\_\_\_\_, by  
\_\_\_\_\_, as \_\_\_\_\_ of Optionee,  
\_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
(Notary Signature)