

LETTER OF AGREEMENT

This Letter of Agreement is made this 15 day of July, 2011, by and between RIMROCK FOUNDATION, a Montana Non-Profit Corporation, and THE SALVATION ARMY, a Non-Profit Corporation.

Reference is made to that certain City of Billings-Community Development Division-Business Consortium Project submitted by The Salvation Army, of 2100 Sixth Avenue North, Billings, Montana, on October 1, 2010 (hereafter the "Project").

The Salvation Army (hereafter sometimes referred to as the "Army") and Rimrock Foundation (hereafter sometimes referred to as "Rimrock") have agreed to the following agreements in order to implement the Project.

1. Army will lease certain property located at 10 South 30th Street, Billings, Montana, to Rimrock for purposes of acquiring and setting up machinery for use in the Project. Such property will be provided pursuant to a certain "Agreement for Use of Salvation Army Property" attached hereto and by this reference incorporated herein.

2. Rimrock will purchase the equipment needed for the Project which consists of a Bobcat and compost grinder. Money allocated under the Project for acquisition of this equipment will be disbursed to Rimrock for acquisition of this equipment. Rimrock will keep the equipment in good repair. Rimrock will keep the equipment insured with casualty and liability coverage with limits of not less than \$1,000,000.00 as to each person and \$1,000,000.00 for each occurrence for personal injury and \$1,000,000.00 for property damage. Said insurance shall be kept in full force and effect at all times during the term of this Letter of Agreement. Army shall be entitled to use the equipment for an annual fee of \$25.00 per year. Army will provide fuel and normal maintenance for the equipment. Army shall be entitled to use the equipment for a period of one year, commencing on July 1, 2011, and ending on June 30, 2012, with the understanding between the parties that such equipment usage may be extended annually for up to a seven year period, as necessary for the Project.

3. Duties.

1. Army will provide:

- Job placement and vocational training in The Salvation Army recycling center



program.

- Participation in all components of established Salvation Army Work Therapy programs.
 - Case Management for all participants throughout the term of program participation and following graduation.
 - Transportation to and from the job site/to the placement of residence in the form of bus passes and direct transportation using program vehicles.
 - Any necessary childcare for residents during work hours.
 - Food for residents under the auspices of the Community Table program and the Root Cellar program throughout the duration of the participant's stay.
 - Stipends and financial incentives as approved by the residential program rules of the Rimrock Foundation residential program.
 - Training and classes in financial management, asset development, job placement and training, nutrition and health living to enable the program participants to transition to successful independent living situations at the conclusion of the program.
- b. Rimrock will provide:
- Identification of candidates ready to transition into sober living who are actively working on a plan of recovery from addiction after having completed precursory treatment.
 - A safe, drug-free, affordable, residential environment in which healing and recovery can occur for tenants.
 - Encouragement and further development of life skills, including vocational planning to enhance the tenant's lifestyle and recovery.
 - A Sober Living Coordinator to meet weekly/regularly with the tenants, to assist with problems or issues, and generally assure the safety and security of their living environment.
 - Case Management services to assist program participants with their recovery plan in any necessary capacity, including access to the outpatient or intensive outpatient programs at Rimrock Foundation.
 - 24 hours accessibility to Medical Unit Staff with a direct phone line in each

residence in case of emergency.

- A comprehensive resident handbook for program participants defining the expectations and compliance requirements to maintain residency, as well as a contractual agreement to be signed.

4. Army and Rimrock agree to collaborate fully to cover any other needs/resources (financially or otherwise) to insure the success and longevity of the Project.

5. The Enterprise Manager shall be an employee of Army and shall be covered by worker's compensation insurance. Program participants will be covered by Army liability coverage until such point as they either leave or become employees. If program participants become employees of Army, Army will provide worker's compensation insurance when such participants become employees of Army.

• This Letter of Agreement is made in order to fully implement the Project submitted by Army on October 1, 2010.

THE SALVATION ARMY,
a California corporation

Date: 7/15/11

By: Binda Jackson

RIMROCK FOUNDATION,
a Montana corporation

Date: 7/15/11

By: [Signature] CEO

mb30940.001



AGREEMENT FOR USE OF SALVATION ARMY PROPERTY

PERMISSION IS HEREBY GRANTED TO Rimrock Foundation HEREIN CALLED "THE GRANTEE" FOR THE USE OF designated property at 10 S. 30th Street - Billings, MT FOR property usage and storage DURING THE PERIOD COMMENCING ON July 1, 2011 TO AND INCLUDING June 30, 2012 PROVIDED THAT THE SALVATION ARMY RESERVES THE RIGHT TO TERMINATE THE PERMITTED USE AT ANY TIME UPON WRITTEN NOTICE TO THE GRANTEE.

GRANTEE AGREES TO PAY A ONE-TIME PROGRAM SERVICE FEE OF \$ 25 ^{year} ~~per month~~ WHICH WILL INCLUDE UTILITIES AND PROGRAM SPACE. CUSTODIAL SERVICE FOR GRANTEE WILL BE PROVIDED BY GRANTEE.

IN CONSIDERATION OF THE PERMISSION HEREIN GRANTED, THE GRANTEE AGREES TO INDEMNIFY THE SALVATION ARMY, A CALIFORNIA CORPORATION, AND EACH AND EVERY ONE OF ITS OFFICERS AND EMPLOYEES, AND TO HOLD IT AND THEM HARMLESS FROM AND AGAINST ALL CLAIMS, ACTIONS AND SUITES AND ALL LIABILITIES, LOSSES, DAMAGES, COSTS, ATTORNEY'S FEES AND OTHER EXPENSES OF EVERY NATURE AND CHARACTER ARISING FROM THE USE OF THE PREMISES BY THE GRANTEE, AND GRANTEE AGREES TO DEFEND ANY ACTION BROUGHT AGAINST THE SALVATION ARMY OR ANY OF ITS OFFICERS OR EMPLOYEES ARISING FROM THE CLAIMS, LIABILITES, LOSSES OR DAMAGES IN CONNECTION WITH THE USE OF THE PREMISES BY THE GRANTEE.

THE GRANTEE SHALL FURNISH EVIDENCE OF LIABILITY INSURANCE WITH LIMITS OF NOT LESS THAN \$1,000,000 AS TO EACH PERSON AND \$1,000,000 FOR EACH OCCURRENCE FOR PERSONAL INJURY AND \$1,000,000 FOR PROPERTY DAMAGE, SAID INSURANCE TO BE KEPT IN FULL FORCE AND EFFECT AT ALL TIMES DURING THE TERMS OF THIS AGREEMENT AND SHALL NAME THE SALVATION ARMY, A CALIFORNIA CORPORATION, ITS OFFICERS AND EMPLOYEES AS ADDITIONAL INSURED. THE GRANTEE SHALL ALSO FURNISH EVIDENCE OF AN AGREEMENT BY THE INSURANCE CARRIER THAT THE POLICY SHALL NOT BE CANCELED OR COVERAGE REDUCED WITHOUT FIRST GIVING THIRTY (30) DAYS WRITTEN NOTICE THEREOF TO THE RISK MANAGEMENT DEPARTMENT OF THE SALVATION ARMY, 180 E. OCEAN AVENUE, LONG BEACH CA 90802-4709.

THE SALVATION ARMY
A CALIFORNIA CORPORATION

DATED: 7/11/15 BY: Gilda Jackson
DATED: _____ BY: _____

RIMROCK FOUNDATION
(NAME OF GRANTEE)