

LEASE

This lease is made and entered into on the _____ day of May, 2016 by and between the City of Knoxville, Landlord, and the Knoxville Senior Center, Tenant.

1. Premises Being Leased. Landlord is leasing to Tenant and Tenant is leasing from Landlord the following premises: 308 East Montgomery, Knoxville, Iowa 50138.
[X] **Part of Building Only.** Specifically, Tenant is leasing the basement of the building.
[X] **Shared Facilities.** Tenant and Tenant's employees and customers may use the following additional facilities in common with other tenants, employees, and customers: Hallways, stairways, and elevators.

2. Term of Lease. This lease begins on May 23, 2016 and ends on May 22, 2019. Tenant may end the lease with the Landlord at any point prior to the end of term with 30 days' notice.

3. Rent. Tenant will pay rent of \$1.00 per year. Tenant will pay this rental amount for the entire term of the lease.

4. Option to Extend Lease. Landlord grants Tenant the option to extend this lease for an additional three years. To exercise this option, Tenant must give Landlord written notice on or before April 1, 2019. Tenant may exercise this option only if Tenant is in substantial compliance with the terms of this lease. Tenant will lease the premises on the same terms as in this lease.

5. Security Deposit. Tenant has deposited \$0.00 with Landlord as security for Tenant's performance of this lease. Landlord will refund the full security deposit to Tenant within 30 days following the end of the lease if Tenant returns the premises to Landlord in good condition (except for reasonable wear and tear) and Tenant has paid Landlord all sums due under this lease. Otherwise, Landlord may deduct any amounts required to place the premises in good condition and to pay for any money owed to Landlord under the lease.

6. Improvements by Landlord. Tenant accepts the premises in "as is" condition. Landlord need not provide any repairs or improvements before the lease term begins.

7. Improvements by Tenant. Tenant may make alterations and improvements to the premises after obtaining the Landlord's written consent, which will not be unreasonably withheld. At any time before this lease ends, Tenant may remove any of Tenant's alterations and improvements, as long as Tenant repairs any damage caused by attaching the items to or removing them from the premises.

8. Tenant's Use of Premises. Tenant will use the premises for the following business purposes: used as a senior center. Tenant may also use the premises for purposes reasonably related to the main use.

9. Landlord's Representations. Landlord represents that:

- A. At the beginning of the lease term, the premises will be properly zoned for Tenant's stated use and will be in compliance with all applicable laws and regulations.
- B. The premises have not been used for the storage or disposal of any toxic or hazardous substance and Landlord has received no notice from any governmental authority concerning removal of any toxic or hazardous substance from the property.

10. Utilities and Services. Landlord will pay for the following utilities and services:

- Electricity
- Gas
- Heat
- Air-Conditioning

These utilities and services listed above will be reimbursed to the Landlord at the rate of 29%. Landlord will submit an invoice to the Tenant of these charges, and tenant will make payment within 30 days of receipt by the Tenant.

- Water

Tenant will only pay for up to \$150.00 of the water utility bill. The utility and service costs paid by the tenant shall be reviewed annually by the landlord and the amount to be paid by the tenant may be amended at that time.

11. Maintenance and Repairs

- A. Landlord will maintain and make all necessary repairs to: (1) the roof, structural components, exterior walls, and interior common walls of the premises, and (2) the plumbing, electrical, heating, ventilating, and air-conditioning systems.
- B. Landlord will regularly clean and maintain (including snow removal) the parking areas, yards, common areas, and exterior of the building and remove all litter so that the premises will be kept in an attractive condition.
- C. Tenant will clean and maintain Tenant's portion of the building so that it will be kept in an attractive condition.
- D. Tenant shall pay the sum of 5% of any rent obtained from a sublease to the landlord to be used for maintenance and repairs of the area leased by the tenant. If there is a balance at the end of each annual lease period which has not been used for maintenance or repairs, then said sum shall be returned to the tenant for that lease year.

12. Insurance

- A. Landlord will carry fire and extended coverage insurance on the building.
- B. Tenant will carry public liability insurance; this insurance will include Landlord as an insured party. The public liability coverage for personal injury will be in at least the following amounts:
 - \$1,000,000 per occurrence.
 - \$2,000,000 in any one year.
- C. Landlord and Tenant release each other from any liability to the other for any property loss, property damage, or personal injury to the extent covered by insurance carried by the party suffering the loss, damage, or injury.

D. Tenant will give Landlord a copy of all insurance policies that this lease requires Tenant to obtain.

13. Taxes

A. Landlord will pay all real property taxes levied and assessed against the premises.

B. Tenant will pay all personal property taxes levied and assessed against Tenant's personal property.

14. Subletting and Assignment. Tenant may sublet any part of the premises with the written consent of Landlord.

15. Damage to Premises

A. If the premises are damaged through fire or other cause not the fault of Tenant, Tenant will owe no rent for any period during which Tenant is substantially deprived of the use of the premises.

B. If Tenant is substantially deprived of the use of the premises for more than 90 days because of such damage, Tenant may terminate this lease by delivering written notice of termination to Landlord.

16. Notice of Default. Before starting a legal action to recover possession of the premises based on Tenant's default, Landlord will notify Tenant in writing of the default. Landlord will take legal action only if Tenant does not correct the default within ten days after written notice is given or mailed to Tenant.

17. Quiet Enjoyment. As long as Tenant is not in default under the terms of this lease, Tenant will have the right to occupy the premises peacefully and without interference.

18. Eminent Domain. This lease will become void if any part of the leased premises or the building in which the leased premises are located are taken by eminent domain. Tenant has the right to receive and keep any amount of money that the agency taking the premises by eminent domain pays for the value of Tenant's lease, its loss of business, and for moving and relocation expenses.

19. Holding Over. If Tenant remains in possession after this lease ends, the continuing tenancy will be from month to month.

20. Disputes

Litigation. If a dispute arises, either party may take the matter to court.

Mediation and Possible Litigation. If a dispute arises, the parties will try in good faith to settle it through mediation conducted by the Knoxville City Council. The parties will share the costs of the mediator equally. Each party will cooperate fully and fairly with the mediator and will attempt to reach a mutually satisfactory compromise to the dispute. If the dispute is not resolved within 30 days after it is referred to the mediator, either party may take the matter to court.

Mediation and Possible Arbitration. If a dispute arises, the parties will try in good faith to settle it through mediation conducted by

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a mediator to be mutually selected.

The parties will share the costs of the mediator equally. Each party will cooperate fully and fairly with the mediator and will attempt to reach a mutually satisfactory compromise to the dispute. If the dispute is not resolved within 30 days after it is referred to the mediator, it will be arbitrated by

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an arbitrator to be mutually selected.

Judgment on the arbitration award may be entered in any court that has jurisdiction over the matter. Costs of arbitration, including lawyers' fees, will be allocated by the arbitrator. Landlord need not participate in mediation or arbitration of a dispute unless Tenant has paid the rent called for by this lease or has placed any unpaid rent in escrow with an agreed upon mediator or arbitrator.

21. Additional Agreements. Landlord and Tenant additionally agree that:

none.

22. Entire Agreement. This is the entire agreement between the parties. It replaces and supersedes any and all oral agreements between the parties, as well as any prior writings.

23. Successors and Assignees. This lease binds and benefits the heirs, successors, and assignees of the parties.

24. Notices. All notices must be in writing. A notice may be delivered to a party at the address that follows a party's signature or to a new address that a party designates in writing. A notice may be delivered:

(1) in person

(2) by certified mail, or

(3) by overnight courier.

25. Governing Law. This lease will be governed by and construed in accordance with the laws of the state of Iowa.

26. Counterparts. This lease may be signed by the parties in different counterparts and the signature pages combined will create a document binding on all parties.

27. Modification. This lease may be modified only by a written agreement signed by all the parties.

28. Waiver. If one party waives any term or provision of this lease at any time, that waiver will only be effective for the specific instance and specific purpose for which the waiver was given. If either party fails to exercise or delays exercising any of its rights or remedies under this lease, that party retains the right to enforce that term or provision at a later time.

29. Severability. If any court determines that any provision of this lease is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this lease invalid or unenforceable and shall be modified, amended, or limited only to the extent necessary to render it valid and enforceable.

CITY OF KNOXVILLE, LANDLORD

KNOXVILLE SENIOR CENTER, TENANT

Brian J. Hatch, Mayor

Roy Richardson, President

Heather Ussery, City Clerk