

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is made and entered into as of the 12th__ day of December, 2016, by and between Area Education Agency 267, dba AEA 267 (the “Landlord”) and Cedar Falls Community School District (the “Tenant”).

1. PREMISES. Landlord, in consideration of the rents herein reserved and the agreements and conditions herein contained, on the part of the Tenant to be kept and performed, leases unto Tenant and Tenant hereby rents and leases from Landlord, according to the terms and provisions herein contained.
2. TERM. The initial term of this Lease shall commence retroactive effective as of July 1, 2016 and shall end on June 30, 2017, unless earlier terminated as provided in paragraph 16 of this Lease.
3. RENT. Tenant agrees to pay to Landlord, as rent for the Premises, the annual sum of Three Hundred Eighteen Thousand Six Hundred Dollars (\$318,600), payable in the quarterly billings of the River Hills Consortium. Rent shall be paid at Landlord’s address as set forth in paragraph 20 of this Lease or at such other place as Landlord may, from time to time, designate in writing.
4. POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord upon the termination of this Lease.
5. USE OF PREMISES; ACCESS TO PREMISES.
 - a. Tenant covenants and agrees during the term of this Lease to use and occupy the premises only for classrooms, educational offices and related uses.
 - b. Tenant and its invitees and employees shall have the non-exclusive license to use the common areas identified on Exhibit A, including, but not limited to, parking lot, hallways, restrooms and entrances identified as common areas, with such use being in common with Landlord, any other tenants and other persons entitled to use the common areas. Tenant shall not interfere with the rights of others to use the common areas and Landlord will not interfere or permit anyone to interfere with Tenant’s right to use the common areas.
6. QUIET ENJOYMENT. Landlord covenants that its estate in the Premises is fee simple and that Tenant on paying the rent herein reserved and performing all the agreements by the Tenant to be performed as provided in this Lease, shall and may peaceably have, hold and enjoy the Premises for the term of this Lease free from molestation, eviction or disturbance by the Landlord or any other persons or legal entity whatsoever. Landlord shall have the right to mortgage all of its right, title, interest in the Premises, at any time without notice, subject to this Lease.

7. CARE AND MAINTENANCE OF PREMISES; COMPLIANCE WITH LAWS.

a. Landlord will, at Landlord's expense, care for and maintain the Premises, including all of the structural parts of the Premises, in a reasonably safe and serviceable condition. Landlord will, at Landlord's expense, maintain the parking area, driveways and sidewalks located on the Premises. Landlord shall also be responsible for removing snow from the parking area, driveways and sidewalks located on the Premises and maintaining the lawn and shrubbery located on the Premises. Landlord will, at its cost, (i) clean the carpet in the Premises on an annual basis and (ii) paint the Premises as needed or where necessary annually and (iii) wash the exterior window on an as needed basis. Landlord shall make any alterations to the Premises required to comply with all applicable laws, rules, regulations and ordinances in effect during the term of this Lease, including, but not limited to, the provisions of the Americans with Disabilities Act(42 U.S.C. § 12101 et seq.).

b. Tenant will not permit or allow the Premises to be damaged or depreciated in value by any act or negligence of Tenant, its agents, invitees or employees.

c. Tenant will make no unlawful use of the Premises and agrees to comply with all city, county, state and federal laws, rules and regulations.

8. UTILITIES SERVICES AND EQUIPMENT. Landlord, during the term of this Lease, shall pay, before delinquency, all charges for water, gas, heat, electricity, power, air conditioning, garbage disposal, trash disposal, janitorial, phone, technology support and all other utilities and services of whatever kind and nature which may be used in or upon the Premises. Air conditioning and heating equipment shall be furnished, maintained and replaced at the expense of Landlord.

9. SURRENDER OF PREMISES AT END OF TERM.

a. Tenant agrees that upon the termination of this Lease, it will surrender, yield up and deliver the Premises to Landlord in good and clean condition, except for the effects or ordinary wear and tear and depreciation arising from lapse of time, or damage without fault or liability of Tenant.

b. Continued possession, beyond the expiration date of the term of this Lease, by the Tenant, coupled with the receipt of the specified rental by the Landlord (and absent a written agreement by both parties for an extension of this Lease or for a new lease) shall constitute a month to month extension of this lease.

10. ASSIGNMENT AND SUBLETTING. Tenant may not assign any interest in this Lease or sublet any part of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Landlord may, without the consent of Tenant, assign any or all of Landlord's rights in and to this Lease.

11. INSURANCE.

a. Landlord shall insure the Premises against fire, extended coverage, vandalism and malicious mischief and such other perils as are normally found in "all risk" forms. Tenant shall secure and keep in force casualty insurance against fire, extended coverage, vandalism and malicious mischief and such other perils as are normally found in "all risk" forms insuring Tenant's personal property.

b. Tenant will not do or omit the doing of any act which would vitiate any insurance or increase the insurance rates in force upon the real estate improvements on the Premises or upon any personal property of Tenant upon which Landlord, by law or by the terms of this lease, has or shall have a lien.

c. So long as their respective insurers so permit, Landlord and Tenant each hereby waive any and all claim for recovery from the other for any and all loss of, or damage to, the Premises or to the contents thereof which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent such loss or damage is recoverable under said insurance policies.

d. Landlord shall be entitled to settle and adjust any claim against any insurance company under the policies of insurance for the Premises, and said insurance monies shall be paid to and held by the Landlord to be used in payment for cost of repairs or restoration of the Premises, if the destruction is only partial. If destruction is total and this Lease is terminated, all such insurance proceeds shall be the sole property of Landlord.

12. LIABILITY INSURANCE. Landlord at its own expense, shall procure and maintain general comprehensive liability insurance on an occurrence made basis in a responsible company or companies authorized to do business in the State of Iowa, in amounts not less than \$250,000 for any one person injured, and \$1,000,000 for any one accident, and with the limits of \$100,000 for property damage, protecting Landlord and Tenant against any claim, damages, costs or expenses on account of injury to any person or persons, or to any property belonging to any person or persons, by reason of such casualty, accident or other happening on or about the Premises during the term thereof.

13. FIRE AND CASUALTY.

a. PARTIAL DESTRUCTION. In the event of a partial destruction or damage to the Premises, which prevents Tenant from conducting its normal operations and which damage is reasonably repairable within ninety (90) days after its occurrence, this Lease shall not terminate but the rent for the Premises shall abate until the Premises are repaired so as to allow the conduct of normal operations by Tenant. In the event of such partial destruction, Landlord shall repair such damages within ninety (90) days of its occurrence unless prevented from so doing by acts of God, the elements, the public enemy, strikes, riots, insurrection, government regulations, city

ordinances, labor, material or transportation shortages, or other causes beyond Landlord's reasonable control. Should the zoning ordinance of the city or municipality in which the Premises are located make it impossible for Landlord, using diligent and timely effort to obtain necessary permits and to repair and/or rebuild so that is not able to conduct its business on the Premises, then such partial destruction shall be treated as a total destruction in accordance with paragraph 13(b) of this Lease.

b. TOTAL DESTRUCTION. In the event of a destruction or damage to the Premises so that Tenant is not able to conduct its normal operations on the Premises for the then current legal use for which the Premises are being used and which damages cannot be repaired within ninety (90) days, this Lease may be terminated at the option of either the Landlord or Tenant. Such termination, in such event, shall be effected by written notice of one party to the other, within twenty (20) days after such destruction. Tenant shall surrender possession within ten (10) days after such notice issues, and each party shall be released from all future obligations hereunder, Tenant paying rent pro rata only to the date of such destruction. In the event of such termination of this Lease, Landlord, at its option, may rebuild or not, according to its own wishes and needs.

14. CONDEMNATION. In the event the Premises, or any part thereof, shall be condemned or otherwise acquired for public purpose, either Landlord or Tenant shall have the right to cancel and terminate this Lease by delivering written notice to the other party; and Tenant agrees to vacate and surrender possession of the Premises within thirty (30) days following the date such written notice is given. Each party shall be entitled to retain, as its own property, any award payable to it. In the event a single entire award is made on account of the condemnation, each party shall be entitled to take such proportion of said award as may be fair and reasonable.

15. TERMINATION OF LEASE.

a. Unless earlier terminated as hereinafter provided, this Lease shall terminate upon expiration of the initial term.

b. If Tenant is in default under this Lease for failure to timely pay rent and such default is not remedied within ten (10) days following notice to Tenant from Landlord specifying the nature of such default, or if Tenant defaults in the prompt and full performance of any other provision of this Lease and if such default is not remedied or full and prompt performance is not accomplished by Tenant within thirty (30) days following notice from Landlord to Tenant specifying the nature of such default, Landlord may, at its election, in addition to any other remedy or remedies now or hereafter provided by law or in equity, terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord and, in such event, Landlord may, without prejudice to any other remedy which it may have, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof.

c. If Landlord is in default under the terms of this Lease and if such default is not remedied within thirty (30) days following written notice to Landlord from Tenant specifying the nature of such default, Tenant may, at its election, in addition to any other remedy or remedies available in this Lease or now or hereafter provided by law or in equity, terminate this Lease by giving written notice to Landlord.

16. RIGHT OF EITHER PARTY TO MAKE GOOD ANY DEFAULT OF THE OTHER. If default shall be made by either party in the performance of, or compliance with, any of the terms, covenants or conditions of this Lease, and such default shall have continued for thirty (30) days after written notice thereof from one party to the other, the person aggrieved, in addition to all other remedies now or hereafter provided in this Lease, at law or in equity, may, but need not, perform such term, covenant or condition, or make good such default and any amount advanced shall be repaid forthwith on demand, together with interest at the rate of twelve percent (12%) per annum, from date of advance.

17. LANDLORD'S LIEN AND SECURITY INTEREST. Landlord shall have, in addition to the lien given by law, a security interest as provided by the Uniform Commercial Code of Iowa, upon all personal property and all substitutions therefore, kept and used on the Premises by Tenant for the purpose of securing the payment and performance of all of Tenant's obligations hereunder.

18. RIGHTS CUMULATIVE. The various rights, powers, options, elections and remedies of either party, provided in this Lease, at law or in equity, shall be construed as cumulative and no one of them as exclusive of the others, or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of either party to pursue any other equitable or legal remedy to which either party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

19. NOTICES. All notices required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the United States mail, postage prepaid, sent certified or registered, addressed as follows:

a. If to landlord, to: Area Education Agency 267
3712 Cedar Heights Dr.
Cedar Falls, IA 50613
Attention: David Nicholson, Chief Financial Officer

b. If to Tenant, to: Cedar Falls Community School District
1002 W 1st Street
Cedar Falls, IA 50613
Attention: Doug Nefzger, Director of Business Affairs

or to such other address or person as hereafter designated in writing by the applicable party in the manner provided in this paragraph for the giving of notices.

20. PROVISIONS TO BIND AND BENEFIT SUCCESSORS, ASSIGNS. Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs, administrators, executors and permitted assigns of the parties hereto.

21. CHANGES TO BE IN WRITING. None of the covenants, provisions, terms or conditions of this Lease to be kept or performed by Landlord or Tenant shall be in any manner modified, waived or abandoned, except by a written instrument duly signed by the parties and delivered to the Landlord and Tenant. This Lease contains the whole agreement of the parties hereto relating to the subject matters hereof.

22. CONSTRUCTION. Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

23. RESTRICTIONS ON USE. Landlord will not use or allow any person or entity to use any portion of the building in which the Premises are located which would (i) disrupt or interfere with Tenant's use of the Premises or (ii) be in violation of any law, rule, regulation or ordinance, including, but not limited to, any laws, rules, regulations or ordinances which limit, restrict or prevent certain uses and activities as a result of Tenant's use of the Premises as a classroom.

24. ENTIRE AGREEMENT. This Lease contains the entire agreement between the parties hereto relating to the subject matters hereof and supersedes all negotiations, preliminary agreements and all prior and contemporaneous discussions between Landlord and Tenant in connection with the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease as of the day and year first above written.

LANDLORD:

TENANT:

Area Education Agency 267

Cedar Falls Community School District

By: _____

By: _____

Dr. Debra Rich, Board President

Joyce Coil, Board President