

LEASE

THIS LEASE is made and entered into effective the 1st day of October 2020, by and between CITY OF DALTON GARDENS, an Idaho municipal corporation, hereinafter referred to as "Lessor", and DALTON WATER ASSOCIATION, an Idaho municipal corporation, hereinafter referred to as "Lessee";

WITNESSETH:

That in consideration of the covenants, agreements and stipulations herein contained on the part of said Lessee, or tenant, to be paid, kept and faithfully performed by said Lessee, the said Lessor does hereby lease, demise and let unto said Lessee, those certain premises located at 6360 North 4th Street, Dalton Gardens, Idaho 83815, County of Kootenai, State of Idaho, more particularly described as follows:

Space in that certain building located at the above address which is approximately 180 square feet, together with the common area utilized for meetings and the restrooms.

TERM:

TO HAVE AND TO HOLD the same for a period from the 1st day of October 2020, to and through the 30th day of September, 2021, with one year options for extension, but subject to the Surrender of Premises provision contained hereafter. On or before October 1st of each year, the parties shall meet and attempt to mutually agree to any additional or amended terms for extending the lease. It is agreed and understood that the Lessee will use said leased property for office space. It is further understood and agreed that those individuals allowed access to the building after hours shall be determined by vote of the City Council of Dalton Gardens, and only those individuals so designated will have access keys to the building.

OPTION TO RENEW:

If all the Lessee's covenants herein required have been complied with by Lessee, then Lessor grants Lessee successive one year options to lease the premises under the same terms and obligations under the original term in effect, except for the rent amount.

PAYMENTS:

In consideration of the Lease and use of said property, Lessor and Lessee covenant and agree that the lease payments shall be as follows:

The sum of \$260.00 per month (inclusive of \$15 internet charge), payable each month in

advance on the 1st day of each month. Rent shall be paid at City Hall, 6360 North 4th Street, Dalton Gardens, Idaho 83815.

MAINTENANCE, REPAIR AND UTILITIES:

Lessee will maintain its portion of the premises in a neat and clean condition throughout the term of this Lease. Lessor shall keep the building and surrounding premises in a clean and safe condition and shall be responsible for structural repairs and all janitorial services. Lessor shall provide all utilities, with the exception of telephone service.

SIGNS:

Lessee shall place no sign on the leased premises without the prior written consent of the Lessor.

ALTERATIONS, IMPROVEMENTS AND FIXTURES:

All improvements or alterations in or upon the leased premises shall be at the expense of the Lessee, and no material alterations may be made without the prior written consent of the Lessor.

All fixed and permanent improvements made upon the premises by the Lessee shall become the property of the Lessor and shall remain upon and be surrendered with the premises by the Lessee at the end of the term of this Lease or any extension thereof. Lessee shall comply with all building codes and other governmental regulations concerning said premises. All repairs, alterations, changes and improvements by the Lessee shall be accomplished in a workmanlike manner.

ASSIGNMENT AND SUB-LETTING:

There shall be no assignment of this Lease or sub-letting of the premises described herein.

INSURANCE:

Lessor shall obtain a fire insurance policy upon the building, a portion of which is being occupied by the Lessee, and the Lessee shall be responsible for obtaining content, theft, and damage insurance. Each of these policies shall provide a waiver of subrogation against the other party for any loss occasioned by them, their agents, or employees, which loss is covered by the provisions of said insurance policy.

Lessee shall procure and maintain in full force and effect at Lessee's expense during the term of this Lease, and any and all renewals thereof, public liability insurance an insurance

company approved by the Lessor. Such coverage shall be adequate to protect against liability for damages, damage claims through public use of or arising out of accidents occurring in or around the leased premises, or arising out of the business being conducted by the Lessee on the said premises in the minimum amount of \$500,000 for each person injured, \$1,000,000 for any one accident, and \$1,000,000 for property damage. The insurance policy shall provide coverage for contingent liability of Lessor on any claims or losses, and shall name the Lessor as an additional named insured. The policies, or copies thereof, shall be delivered to the Lessor.

The Lessee shall obtain a written obligation from the insurers to notify Lessor in writing at least twenty (20) days prior to cancellation or refusal to renew any policy. If the insurance policy is not kept in force during the entire term of this Lease, or any renewal thereof, Lessor may procure the necessary insurance and pay the premiums therefore, and the premiums shall be repaid to Lessor as an additional rent installment for the month following the date on which the premium was paid by the Lessor.

DAMAGE OR DESTRUCTION:

It is agreed between the parties that in case the demised premises should be partially destroyed by fire, lightning or other casualties, the Lessor shall use due diligence to repair the same at their expense, as speedily as practicable; and during such period as such premises may be materially unfit for use and occupancy because of the above damage, the rent shall reasonably abate. In case the same shall be so extensive as to render the premises wholly untenable, the rent shall cease until such time as the said premises shall be put in complete repair; but if such damage by fire or other casualty during the term of this Lease shall equal or exceed fifty (50%) percent of the value of the building, the Lessor shall have the option of either restoring the premises to the equivalent of their former condition or canceling or terminating the Lease. In the case of such cancellation of the Lease, rent shall be paid up to the time of the occurrence of said damage.

NON-LIABILITY OF LESSOR:

Lessor shall not be liable for claims for injury to persons or property from any cause relating to the occupancy of the premises by the Lessee, during the term of this Lease or any extension thereof. Lessee shall indemnify Lessor from all liability, loss or other damage claims, or obligations resulting from any injuries or losses of this nature.

RIGHT OF INSPECTION:

The Lessee agrees to allow the Lessor, at all reasonable times, to enter the demised premises, to inspect the same and maintain the building herein leased and to make such necessary repairs as they are obligated to make.

BREACH:

In case of breach of any of the terms, covenants and conditions hereof, by the Lessee, the Lessor shall have the right, at their option, to hold the Lessee liable for any damage arising therefrom, or to terminate possession of the Lessee and re-enter and take possession of the premises and re-let the same for the account of the Lessee without waiving any claim for rental or restoration of the premises against the Lessee, or to accept the possession of the premises as a surrender of the tenancy herein. In this regard, if the Lessee fail to perform any of the covenants or agreements on his part to be performed and said default or breach continues for ten (10) days, Lessor shall send to the Lessee a written notice of said breach or default, which notice shall be effective upon placing said notice in the United States mail. If the Lessee fails to correct said defect, default or breach within twenty (20) days from the mailing of said notice, then the Lessor may re-enter the premises and take possession of all goods therein for the credit of the Lessee, and then re-let the premises for the account of the Lessee as above provided, or cancel the Lease and accept possession of the premises, as a surrender of the tenancy herein.

SURRENDER OF PREMISES:

At the termination of this Lease, Lessee will quietly and peacefully yield and surrender the possession of the premises to the Lessor in as good a condition as it was received, reasonable wear and tear and damage by fire and the elements accepted, and will surrender the keys to the Lessor. Either party may terminate this Lease by giving sixty (60) days written notice to the other party.

TIME WAIVER AND SUCCESSORS:

Time is, and shall be, of the essence in this agreement and of each and every part and portion hereof, and any waiver of any breach by Lessor shall not be construed or considered as a waiver of any future or similar breach, nor as a waiver of any other breach thereof. This agreement is and shall be binding upon the respective parties hereto, their successors and assigns in the same manner as though each of them was expressly named in each and every covenant herein.

NOTICES:

Any and all notices to be given to the Lessee shall be given at 6360 North 4th, Dalton Gardens, Idaho, and notice to the Lessor shall be given at 6360 North 4th Street, Dalton Gardens, Idaho 83815. All notices shall be deemed delivered when deposited in the United States mail.

WAIVER OF SUBROGATION:

Lessor and Lessee hereby release each other and each other's officers, directors, employees and agents, from liability or responsibility for any loss or damage to property covered by valid and collectible fire insurance with standard extended coverage endorsement. This release shall apply not only to liability and responsibility for anyone claiming through or under the parties by way of subrogation or otherwise. This release shall apply even if the fire or other casualty shall have been caused by the fault or negligence of a party or anyone for whom a party may be responsible.

ATTORNEY'S FEES:


In the event of litigation between the parties hereto arising out of a breach of this Lease, the prevailing party shall be allowed reasonable attorney's fees, expended or incurred in the litigation to be recovered as costs of such litigation. In the event either party is required to serve notice of default or breach, that party shall be entitled to a reasonable sum not to exceed One Hundred (\$100.00) Dollars for costs incurred in serving said notice.

MISCELLANEOUS:

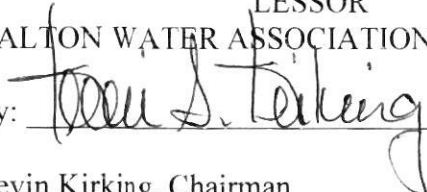
It is expressly agreed and understood between the parties that this Lease and any covenant, condition and term contained herein, shall in no way be considered a joint venture, partnership or employment agreement and the parties hereto shall sustain only the relationship under this Lease as Lessor and Lessee.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

CITY OF DALTON GARDENS

By: 
Dan Edwards, Mayor

LESSOR
DALTON WATER ASSOCIATION

By: 
Kevin Kirking, Chairman