

LEASE AGREEMENT

For the Use and Occupation of
The Salem Community Center @ the Armory between
The City of Salem and
The Council for a Healthy Dent County

This Lease effective the First (1st) day of May, 2017 by and between The City of Salem, a Municipal Corporation, of Salem, Missouri 65560, herein referred to as LESSOR; and the Council for a Healthy Dent County (CHDC), with principal office at 1200 W. Rolla Road, Salem, Missouri 65560, herein referred to as LESSEE.

1. **DEMISE; DESCRIPTION OF PREMISES; TERM; USE.** LESSOR leases to LESSEE and LESSEE takes as tenant from LESSOR, for a term of one hundred twenty (120) months, to commence on May 1, 2017, the premises described as the Salem Community Center @ the Armory located at 1200 W. Rolla Road, Salem, MO 65560 and currently occupied by LESSEE, together with all easements, rights, improvements and appurtenances for use as a Community Center, to include conference rooms, classrooms, offices, public use areas, multi-purpose banquet/gym area, kitchen and Fitness Center facility including Cardio Room, Weight Room and Group Exercise Room by LESSEE.
2. **RENT.** In partnership between the LESSOR AND LESSEE, the rent for this Lease shall be forgiven for the first year. The financial statements of the LESSEE shall be provided to the LESSOR within sixty (60) days after the close of the LESSEE's fiscal year, every subsequent year. The financial statements shall be evaluated by the LESSOR in order to determine the amount of rent, if any, that should be paid by the LESSEE to the LESSOR. The amount of rent to be paid shall be directly in accordance with the amount of revenue being generated by the LESSEE as a direct result of activities held on the premises at 1200 W. Rolla Road, Salem, Missouri 65560, not to exceed \$1,000 per month.

If and when the determination is made by the LESSOR that the LESSEE shall pay rent, said request shall be in writing and the rent shall be paid on the 1st Monday of every month commencing in the month following the review of the LESSEE's financial statements.

3. **REPAIRS AND MAINTENANCE.** LESSOR shall make all necessary repairs such as interior electrical system, HVAC, plumbing, lighting, etc., to the interior of the premises, and maintain the interior in good condition. LESSOR shall make all exterior repairs, including repairs of the roof, sidewalks, parking lots as well as repairs as required because of water entering the premises from the roof or other parts of the building or from other causes not under the control of LESSEE. LESSOR shall maintain the exterior of the building and adjacent areas in good condition.
4. **REMODELING, RENOVATION, AND CONSTRUCTION.** LESSEE shall have the authorization and ability to make any and all remodeling, renovation, and construction to the existing facility and property located at 1200 W. Rolla Road, Salem, Missouri 65560. However, any and all remodeling, renovation, and construction, no matter how small or insignificant, shall have the prior written authorization of the Mayor and the Board of Aldermen of the City of Salem. Furthermore, any and all projects related to the remodeling, renovation, and construction of the facility or property must be up to code and in accordance with all applicable local, state, and federal regulations and laws.
5. **LIMITATION OF LIABILITY.** LESSOR shall not be liable for any personal injury or property damage occurring on or to the demised premises or to any persons thereon resulting from (1) a loss of property by theft or burglary, (2) accidental damage to person or property on or about the premises from the operation of any elevator or the use of any utility on the premises, (3) any damage caused by action of the natural elements, or (4) damage or injury resulting from the conduct of the employees of LESSEE, whether negligent or otherwise. LESSEE shall not make any claim against LESSOR for any loss or damage described herein.

LESSEE shall be responsible for the application of insurance proceeds, if any, to the repair or replacement of the premises or property thereon necessitated by any damages caused by the above circumstances, and if the injury was not insured against, LESSEE shall repair the demised premises or replace or repair property thereon at the sole expense of LESSEE.

LESSOR shall not be liable for any damages to property caused by a leak or defect in the roof or in any other part of the interior or exterior of the building that may remain under the control of LESSOR; or for any damages resulting from the acts or omissions of

other occupants of the building, or occupants of adjoining building. Whenever there shall be a leak in the roof, or other defect in the common premises, LESSEE shall notify LESSOR in writing and LESSOR shall repair the defect at the expense of LESSOR, and shall not be liable for any damages unless LESSOR shall fail to repair the defect within a reasonable time after written notice of the defect is delivered. If LESSOR shall fail or refuse to repair the damaged property within a reasonable time after receipt of notice thereof, LESSEE shall have the right to make the necessary repairs and deduct the cost of the repairs from the following month's rental payment, or of allowing the premises to remain unrepaired until LESSOR shall repair the defect.

LESSOR shall not be responsible or liable to LESSEE for any loss or damage that may be occasional by or through either the acts or omissions of persons occupying adjoining premises, persons occupying any part of the building adjacent to or connected with the premises, or tenants in any other part of the building on the demised premises.

Nothing herein shall preclude LESSEE from bringing any action necessary to obtain damages from either the occupants of adjoining or connected buildings or tenants of the building on the demised premises, if damages are incurred by LESSEE as a result of their actions.

LESSEE shall be responsible for arranging, and all expenditures relating to, any security precautions that LESSEE deems necessary for the safety of the personnel, guests, or property of LESSEE located on the demised premises. LESSEE shall also provide, at the expense of LESSEE, insurance against losses of the above nature that LESSEE desires to maintain.

LESSEE shall release LESSOR, or the representatives, agents, and employees of LESSOR, from liability for any injury to LESSEE, or the agents, employees, or guests of LESSEE, resulting from any cause whatsoever, except injury or damage resulting from the willful acts of LESSOR, or the representatives, agents, and employees of LESSOR.

6. RIGHT OF LESSEE TO MAKE ALTERATIONS. LESSEE shall have the right, at its own expense, to make any alterations on or to the demised premises at anytime during the lease term, provided that such alterations are approved in writing by LESSOR. All such work shall be done subject to the rules, regulations, and laws of the appropriate departments or agencies of the City of Salem. LESSOR assumes no liability of any kind for such alterations to any contractor, subcontractor, laborer, or material man. Such alterations shall become a part of the demised premises and shall belong to LESSOR,

without compensation to LESSEE, at the expiration of this lease.

7. **RENEWAL.** If, at the expiration of the present lease terms, LESSOR shall desire to re-lease the demised premises, LESSEE shall have the first right or privilege to enter into a new lease agreement with LESSOR. Such right or privilege of renewal shall be exercised by LESSEE providing written notice to LESSOR not less than 60 days and not more than 120 days prior to the expiration of this lease term. A new lease shall be negotiated upon such notice being provided to LESSOR.
8. **LESSEE TO COMPLY WITH LAWS, RULES, AND REGULATIONS.** LESSEE shall comply with all local, state, and federal laws, rules, regulations, and requirements applicable to the premises, and in particular with those for the correction, prevention and abatement of nuisances or other grievances in, on, or connected with the demised premises during the term of this lease.
9. **DAMAGE OR DESTRUCTION OF BUILDING.** If during the term of this lease the building on the demised premises is totally destroyed from any cause this lease shall terminate. In the event the building shall be destroyed or damaged, prepaid rent shall be refunded or credited in whole or in part and future rent shall abate in whole or in part, as may be equitable under all the circumstances.
10. **LESSOR'S RIGHT TO INSPECT OR REPAIR.** LESSOR and its agents or other representatives shall have the right to enter the demised premises, or any part thereof, at all reasonable hours for the purpose of examining them or making such repairs or alterations as may be necessary to make them safe and to preserve them.
11. **UTILITIES.** In partnership between the LESSOR AND LESSEE, the utilities, including electricity, gas, water, sewer, or other utilities, (excluding phone, cable television, and/or internet service) for this Lease shall be paid by the LESSOR for the initial two years. As previously stated, the financial statements of the LESSEE shall be provided to the LESSOR within sixty (60) days after the close of the LESSEE's fiscal year, every subsequent year. The financial statements of the LESSEE shall be evaluated by the LESSOR in order to determine the amount of utilities, if any, that should be paid by the LESSEE to the LESSOR. Any such request shall be in writing. The amount of rent to be paid shall be directly in accordance with

the amount of revenue being generated by the LESSEE as a direct result of activities held on the premises at 1200 W. Rolla Road, Salem, Missouri 65560. LESSEE agrees to use its best effort to efficiently conserve such utilities and avoid wasteful use of utilities.

12. **MANNER OF GIVING NOTICES.** Any notice to be given by either part to the other, pursuant to the provisions of this lease or of any law, shall be given by registered or certified mail, addressed at the party for whom it is intended at the address stated above or at such other address as such party may have designated in writing. It is agreed that there is to be no enforceable default against LESSEE or the exercise of any option or right granted to LESSOR under any provision hereof in the event of LESSEE'S default or omission, unless notice thereof shall have been given as indicated herein, specifying the default or omission complained of, and LESSEE shall have had 15 days after the actual receipt of such notice to remedy the default or omission. If the default or omission complained of is of such nature that it cannot be completely cured within such 15 day period, such default nevertheless shall not be enforceable against LESSEE if LESSEE shall have begun curing it within the 15 day period, and shall, with reasonable diligence and in good faith, proceed to remedy it.

13. **INSURANCE.** It is agreed that all policies of insurance to be maintained in force by the respective parties hereto shall be obtained from good and solvent insurance companies. LESSEE shall, at its own expense, at all times during the term of this lease, maintain in force a policy or policies of insurance, written by one or more responsible insurance carriers which will insure LESSOR against liability for injury to or death of persons or loss or damage to property occurring in or about the demised premises. The liability under such insurance shall not be less than \$1,000,000.00 for any one person killed or injured, \$1,000,000.00 for any one accident and \$50,000.00 property damage. A copy of this policy shall be provided by the LESSEE to the LESSOR. In addition, the LESSEE shall require the insurance carrier to notify the LESSOR in writing of any change in policy or cancellation.

LESSEE shall maintain and keep in force all employees' compensation insurance required under the Laws of the State of Missouri and such other insurance as may be necessary to protect LESSOR against any other liability to person or property arising hereunder by operation of law, whether such law be now in force or adopted subsequent to execution hereof.

LESSOR agrees to insure and keep insured, during the entire term of this lease agreement, at its sole expense, the demised premises for loss or damage by fire and all other casualties and shall pay all premiums as they become due and will deliver copies of such policy or policies.

In the event the demised premises shall be damaged or destroyed by fire or other casualty so insured against, LESSEE shall claim no interest in any insurance settlement arising out of any such loss and it will execute all documents required by LESSOR or the insurance company or companies that may be necessary for use in connection with settlement of any such loss. LESSEE shall be responsible for insuring all personal property and fixtures owned by LESSEE.

14. FIXTURES. All fixtures installed by LESSEE in the demised premises shall be and remain the property of LESSEE and may be removed by it at any time during the term of this lease or at the expiration thereof. Any such fixtures remaining in the premises after the expiration of the term of this lease shall be deemed abandoned by LESSEE and shall become the property of LESSOR. Any damage to the demised premises caused by the removal of such fixtures shall be repaired by LESSEE.

15. LESSOR'S COVENANTS AND WARRANTIES. LESSOR covenants and warrants that:

- a. LESSOR is the owner of the demised premises and has the right to make this lease.
- b. LESSEE, on performance of all of the terms and conditions of this lease on its part to be performed, shall at all times during the term hereof peacefully and quietly hold and enjoy the demised premises.
- c. The premises are now free from all encumbrances except mortgages and trust deeds of record.

16. LESSOR'S RE-ENTRY ON DEFAULT OR ABANDONMENT. If the demised premises, or any part thereof, shall be deserted or become vacant during the term of this lease, or if any default is made in the payment of rent that was required in writing to be paid or in the performance of any of the covenants herein contained, LESSOR or its representatives may re-enter the premises by summary or other proceedings and remove

all persons there from, and LESSEE shall pay at the same time as the rent becomes payable under the terms hereof a sum equivalent to the rent reserved herein. LESSOR may on re-entry rent the premises on behalf of LESSEE, reserving the right to rent it for a longer period of time than that fixed in the original lease, without releasing the original tenant from liability, applying any sums collected, first to the expense of resuming or obtaining possession, second to restoring the premises to a rentable condition, and finally to the payment of the rent and all of the charges due and to become due to LESSOR, any surplus to be paid to LESSEE, who shall remain liable for any deficiency.

17. REAL PROPERTY TAXES TO BE PAID BY LESSOR. LESSOR shall pay all taxes assessed and levied against the demised premises only by the state, city and county or other municipal taxing authorities.


18. ACCELERATION OF RENTAL WHERE INSTALLMENT NOT PAID. If LESSEE shall fail to pay any month's installment of rent, after it has been required in writing, for a period of thirty (30) days after the same becomes due and payable, then all the installments of rent for the whole term hereof shall become due and payable at once. In addition, in the event of any such nonpayment of any month's installment of rent, on demand of LESSOR or its assigns, LESSEE shall surrender to LESSOR or its assigns complete and peaceable possession of the premises herein leased, waiving all other notice of any kind or description.

19. ACCELERATION OF RENT IN THE EVENT OF BANKRUPTCY OR INSOLVENCY. This lease is made on the condition that in the event of breach by LESSEE of any of the agreements herein, or in the event that LESSEE becomes bankrupt, insolvent or makes an assignment for the benefit of creditors, or discontinues business in the premises for any other reason whatsoever, the balance of rental for the entire term of this lease shall be considered at once due and payable without notice or demand on the part of LESSOR. LESSOR may at any time after such a breach of this lease occurs, enter the premises, take possession thereof, and thereby terminate all rights and interests of LESSEE therein and hereunder.

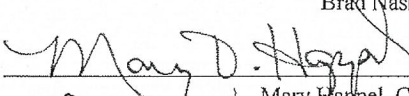
20. LESSOR TO DESIGNATE PLACE OF PAYMENT. All payments of rent or other

sums due LESSOR hereunder shall be made to The City of Salem, 400 North Iron, Salem, Missouri 65560, or at such other place as LESSOR shall designate in writing, from time to time.

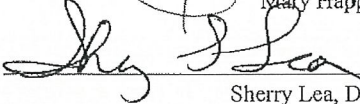
21. **INTEREST ON RENT ARREARAGE.** Any installment of rent accruing under the provisions of this lease, that shall not be paid when due shall bear interest at the rate of 10% per annum from the date when the same was payable by the terms hereof, until the same shall be paid by LESSEE.
22. **ASSIGNMENT.** LESSEE may not, without the prior written consent of LESSOR, assign this lease or any interest hereunder or otherwise permit the use of the demised premises by any party other than LESSEE. Consent to one assignment shall not be deemed a waiver of this provision, and all later assignments shall likewise be made only on prior written consent of LESSOR. Assignees shall become liable directly to LESSOR for all obligations of LESSEE hereunder, without, however, relieving LESSEE of such liability.
23. **ATTORNEY'S FEES.** If either party is compelled to incur any expenses including reasonable attorney's fees in instituting and prosecuting any action or proceeding by reason of any default of LESSEE hereunder, the sum or sums so paid with all interest, costs, and damages shall be due from the non-prevailing party.
24. **LEASE BINDING ON SUCCESSORS AND ASSIGNS.** The covenants and agreements contained in this lease shall be binding on the parties hereto and on their respective successors, heirs, executors, administrators and assigns.



Brad Nash, Mayor



Mary D. Happel, City Clerk



Sherry Lea, Director CHDC