

LEASE AGREEMENT

THIS AGREEMENT is entered into between the **AMERICAN RED CROSS, LANCASTER COUNTY CHAPTER (Lessor)** and **CITY OF LINCOLN - CITY/COUNTY HEALTH DEPARTMENT (Lessee)**. It is understood and agreed that wherever in this agreement the term "Lessor" is used it shall mean the Lancaster County Chapter of the American National Red Cross; that said Chapter is a duly constituted local unit of the American National Red Cross a federal corporation (36 U.S. Code 1 et seq.); and that all obligations of the "Lessor" under this contract shall be undertaken and completed exclusively by said Chapter without resort in any event to, or commitment of, the funds and property of the American National Red Cross or any other unit thereof than the Chapter.

THE PARTIES AGREE:

1. **Description:** Lessor leases to Lessee a portion of the building located at 220 Oakcreek Drive, Lincoln, Nebraska (the "Building"). The space to be occupied by Lessee shall be as shown on Exhibit A, attached hereto and incorporated herein by reference, consisting of the far south garage space, "Premises".
2. **Term:** The term of this Agreement shall be one year and shall commence on the first day of September 2004. Lessee shall be granted access to the Premises on September 1, 2004.
3. **Rent:** Lessee shall pay to Lessor as rent, at such address as Lessor may from time to time designate in writing, the sum of \$ 230 monthly for the Premises, all payable in advance on the first day of each month commencing on the first day of the term of this Agreement. For the period from January 1, 2005 through December 31, 2006.
4. **Use:** Lessee shall use the premises for: Parking a City owned vehicle. Lessee will not, without the written consent of Lessor, use the premises for any other purpose.
5. **Common Areas:** The use and occupancy by Lessee of the premises includes, the use in common with others, of outdoor parking, service roads, loading facilities, sidewalks, restrooms, break rooms, vending while occupying the Premises.
6. **Common Area Maintenance:** All common areas shall be under the exclusive control and management of Lessor. Lessor shall be responsible for all maintenance of the common area. Any interruptions of common area because of Lessor's repairs, improvements, alteration or causes beyond the reasonable control of Lessor shall not result in the eviction or a disturbance of the Lessee's use of the premises. Lessor shall not be liable for damages incurred by Lessee's inability to use common area or by causes beyond the reasonable control of Lessor.

7. **Common Area Maintenance Costs:** Lessor shall be solely responsible for common area maintenance costs.
8. **Proprietary and Confidential Information:** Both Lessor and Lessee acknowledge that each will have access to the other's space in the Building and both agree to use good faith and their best efforts to insure that the confidentiality of all information is respected. This duty shall be, to the greatest extent possible, imposed on all employees, volunteers, and agents of both Lessor and Lessee.
9. **Improvements by Lessor:** Lessor reserves the right to make improvements, alterations or additions to Building, at any time, but such improvements, alterations or additions shall not materially change the general appearance, location or area of the "Premises."
10. **Improvements by Lessee:** Lessee shall not make any improvements or alterations to the premises without submitting plans and specifications for such improvements or alterations to Lessor and securing Lessor's written consent. Subject to the following paragraph, Lessee shall pay all costs of such improvements and alterations, shall provide evidence of such payment to Lessor upon request, and shall hold Lessor harmless from any costs, liens or damages.

Lessee shall not install any other sign on any part of the exterior of the premises without securing Lessor's written consent. Lessee shall, at Lessee's expense, maintain any sign installed by Lessee.

11. **Lessor's Maintenance:** Lessor shall maintain the structural and exterior portions of the Premises, except signs installed by Lessee. Lessor shall maintain all heating and air conditioning systems of the premises.
12. **Lessee's Maintenance:** Lessee shall, at Lessee's expense, maintain the interior portions of the Premises, including interior doors and glass, and all fixtures and equipment appurtenant to the Premises.
13. **Utilities:** Interruption of utility services by reason of causes beyond the reasonable control of Lessor shall not be an eviction or disturbance of Lessee's use and occupancy of the premises, not render Lessor liable for damages.
14. **Waste:** Lessee shall not commit or permit any waste of the premises, nor any public or private nuisance on the premises, nor any use of the premises which is contrary to any law, governmental regulation or insurance policy affecting or covering the premises or which may be dangerous to persons or property.

Lessor may enter and inspect the premises at any reasonable time.

15. **Rules:** Lessee shall comply with all reasonable rules established, from time to time by Lessor for the use of the premises and the common areas, including the following:

a. Lessee shall not place or permit any obstruction in common areas nor use such areas other than for travel and parking.

b. Lessee shall not use any device on the premises, which may be heard outside of the premises without securing the written consent of Lessor.

Written notice of any amendments or additions to the rules shall be given by Lessor to Lessee.

16. **Liability Insurance:** Lessee agrees to carry the following insurance: (A) Commercial General Liability with at least \$1,000,000 combined single limit for each occurrence with Lessor, its governors, officers, agents, employees, and volunteers added as Additional Insured; (B) Commercial Automobile Liability including owned, non-owned, uninsured and under-insured motorists with at least \$1,000,000 in coverage with Lessor, its governors, officers, agents, employees, and volunteers added as Additional Insured; (C) Workers Compensation coverage with statutory limits and Employers' Liability with limits of at least \$250,000 per accident, \$500,000 per disease, and \$250,000 disease (each employee). Any insurance deductibles or self-insured retention will be disclosed to Lessor. For all policies, in the event of any cancellation or material change in coverage, notice will be given at least 30 days in advance to Lessor. Lessee shall provide Lessor with all required certificates of insurance prior to the commencement of services and renewal certificates within ten days of expiration or non-renewal of the policies required herein, as long as this Lease Agreement is in effect. The Lessee shall, at its sole expense, keep in force policies of insurance in the amounts as specified and as required by statute with carriers satisfactory to Lessor. Lessee waives all rights of subrogation against Lessor for all losses arising from or in connection with its occupancy of the Premises pursuant to this Lease Agreement.

17. **Indemnification:** To the fullest extent permitted by law, Lessee shall indemnify defend and Hold Harmless the Lessor its officers, agents and employees from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of this Agreement, that results in any Claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death, or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom, and that are caused in whole or in part by the intentional or negligent act or omission of Lessee or Lessee's employees, or anyone directly or indirectly employed by Lessee, or anyone for whose acts any of them may be liable. This section shall not require Lessee to indemnify or Hold Harmless the Lessor for the portion of any losses, claims, damages, and expenses arising out of or resulting from the negligence of the Lessor. The Lessee does not waive its governmental immunity by entering into this Agreement and fully retains all immunities and defenses provided by law with regard to any action based on this Agreement. This section survives any termination of this

Agreement.

18. **Casualty Loss:** In the event the premises are destroyed or damaged by fire or other casualty so as to render the premises unsuitable for occupancy, and Lessor shall elect not to reconstruct or repair the premises, Lessee may terminate this Agreement by giving written notice to the Lessor of such termination within 60 days after such destruction or damage, which terminations shall be effective as of the date of such destruction or damage. If Lessor shall elect to reconstruct or repair the premises, Lessor shall perform such reconstruction or repair at the expense of Lessor, with reasonable promptness, and in the event that Lessor fails to complete such reconstruction or repair within 120 days after such destruction or damage, Lessee may terminate this Agreement by giving written notice to Lessor of such termination within 30 days after the date of the expiration of the 120 day period, which termination shall be effective as of the date of the expiration of the 120 day period. If Lessor shall elect to reconstruct or repair the premises, due allowance shall be made for reasonable delays caused by the adjustment of insurance claims, labor controversies or causes beyond the reasonable control of Lessor. In the event of the termination of this Agreement at any time subsequent to the date to such destruction or damage, the rent shall be prorated on a daily basis and be paid or rebated, as the case may be, to the date of such termination. In the event that this Agreement is not terminated subsequent to such destruction or damage, the rent shall abate from the date of such destruction or damage to the date upon which the premises shall become suitable for occupancy by Lessee.
19. **Casualty Insurance:** Lessor shall pay all insurance premiums for fire and other casualty insurance on the Building.
20. **Condemnation:** If all or a substantial portion of the premises or the common areas shall be taken or condemned for any public use or purpose, so as to render the premises unsuitable for occupancy, this Agreement shall terminate on the date when possession shall be required for such use or purpose, and the rent shall be prorated to the date of such termination, without apportionment of the award for such taking or condemnation, which shall belong exclusively to Lessor.
21. **Assignment:** Lessee shall not assign this Agreement, nor allow any transfer of or lien upon Lessee's interest in this Agreement by operation of Law, nor sublet any portion of the premises, nor permit the use of any portion of the premises by anyone other than Lessee and the employees, agents and business invitees of Lessee, without securing the written consent of Lessor. Consent to a sublease shall not be unreasonably withheld.

22. **Subordination:** Upon the written request of Lessor, Lessee shall execute any instruments necessary to subordinate this Agreement to the lien of any mortgage or other encumbrance upon the Building or any portion thereof. Lessee irrevocably appoints Lessor as the attorney-in-fact of the Lessee, with full power and authority to execute any such instruments in the name of Lessee, in the event that Lessee shall fail to comply with the written request of Lessor within 15 days after the date of such request.
23. **Default:** Each of the following acts and omissions shall constitute a default by Lessee and a breach of this Agreement:
- a. Voluntary or involuntary bankruptcy, assignment for benefit of creditors, reorganization, or rearrangement under the Bankruptcy Act, receivership, dissolution or the commencement of any action or proceeding for dissolution or liquidation of Lessee whether instituted by or against Lessee or any other similar action or proceeding.
 - b. The failure of Lessee to pay the rent for a period of 15 days after the rent shall have become due.
 - c. The failure of Lessee to comply with any other provision of this Agreement for a period of 15 days after notice of default has been given to Lessee.
24. **Remedies:** Upon a default by Lessee, Lessor may re-enter and recover possession of the premises as if the premises were forcibly detained, and Lessee waives any demand for possession of the premises and any exemptions granted to Lessee by law.

If Lessor elects to re-enter and recover possession of the premises, Lessor may, at the election of Lessor, either terminate this Agreement or relet the premises on such terms and conditions, as Lessor may deem advisable. Upon reletting the premises, rent received by lessor shall be applied in the following order:

- a. To the costs of such reletting, including brokerage fees and attorneys fees for such re-entry and recovery of possession of the premises.
- b. To any sums due, other than rent, from Lessee to Lessor.
- c. To rent due and unpaid.
- d. To future rent to become due.

If the rent received by Lessor shall be insufficient to satisfy the current obligations of Lessee to Lessor, the deficiency shall be computed and billed by Lessor to Lessee monthly and shall be paid by Lessee on or before the tenth day of the month following receipt of the billing.

Notwithstanding any election by Lessor, Lessor may, at any time subsequent to the default of Lessee, terminate this Agreement by giving written notice of such termination to Lessee.

25. **Deposit:** Lessee has, on the date of execution of this Agreement, deposited with Lessor the sum of \$300. That deposit shall be retained by Lessor, commingled with its other funds, as security for the performance by Lessee of this Agreement.

In the event of default by Lessee, Lessor may, at the election of Lessor, apply the deposit in complete or partial satisfaction of such default, without prejudice to any other rights of Lessor. In the event of such application, without the termination of this Agreement, Lessor shall give written notice to Lessee, and Lessee shall pay to Lessor a sum equal to the amount so applied on or before the tenth day of the month following receipt of the notice.

If Lessee shall perform all of the terms and conditions of this Agreement, Lessor shall, upon termination of this Agreement, return the deposit to Lessee without interest.

26. **Termination:** Upon the termination of this Agreement, Lessee shall:
- a. Deliver possession of the premises to Lessor in as good condition as at the commencement of the term, ordinary wear and casualty damage excepted.
 - b. Leave undisturbed on the premises all improvements and non-trade fixtures.
 - c. Remove from the premises all trade fixtures and other personal property of Lessee. Lessee shall, at Lessee's expense, repair any damage to the premises arising from the removal of such trade fixtures or personal property.
 - d. Pay to Lessor monthly rent for each month that Lessee retains possession of the premises after the termination of the Agreement and to Lessor any damage Lessor may sustain by reason of such retention. The acceptance by Lessor of such monthly rent after the termination of this Agreement shall not be a renewal of this Agreement nor prejudice any rights of Lessor.

Lessee and Lessor have the right to cancel this lease at any time with 60 days notice.

27. **Miscellaneous:** No waiver by Lessor of default by Lessee shall be implied, and no express waiver shall be extended beyond the default and period specified.

No term or condition of this Agreement shall be construed to have been waived by Lessor, unless Lessee shall have secured such waiver from Lessor in writing.

The invalidity or unenforceability of any term or condition of this Agreement shall not prejudice the enforceability of any other term or condition.

The word Lessee shall be construed as plural in all cases where more than one person shall have executed this Agreement as Lessee, and the obligations of each of such persons shall be joint and several.

This Agreement shall not be amended or modified, except by a written instrument executed by both Lessor and Lessee.

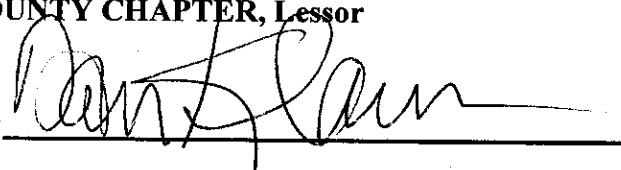
This Agreement shall be binding upon the successors in interest of the parties.

The submission of this Agreement for examination is not a reservation of or option for the premises, and this Agreement becomes effective only upon execution and delivery by both the Lessor and Lessee.

DATED: _____, 2004

**AMERICAN RED CROSS, LANCASTER
COUNTY CHAPTER, Lessor**

By: _____



Dan Klaus, Chairman
Board of Directors

CITY OF LINCOLN, NEBRASKA, Lessee

By: _____

Mayor, City of Lincoln, Nebraska