

PROPERTY LEASE

THIS LEASE ("Lease" or "Agreement") is made this 7th day of August, 2019, between the Eagle Urban Renewal District, an urban renewal agency, organized and existing under the laws of the State of Idaho and known as the urban renewal agency of the City of Eagle, Idaho ("Landlord"), and the City of Eagle, a municipal corporation organized under the laws of the State of Idaho ("Tenant").

1. Demise. Landlord leases to Tenant, and Tenant leases from Landlord, the premises described in Section 2 ("Premises") for the use described in Section 5.

2. Premises. The Premises are located in the City of Eagle, County of Ada, State of Idaho and include the structure and improvements located on the real property more particularly described as follows:

See Exhibit A attached hereto and incorporated by Reference herein.

3. Term. The term of this Lease commences October 1, 2019 and goes through December 1, 2019 ("Term") unless earlier terminated in accordance with the terms contained herein. Tenant shall have the option to extend the term of this Lease for up to four additional months under the same terms upon providing fifteen (15) days written notice to Landlord prior to the expiration of the initial term of this Lease.

4. Rent. During the Term of this Lease Tenant shall pay rent monthly and the monthly rent shall consist of one dollar (\$1.00) and payment of the costs of maintenance, repair and operation of the Premises. These operation costs include all utilities including without limitation electric, gas, sewer, trash and the costs of upkeep, repair maintenance and cleaning. Tenant shall maintain all utilities in Tenant's name.

4.1 Late Payment Charge. If Tenant fails to pay any Rent when due and Landlord ultimately pays said rent, such unpaid amounts shall bear interest at the rate of 7% percent per month from the due date until paid.

5. Use.

5.1 Permitted Use. The Premises shall continue to be used as a Museum and related activities and for no other purpose without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. Tenant shall in such use of the Premises, at Tenant's expense, take all actions to comply with all laws, rules, regulations, requirements, and ordinances existing or hereafter enacted or imposed by any governmental authority having jurisdiction over the Premises, Landlord, or Tenant, applicable to Tenant and Tenant's use of the Premises

6. Utilities. During the Term, Tenant shall pay for all utility services consumed by Tenant upon the Premises and for any utility connection or hook-up fees, including, without limitation, gas and electricity, cable, sanitary and storm sewer, water, internet and telephone services.

7. Possession of Premises.

7.1 Delivery of Possession. Tenant previously owned the Premises and this Lease allows Tenant to continue to occupy the Premises. Landlord shall deliver possession of the Premises to Tenant on or before October 1, 2019.

7.2 Punchlist Inspection. As soon as practicable, representatives of Landlord and Tenant shall make a joint inspection of the Premises, and the results of such inspection shall be reduced to a written memorandum, which memorandum shall be approved and executed on behalf of each party and then shall constitute a part of this Lease and be conclusive with respect to the condition of the Premises on such date, except with respect to latent defects of which Tenant delivers notice to Landlord from time to time. Tenant currently has furniture, appliances and other items located in the Premises and those items will be noted on the punch list.

7.3 Tenant Improvements. Tenant must obtain Landlord's prior written consent to make any improvements, including, without limitation, painting, decorating, redecorating and installing partitions, floor coverings, wall coverings, drop ceilings and light fixtures etc. Unless otherwise agreed in writing by the parties any improvements, alterations and renovations to the Premises by Tenant pursuant to this Section shall remain on the Premises upon the expiration or earlier termination of this lease. Tenant shall, discharge any mechanics' liens for materials or labor claimed to have been furnished to the Premises on Tenant's behalf.

8. Trade Fixtures; Personal Property. Tenant, at its sole cost and expense, has the right, but not the obligation, to install, use, replace, and remove its trade fixtures and personal property, such as, without limitation, telephone, and other communications equipment, machinery and office furniture. The installation of any Trade Fixtures requires prior written approval of Landlord. Upon the expiration of the Term or the earlier termination of this Lease, Tenant has the right to remove such trade fixtures and personal property from the Premises, provided that Tenant shall repair all damage to the Premises resulting from such removal.

9. Repairs and Maintenance.

9.1 Tenant's Obligations. The following shall be the responsibility of Tenant:

9.1.1 All costs for operation, maintenance and repair of the museum and entire Premises, including without limitation, the lot, building, landscaping and related fixtures and hardware, HVAC, electrical wiring and systems and fixtures and plumbing on the Premises. Repair or replacement of any furniture belonging to Landlord that is damaged by Tenant or their employees, agents, guests, visitors etc.

9.1.2 Any repairs necessitated by the negligence of Tenant, its agents, contractors, employees, guests, students, visitors and invitees.

9.1.3 Any repairs or alterations required under Tenant's obligation to comply with laws and regulations as set forth in this Agreement.

9.1.4 All other repairs and/or maintenance to the Premises which Landlord is not required to make under this Section.

9.2 Quiet Enjoyment. During the term of this Lease Tenant and so long as they are in compliance with the terms of this Lease, Tenant shall be entitled to quiet enjoyment of the Premises and Landlord shall not cause unreasonable interference with the use of the Premises by Tenant.

9.3 Reimbursement for Repairs and Maintenance Assumed. If Tenant fails or refuses to make repairs and/or perform maintenance as required by this Section, Landlord may make repairs and charge the actual costs of repairs to Tenant. Such expenditures by Landlord shall be reimbursed by the Tenant on demand together with interest thereon at the rate of 7% per annum from the date of expenditure. Except in an emergency creating an immediate risk of personal injury or property damage, Landlord may perform repairs or maintenance that is the obligation of Tenant and charge the Tenant for the resulting expense unless at least 7 days before work is commenced, and the Tenant is given notice in writing outlining with reasonable particularity the repairs required, and Tenant within that time to initiate such repairs in good faith.

10. Insurance.

10.1 Insurance. Tenant shall obtain and maintain insurance covering the Premises and Tenant's property and equipment located on the Premises. At all times during the Term, Tenant, at its sole cost, shall maintain in full force and effect a commercial general liability insurance policy for the Premises with at least a one million dollars (\$1,000,000,00) combined single limit for bodily injury and property damage per occurrence.

10.2 Worker's Compensation. Tenant will maintain worker's compensation insurance as required by Idaho law.

10.3 Evidence of Insurance. Tenant shall, upon request, provide Landlord with adequate evidence of the continued existence of applicable insurance coverage. Tenant shall not do or permit anything to be done which invalidates any such insurance policies required by this Lease.

10.4 Priority of Coverage. With respect to claims arising out of or relating to the Premises, or the use or occupancy by Tenant or Tenant's invitees, licensees, employees or agents, Tenant's insurance policy(ies) shall provide primary coverage and Landlord's liability policy applicable to the Claim shall provide excess or secondary coverage.

11. Tenant's Default; Landlord's Remedies.

11.1 Tenant Default. Any of the following events shall constitute a default of this Lease by Tenant (a "Tenant Default"):

11.1.1 Failure of Tenant to pay any Rent or other amount payable by Tenant hereunder when due and such Tenant Default continues for five (5) days after delivery of a written notice by Landlord to tenant; and

11.1.2 Vacating or abandonment of all or a substantial part of the Premises.

11.1.3 Failure of Tenant to comply with any provision of this Lease other than payment of rent, with such failure continuing for ten (10) days after delivery of a written notice by Landlord to Tenant specifying the nature of non-compliance by Tenant. However, if the nature of Tenant's default is such that it cannot be reasonably cured within the time provided, Tenant shall not be in default if Tenant commences to cure the default within the time provided and thereafter diligently proceeds to cure such default within thirty (30) days.

11.2 Landlord's Remedies. In the event of a Tenant Default, Landlord shall have the option to exercise one or more of the following rights and remedies:

11.2.1 To terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenants shall fail to do so, Landlord may enter upon the Premises without notice and again have, repossess and enjoy the same as if this Lease had not been made, and all terms, conditions, covenants and obligations of this Lease on the part of Landlord to be performed shall cease and terminate, without prejudice, however, to the right of Landlord to recover from Tenant all Rent accrued hereunder as of the date of such entry by Landlord; and

11.2.2 To relet the Premises for the remainder of the then existing Term and to recover from Tenant any deficiency, as it accrues, between the amount so obtained and Rent payable by Tenant hereunder; provided, however, that Landlord shall be obligated in such event to exercise in good faith diligent efforts to mitigate its damages by reletting the Premises for the highest rent reasonably obtainable under the circumstances;

11.2.3 To pursue all other rights and remedies to which Landlord may be entitled hereunder, at law or in equity.

12. Landlord's Default; Tenant's Remedies. In the event of any failure by Landlord to perform any term, condition, covenant or obligation of this Lease on the part of Landlord to be performed within thirty (30) days after the date on which Landlord receives from Tenant notice specifically describing such failure, Tenant (in addition to all other remedies to which Tenant may be entitled under this instrument or at law or in equity) may cure such default by Landlord on behalf of, and at the sole cost and expense of, Landlord. Landlord shall reimburse Tenant for its costs and expenses in connection therewith within thirty (30) days after Tenant's delivery to Landlord of an invoice therefor. The foregoing notwithstanding, if Landlord shall exercise in good faith diligent efforts within such thirty (30) day period to cure the failure specified in the notice but shall not be able to do so because of acts of God, riots, or labor strikes or other circumstances beyond reasonable control of Landlord, then any such failure shall not be considered a default of this Lease by Landlord so long as Landlord shall continue to exercise in good faith such diligent efforts to cure such failure and shall do so within a reasonable period of time.

13. Warranties and Representations.

13.1 Warranty of Title and Authority. Landlord warrants and represents that:
(a) Landlord is the fee simple owner of the Premises with full authority to execute, deliver and perform this Lease.

13.2 Hazardous and Toxic Conditions.

13.2.1 Tenant's Duty. If a toxic or hazardous condition is discovered on the Premises and is caused by Tenant, then (i) Tenant shall: (a) promptly give Landlord written notice of such condition; and (b) immediately cause such toxic or hazardous condition to be cleaned up and brought into compliance with applicable laws, ordinances and requirements of governmental authorities with competent jurisdiction and, (ii) Tenant agrees to indemnify Landlord pursuant to the provisions of Section 19 hereof against any Losses as defined in Section 19 incurred by Landlord arising out of any such Tenant-caused toxic or hazardous condition.

13.2.2 Tenant's Warranties. Tenant covenants and agrees that it shall not conduct hazardous activities or operations on or about the Premises or store or handle liquids or materials hazardous to human health or to the environment on or about the Premises except materials in transit, which are customarily transferred or handled in Tenant's business. At all times during the Term, Tenant shall exonerate, protect, defend, indemnify and hold Landlord harmless from and against any and all losses, damages, claims, suits or actions, judgments and costs, including reasonable attorney's fees, arising out of Tenant's breach of the covenant set forth in this Section in accordance with the provisions of Section 19.

14. Landlord's Right of Entry. Landlord may enter upon the Premises as often as Landlord may deem reasonably necessary for the purposes of performing maintenance and repairs and inspecting the Premises. Landlord may also enter upon the Premises with those interested in purchasing and/or developing the Premises for the purpose of inspecting the Premises. Landlord's right of entry shall be exercised in a manner and at times such that there shall be no unreasonable interference with the use and occupancy of the Premises by Tenant for the conduct of its business operations.

15. Transfers.

15.1 Assignment and Subletting. Except as provided in this Section, Tenant shall not assign this Lease nor sublet any portion of the Premises, without the written consent of Landlord.

16. Surrender of Premises. Upon the expiration or earlier termination of the Term, Tenant shall deliver up and surrender the Premises to Landlord in as good order and condition as upon Tenant Possession Date, subject to: (a) Tenant's improvements, alterations and renovations to the Premises, including without limitation Tenant's Improvement Work; (b) normal wear and tear; (c) damage by fire, explosion or other casualty not caused by Tenant or their agents or invitees; (d) repairs and restoration for which Tenant shall not be responsible hereunder; and (e) Tenant's removal of its trade fixtures.

17. Notices; Computation of Time. For the purposes of providing notice hereunder the parties shall use the following:

TENANT

Stan Ridgeway, Mayor
City of Eagle
660 E. Civic Lane
Eagle, ID 83616

Phone: 208-489-8790

LANDLORD

Robin Collins
Executive Director
Eagle Urban Renewal Agency
660 E. Civic Lane
Eagle, ID 83616
Phone: 208-489-8755

Any notices and other communications to be delivered by either party to the other pursuant to this Lease shall be in writing and shall be deemed delivered as follows, except as otherwise specifically provided in this Lease: (a) when hand delivered or email (provided that emailed notices must be confirmed within any applicable time period; (b) one (1) business day after mailing by courier service; or (c) three (3) business days after deposit in the United States mail by registered or certified mail, postage prepaid, return receipt requested. Except as otherwise specifically provided herein, in the computation of any period of time which shall be required or permitted hereunder or under any law for any notice or other communication or for the performance of any term, condition, covenant or obligation, the day from which such period runs shall be excluded and the last day of such period shall be included unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday or legal holiday.

18. Dispute Resolution.

18.1 Good Faith. The parties shall attempt in good faith to resolve any controversy arising out of or relating to this Lease promptly by informal discussions and negotiations between the parties.

18.2 Mediation. If the controversy has not been resolved within thirty days of the date of written notice thereof under subsection 28.1, either party may initiate non-binding mediation of the controversy or claim in accordance with American Arbitration Association Real Estate Industry Mediation Rules. If mediation is not successful then either party may pursue any other remedy available in law or equity.

18.3 Extensions. All deadlines specified in this Section 18 may be extended by mutual agreement.

19. Termination by Tenant. Tenant may terminate this lease at any time with or without cause upon ten (10) days written notice to Landlord.

20. Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.

21. Miscellaneous.

21.1 Entire Agreement. This Lease: (i) contains the entire agreement between the parties and no promise, representation, warranty, covenant, agreement, or understanding not specifically set forth in this Lease shall be binding upon either party; (ii) may not be amended, modified, or supplemented in any manner except in writing signed by the parties; (iii) shall be construed and governed under the laws of the state of Idaho; (iv) shall not be construed more stringently in favor of one party against the other regardless of which party has prepared the same; (v) shall be binding upon, and inure to the benefit of, the parties and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns; (vi) shall not be binding until this Lease shall be executed and delivered by the parties, to each other; and (vii) may be executed in counter parts, each of which shall be deemed an original, but which all together constitute the same instrument.

21.2 Authorization of Parties. Any person executing this Lease on behalf of a corporation, trust, or partnership represents and warrants that such person is authorized to execute and deliver this Lease on behalf of the entity.

21.3 Non-waiver. The failure of either party to insist upon strict performance of any provision of this Lease shall not be deemed a waiver of any rights or remedies at any other time.

21.4 Exhibits. The exhibits attached hereto are incorporated herein by this reference.

21.5 Headings. Headings are for convenience only and are not a part of this Lease.

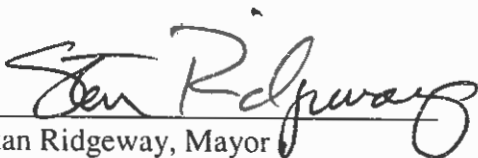
21.6 Invalidity of Terms. The terms of this Lease are severable and the invalidity or unenforceability of any term or provision shall not affect the validity or enforceability of the remainder of this Lease.

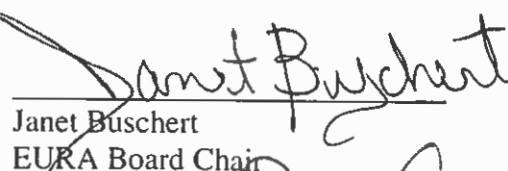
21.7 Additional Requirements. The parties agree to obtain, execute, deliver, and file such additional documents, instruments, and consents as may be reasonably requested by either party, at the sole cost and expense of the requesting party, in order to fully effectuate the terms and conditions of this Lease.

21.8 IN WITNESS WHEREOF, the parties have caused this Lease to be duly executed by each of their respective authorized representatives effective as of the date referred to in the Preamble hereof.

TENANT:

LANDLORD:


Stan Ridgeway, Mayor
City of Eagle


Janet Buschert
EURA Board Chair

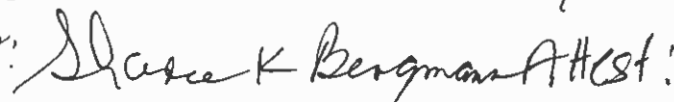
ATTEST:  Shana K Bergman ATTEST:



Exhibit A

The East one-half (E1/2) of Lot 3 and the West 3.64 feet of Lot 4 in Block 3 of the Townsite of Eagle, according to the official plat thereof, filed in Book 2 of Plats at Page(s) 82, Official Records of Ada County, Idaho.