

LEASE AGREEMENT

BY AND BETWEEN

WOODBURY COUNTY LAW ENFORCEMENT CENTER AUTHORITY
("Authority")

AND

WOODBURY COUNTY, STATE OF IOWA
("County")

September 1, 2020

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LEASE AGREEMENT

This Lease Agreement (“**Lease**”) is made by and between WOODBURY COUNTY LAW ENFORCEMENT CENTER AUTHORITY, a body corporate, organized and existing under and by virtue of Iowa Code Section 346.27, and any successor legal authority thereto (“**Authority**”) and WOODBURY COUNTY, STATE OF IOWA, a political subdivision, organized and existing under and by virtue of the laws and Constitution of the State of Iowa (“**County**”).

WITNESSETH

WHEREAS, the Authority is authorized and empowered by the provisions of Iowa Code Section 346.27 (the “**Act**”) to borrow money and to issue and sell revenue bonds in a sufficient amount to provide funds for the purpose of acquiring, constructing, demolishing, improving, enlarging, equipping, furnishing, repairing, maintaining, and operating buildings, and to acquire and prepare sites, convenient therefor, and to pay all incidental costs and expenses, including, but not limited to, architectural, engineering, legal, and financing expense, and to refund and refinance revenue bonds as often as deemed advantageous by its governing body (the “**Board of Commissioners**”); and

WHEREAS, it has been determined that the County is in need of a new law enforcement center building (the “**Building**”) which will be owned by the Authority and located on the Authority’s property locally known as Parcel No. 8947 14 400 008 in Sioux City, Iowa and legally described in Exhibit A attached hereto and made a part hereof (the “**Property**”) (together the Building and Property shall hereinafter be referred to as the “**Facility**”) such Facility to be used jointly with the City of Sioux City, Iowa (the “**City**”); and

WHEREAS, Authority will undertake the acquisition and preparation of the Property and the construction, equipping, and furnishing, of the Building for the joint use and benefit of the County and the City; and

WHEREAS, the selection of architects, architectural plans, and project budget for the Facility will be the responsibility of the Authority but shall be approved by the County; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority expects to issue its revenue bonds (the “**Bonds**”) to provide funds to pay for construction, equipping, and furnishing of the Building, and for the acquisition and preparation of the Property, and to pay all incidental costs and related expenses, including, but not limited to, architectural, engineering, legal, and financing expense of the Facility; and

WHEREAS, the Authority proposes to lease a portion of the Facility to the County for a rental sufficient to pay the principal, premium, if any, and interest on the Bonds and to pay all incidental costs and related expenses; and

WHEREAS, the Authority desires to lease a portion of the Facility to the County, and the County desires to lease the same from the Authority, upon the terms and conditions and for the purposes set forth herein.

NOW, THEREFORE, the Authority hereby leases a portion of the Facility to the County, and the County hereby takes and leases the same portion of the Facility upon the terms, conditions and provisions contained in this Lease, and subject to the covenants, easements and restrictions of record from the Authority, on the following terms and conditions:

Article I
Definitions

Section 1.1. Definitions. The following words and phrases shall have the following meanings:

“Act” means Iowa Code Section 346.27 and any successor legal authority thereto.

“ADA” means the Americans with Disabilities Act, as amended.

“Additional Bonds” means any additional law enforcement center facilities revenue bonds of the Authority for construction, equipping, and furnishing of the Building, and for the acquisition and preparation of the Property, and to pay all incidental costs and related expenses, including, but not limited to, architectural, engineering, legal, and financing expense of the Facility that are in addition to the Law Enforcement Center Facilities Revenue Bonds.

“Additional Rent” means the additional rent for the Facility as described in Section 7.2 hereof.

“Additional Revenues” means all revenues received by the County from the use of the Facility other than those revenues directly related to inmates of Woodbury County, Iowa (e.g., contracts with U.S. Marshals Service, U.S. Immigration and Customs Enforcement, other counties, etc.).

“Authority” means the Woodbury County Law Enforcement Center Authority.

“Base Rent” means the rent for the Facility as described in Section 7.1 hereof.

“Board of Commissioners” means the governing body of the Authority as required by the Act.

“Bonds” means the Law Enforcement Center Facilities Revenue Bonds and any Additional Bonds.

“Building” means the approximately 213,000 square foot law enforcement center facility (as generally depicted on the drawing labeled as Exhibit B attached hereto and made a part hereof.

“City” means the City of Sioux City, Iowa.

“City Lease” means the lease agreement by and between the Authority and the City and all

amendments, exhibits and supplements thereto for the portion of the Facility to be jointly used by the City as shown on the attached Exhibit E.

“Code” means the Internal Revenue Code of 1986, as amended, and any statutes which replace or supplement the Internal Revenue Code of 1986.

“Commencement Date” means the date set forth in Section 6.1 hereof.

“Completion of Construction” means the completion of construction of the Facility in accordance with the Plans and Specifications to such extent that, upon its completion, it will permit the use and operation by the County as a law enforcement center facility.

“County” means Woodbury County, State of Iowa.

“Delivery Date” means the date that is as soon as practical after the Completion of Construction of the Facility in accordance with the Plans and Specifications, and in any event not more than thirty (30) days thereafter, Authority shall deliver and turn-over possession of the Facility to the County subject to the City Lease for those portions of the Facility that will be jointly used by the City.

“Facility” means the law enforcement facility which consists of the Building and the Property.

“Hazardous Substances” means those substances described in Section 17.5 hereof.

“Insurance Expense” means all insurance expenses as described in Section 13.2 hereof.

“Law Enforcement Center Facilities Revenue Bonds” means the original law enforcement center facilities revenue bonds of the Authority for design and construction of the Facility but does not include the Additional Bonds.

“Lease” means this Lease Agreement by and between the Authority and the County dated as of the date first above written and all amendments, exhibits and supplements thereto.

“Liability Insurance” means liability insurance as described in Section 13.2 hereof.

“Maintenance Expense” means all maintenance expenses as described in Section 12.1 hereof.

“Maintenance Payments” means the payments from the County to the Authority in an amount equal to twenty percent (20%) of the Additional Revenues as described in Sections 7.3 and 12.1 hereof.

“Municipal Advisor” means the municipal advisor designated from time to time by the Authority.

“Non-Qualified Use” means prisoners held pursuant to County contracts with U.S. Marshals Service, U.S. Immigration and Customs Enforcement, and any other non-governmental use not subject to a use exception in Section 141 of the Code.

“Plans and Specifications” means the plans and specifications for the construction of the Facility which have been approved by the Authority and the County as amended by the Authority from time to time prior to the Delivery Date which plans and specifications shall be on file with the Authority and shall be available for reasonable inspection.

“Project Cost” means the sum of the items authorized to be paid from Bond proceeds for the construction, equipping, and furnishing of the Building, and for the acquisition and preparation of the Property, and to pay all incidental costs and related expenses, including, but not limited to, architectural, engineering, legal, and financing expense of the Facility. Such Project Costs shall not exceed \$50,300,000.

“Property” means the real property locally known as Parcel No. 8947 14 400 008 in Sioux City, Iowa and legally described in Exhibit A attached hereto and made a part hereof which real property will be acquired by the Authority from the City subsequent to the issue of the Law Enforcement Center Facilities Revenue Bonds.

“Qualified Use” means governmental use as described in Section 141 of the Code.

“Rent” means the Base Rent, Additional Rent, and Maintenance Payments.

“Term” means the term of this Lease as set forth in Section 6.1 hereof.

“Unavoidable Delays” means delays resulting from acts or occurrences outside the reasonable control of the party claiming the delay including but not limited to storms, floods, fires, explosions or other casualty losses, unusual weather conditions, strikes, boycotts, lockouts or other labor disputes, delays in transportation or delivery of material or equipment, litigation commenced by third parties that results in injunctive relief, or the acts of any federal, State or local governmental unit.

Article II Representations and Warranties

Section 2.1. Representations and Warranties of Authority. Authority represents and warrants that:

A. Authority is a body corporate, organized and existing under and by virtue of Iowa Code Section 346.27, and any successor legal authority thereto, is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder and has been duly authorized to execute and deliver this Lease, and agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

B. Authority is authorized to issue the Bonds and will take all necessary action to issue the Bonds to provide funds to pay the costs of the Facility, and to lease a portion of the Facility to the County pursuant to the terms of this Lease.

C. Neither the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Lease conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Authority is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Authority prohibited by the terms of any instrument or agreement to which Authority is a party or by which it is bound.

Section 2.2. Representations and Warranties of the County. The County represents and warrants that:

A. The County is a political subdivision, organized and existing under and by virtue of the laws and Constitution of the State of Iowa, is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder and has been duly authorized to execute and deliver this Lease, and agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

B. Neither the execution and delivery of this Lease, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Lease conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the County is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the County prohibited by the terms of any instrument or agreement to which the County is a party or by which it is bound.

C. During the Lease Term, the County will take no action which would cause the Bonds to become "private activity bonds" as defined in Section 141(a) of the Code, including any use in excess of fifty percent (50%) of the Facility to or by any person other than a governmental unit. To show compliance with this covenant, the County shall deliver a semiannual report to the Authority documenting: (i) the average monthly occupancy of the Facility distinguishing Qualified Use from Non-Qualified Use; and (ii) the other revenues received by the County with respect to such Non-Qualified Use. This report shall be due beginning on November 1, 2021, and continuing semiannually thereafter on the first day of May and November in each year during the Lease Term.

Article III

Construction of the Facility

Section 3.1. Agreement to Construct the Facility. The Authority agrees that it has or will construct or cause to be constructed the Facility and will use its best efforts to construct or cause to be constructed the Facility in accordance with the Plans and Specifications and consistent with

the schematic design selected by the Authority and approved by the County. Final Plans and Specifications are subject to approval of the Authority and the County. The Authority further covenants and agrees to secure the County's approval of any material changes or alterations in the Plans and Specifications.

Authority hereby agrees that, in order to effectuate the purposes of this Lease it will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do or cause to be done all things which may be requisite or proper, all for constructing the Facility.

Subject to Unavoidable Delays, Authority agrees to use its best efforts to construct the Facility with all reasonable dispatch and to use its best efforts to cause the construction of the Facility to be completed as soon as may be practicable.

The Authority and the County understand and agree that the obligation of the Authority hereunder is to construct and equip the Facility in accordance with the Plans and Specifications.

Section 3.2. Conditions Precedent to Construction of the Facility. It is recognized and agreed that the ability of the Authority to perform the obligations described in this Lease with respect to construction of the Facility, is subject to completion and satisfaction of certain separate actions and required legal proceedings relating to the issuance of the Bonds. Specifically, all obligations of the Authority to issue the Bonds whose proceeds shall be used to design and construct the Facility are subject to each of the following conditions precedent:

A. The completion and satisfaction of certain separate actions and all required legal proceedings relating to the issuance of the Bonds (in the judgment of bond counsel for the Authority);

B. The Authority shall have completed the sale of all or a portion of the Bonds on such terms and conditions as it shall deem necessary or desirable in its sole discretion;

C. The City shall have approved all applicable zoning, subdivision, or platting of the Property necessary for development and construction of the Facility;

D. The County is in material compliance with all of the terms of this Lease;

E. The Authority shall have completed all applicable public bidding requirements for the Facility and shall have awarded a contract for the Facility acceptable to the Authority in its sole discretion;

F. The acquisition of the Property by the Authority.

Article IV
Issuance of the Bonds

Section 4.1. Agreement to Issue Bonds. Authority intends to issue the Bonds to provide funds to pay the Project Cost. Subject to Section 3.2 hereof, the Authority and the County covenant and agree to take such actions as may be necessary to issue the Bonds to provide funds to accomplish the completion of the Facility.

A. The Authority expects to issue the Law Enforcement Center Facilities Revenue Bonds, on or about September 1, 2020.

B. The Authority expects to issue Additional Bonds prior to Completion of Construction.

Article V
Facility

Section 5.1. Description of Facility. The parties agree that the Facility includes the Building and the Property which shall be constructed pursuant to the Plans and Specifications.

Section 5.2. Use of the Facility. Subject to the conditions set forth herein, the County shall have access to and the exclusive use of those portions of the Facility as shown on Exhibit E attached hereto and made a part hereof. Subject to the conditions set forth herein, the County shall have non-exclusive access to and use of those portions of the Facility as shown on Exhibit E attached hereto and made a part hereof.

Section 5.3. Alteration of the Facility. The Authority reserves the right, in its sole discretion, to change, increase, or reduce common areas of the Facility, without affecting the Base Rent and the other amounts due and payable by the County hereunder, so long as such adjustments do not substantially impair the County's right of access to the Facility or interfere with the County's right of quiet enjoyment granted hereunder. Such adjustments may include the number, composition, dimensions, or locations of any parking areas, service areas, walkways, roadways, corridors, or other common areas in existing or future additional structures. Authority further reserves the right to maintain and transmit utilities, cabling, and other data transmission devices for use in other areas of the Property through the Facility and to make such physical modifications to the Facilities as are reasonably necessary from time to time to accommodate such utilities and systems.

Upon expiration or termination of this Lease, the County shall quit and deliver up the entire Facility to the Authority in good and clean condition, reasonable wear and tear excepted.

Article VI
Commencement; Term; Delivery

Section 6.1. Term. Subject to Section 18.1, this Lease is for a term of twenty (20) years, commencing at 12:01 AM on September 1, 2020 (the “**Commencement Date**”) and ending at 11:59 PM on August 31, 2040. This Lease shall continue for the full Lease term, unless terminated as provided for herein. The parties agree that the Term provided in this Section 6.1 shall be updated as part of the Amended and Substituted Lease Agreement required under Section 18.1 hereof when the Additional Bonds are issued by the Authority.

Section 6.2. Delivery Date. The Delivery Date shall be the date that is as soon as practical after the Completion of Construction of the Facility, and in any event not more than thirty (30) days thereafter, the Authority shall deliver and turn-over possession of the Facility to the County subject to the City Lease for those portions of the Facility that will be jointly used by the City.

Section 6.3. Option to Extend. County shall have an option to extend the Lease Term for two (2) consecutive periods of ten (10) years each (each, an “Option Term”). If County intends to exercise an option to renew, it must give written notice of its intention to Authority at least ninety (90) days prior to expiration of the Lease Term or first Option Term, as applicable. County shall not be entitled to exercise the option to renew if an event of Default by County has occurred and is continuing at the time the County attempts to exercise the option to renew and County has failed to cure the default within the applicable period. Each Option Term shall be upon all of the same terms and conditions contained in this Lease unless otherwise modified by the parties.

Article VII
Rent

Section 7.1. Base Rent. The County agrees to pay Base Rent to the Authority as follows:

A. The Base Rent shall be paid by the County to the Authority in semiannual payments beginning on November 1, 2021, and continuing semiannually thereafter on the first day of May and November in each year in the amounts and on the schedule as shown on Exhibit C attached hereto. The parties agree that Exhibit C shall be updated by the Authority’s Municipal Advisor within 30 days after issuance of the Law Enforcement Center Facilities Revenue Bonds. The parties further agree that the schedule provided in Exhibit C shall be updated by the Authority’s Municipal Advisor as part of the Amended and Substituted Lease Agreement required under Section 18.1 hereof to reflect a Base Rent sufficient to cover the debt service on the Bonds (including the Additional Bonds). Said amount is payable in advance on the first day of each month shown on Exhibit C.

Section 7.2. Additional Rent. The County agrees to pay additional rent (“**Additional Rent**”) for Services and Utilities under Section 9.1, Insurance Expenses under Section 13.2, Enforcement Costs under Section 15.2, and other services as specified herein in the initial amount of \$200,000 per semiannual payment, said amount shall be paid to Authority in addition to the Base Rent in semiannual payments beginning on November 1, 2021, and continuing semiannually thereafter on the first day of May and November in each year.

Section 7.3. Maintenance Payments. The County agrees to pay Maintenance Payments in an amount equal to twenty percent (20%) of the Additional Revenues to be used for Maintenance Expenses under Section 12.1. Said Maintenance Payments shall be paid to the Authority in addition to the Base Rent and Additional Rent in semiannual payments beginning on November 1, 2021, and continuing semiannually thereafter on the first day of May and November in each year. The County agrees to apply the remaining eighty percent (80%) of the Additional Revenues to the reduction of property tax liability in Woodbury County, Iowa.

Section 7.4. Payment of Rent. Rent and all other charges or costs due and payable by County hereunder shall be paid when due, in currency of the United States of America, without demand, on the day shown in Exhibit C during the Lease Term, without offset, reduction, or abatement for any cause, except as is otherwise expressly provided herein. Notwithstanding anything herein to the contrary, the County may offset, reduce, or abate the Maintenance Payments due pursuant to Section 7.3 hereof but only in the event of an uncured default related to maintenance of the Facility and only for so long as the default remains uncured. If the County intends to offset, reduce, or abate the Maintenance Payments, it must provide written notice to the Authority pursuant to Section 16.1 at least sixty (60) days prior to the date on which the next Rent payment is due. In no event will such offset, reduction, or abatement apply to the Base Rent or the Additional Rent. Rent and any and all other charges due under the terms of this Lease not paid within five (5) days from the date when such charges are due and which failure continues for five (5) days following the County's receipt of written notice thereof, shall bear interest at the lesser of an annual rate of twelve percent (12%) or the highest annual rate allowed by law, on and from said due date until paid; provided, however, that Authority shall not be required to provide the County with more than three (3) such written notices within a three hundred sixty-five (365) day period.

Payment of all such Rent and all such other charges is a separate covenant under this Lease. In the event of a dispute between the Authority and the County over any issue relating to this Lease, said dispute shall be settled in a separate action, and the County shall pay all such Rent, until such action is finally concluded.

Section 7.5. Delivery of Rent. All such Rent shall be payable to Authority without notice or demand thereof either by electronic funds transfer or by physical delivery to the following address:

Woodbury County Law Enforcement Center Authority
c/o Board of Commissioners
620 Douglas Street
Sioux City, Iowa 51101

Authority may from time to time designate in writing other persons to whom or places at which Rent is to be paid.

Article VIII
Condition of the Facility

Section 8.1. Authority's Obligations. Authority shall not bear any costs or expenses relating to the Facility or this Lease or be obligated to provide any services or do any act in connection with the Facility or this Lease, except as otherwise expressly provided herein.

Section 8.2. Facility Condition. Subject to Section 3.1 hereof, the County will accept the Facility in the "AS-IS" condition in which the Facility is delivered as of the Delivery Date.

Section 8.3. Alterations and Changes. After the Commencement Date, the County may place partitions and fixtures and make improvements and other non-structural alterations in the interior of the Facility at its own expense, provided, however, that prior to commencing any such work, the County shall first obtain the written consent of Authority for the proposed work. Authority may require that said work be done by third-party contractors under Authority's direction, but at the expense of the County, and Authority may, as a condition to consenting to such work, require that the County give security to ensure that the alterations to the Facility will be completed free and clear of liens and in a manner and with workmanship satisfactory to Authority. Authority's consent may be further conditioned on the requirement that alterations to the Facility that are, in Authority's determination, specialized to the use of the County only will be removed and the Facility restored to its former condition at the termination of this Lease at the County's sole cost and expense. Notwithstanding the foregoing, all improvements or alterations installed or made by the County under this section shall become the property of Authority, except that certain improvements or alterations that the parties agree prior to their installation shall be removable shall, at the termination of this Lease, provided the County is not in Default, be removable by the County, pursuant to specifications and under work conditions acceptable to the Authority.

Article IX
Services and Utilities

Section 9.1. Services and Utilities. Authority shall be required to furnish such heating, ventilating, air-conditioning, water and electricity only in quantities necessary for normal usage. Payment of such Services and Utilities shall be included as an item of Additional Rent. The County shall not intentionally place a load on the utility services in the Facility in excess of that which they were designed to carry. The County further agrees to comply with all rules, regulations and requirements of the utility companies and all laws of the State of Iowa and ordinances, regulations and requirements of the municipality in which the Facility is located relating to utility use. Authority shall not be liable for any failure and/or interruptions of said utilities due to any cause beyond the Authority's reasonable control.

The County shall pay for all telephone services, computer and similar services, and for the costs of installing and removing all equipment involved, directly to the company furnishing such services and equipment, including any repair of damage to the Facility as a result of installation or removal of the services and equipment. Space for the installation of said services and equipment shall be designated and approved by Authority within the Facility.

Article X
Use of Facility

Section 10.1. Use of the Facility. The Facility is leased to the County for use as a law enforcement center only. Should the County desire to expand or change the use to something other than a law enforcement center; the County must have written permission of Authority to do so. Said permission may be withheld at Authority's sole and absolute discretion. The County agrees that it will use the Facility in compliance with all laws, ordinances, and regulations applicable to the Facility. The County shall not use the Facility in any manner which would interfere with other tenants' quiet enjoyment of their portion of the Facility. Furthermore, the Facility shall not be used in any manner to (i) create any nuisance or trespass; (ii) obstruct any corridor or other common area to which the County has access; (iii) vitiate any insurance; or (iv) alter the classification or increase the rate of insurance for the Facility. In addition, the County shall comply with the following:

A. The County shall keep the Facility in a neat and clean condition. In addition, the County shall keep the exterior sidewalks, parking area and lawn, free from trash and debris.

B. The delivery or shipping of supplies and fixtures to and from the Facility shall be subject to such reasonable written rules and regulations as in the judgment of Authority are necessary for proper operation of the Facility.

C. The County shall store all trash and garbage within the designated areas. Removal of garbage and trash shall be made only in the manner and areas prescribed by Authority. If the County fails to maintain the Facility in a clean condition, the Authority at its option may have the Facility cleaned at the County's expense.

D. The County shall keep the Building at a temperature sufficiently high to prevent freezing of water in pipes and fixtures.

E. The plumbing facilities shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by the County.

F. The County shall comply with all ordinances of the municipality in which the Facility is located, rules and regulations of the Board of Health, and laws of the United States of America and the State of Iowa relative to the use of the Facility, including sidewalks, alleys and streets adjoining the same, and relative to the handling, storage, use, disposal and release of any substances or materials regulated by any local, state or federal environmental laws. The County agrees to protect, defend, indemnify and hold Authority, and its Board of Commissioners, officers, and agents, harmless against any tax, charge, penalty, fine, liability, or expense (including reasonable attorneys' fees) imposed or levied against the Facility or any such indemnitee on account of the County's failure to comply therewith. To the extent not prohibited by law, the County further covenants and agrees that, during the entire Term of this Lease and any extensions thereof, to protect, defend, indemnify and keep the

Authority, and its Board of Commissioners, officers, and agents, harmless from and against any and all loss, damage, liability and expense (including reasonable attorneys' fees) that may be incurred by reason of injury to any person or damage to any property growing out of or in any way connected with any noncompliance by the County or its officers, employees, inmates, invitees, visitors, or agents, with any such ordinances, rules, regulations or laws.

G. The County shall comply with those rules and regulations which Authority has established for the Facility attached hereto as **Exhibit D**, which rules and regulations Authority may reasonably modify during the Lease Term.

H. The County shall not permit any unlawful practice to be carried on or in the Facility; make any use of or allow the Facility to be used for any purpose that might invalidate the insurance thereof; create any nuisance or injure the reputation of the Facility; deface or injure the Building; overload the floors, commit or suffer waste, permit the use of radios, loudspeakers other devices that can be heard outside the Facility or disturb the quiet enjoyment of the other Facility tenants.

Article XI Americans with Disabilities Act

Section 11.1. ADA Compliant. The Authority represents and warrants to the County to the knowledge of Authority that the Facility, upon the Delivery Date, will comply with, and does not violate, any covenants or restrictions of record, or any applicable building or zoning code, regulation or ordinance in effect including the ADA and any and all applicable environmental regulations and ordinances.

The County shall be responsible at its expense for compliance with the applicable requirements of the ADA in the construction of all alterations to the Facility undertaken by the County, in addition to any modifications to the Facility required by the ADA due to the nature or manner of the County's operations or any modifications to the Facilities required by the ADA on account of the personal condition or status of any of the County's officers, employees, inmates, invitees, visitors, or agents.

To the extent not prohibited by law, the County agrees to protect, defend, indemnify, and hold Authority, and its Board of Commissioners, officers, and agents harmless from the cost of compliance with the requirements of the ADA that are the County's responsibility as stated above, and from any damages, liabilities, charges, fees, penalties, and expenses (including, but not limited to, reasonable attorneys' fees and court or administrative costs), which arise from noncompliance or claims of noncompliance with the requirements of the ADA that are the County's responsibility as stated above.

Article XII Maintenance; Repairs; and Replacements; Operation

Section 12.1. Maintenance, Repairs and Replacements

A. The Authority shall maintain the Facility in good order, condition and repair;

expand; and make repairs and replacements to the Facility necessary for the structural soundness of the Building (the "Maintenance Expenses"). In order to maintain the Facility, the Authority shall establish a maintenance fund from which such Maintenance Expenses shall be paid. The Authority shall be set-aside the Maintenance Payments under Section 7.3 hereof into a separate account to be used for Maintenance Expenses at the sole and absolute discretion of the Authority. The Authority shall not be required to incur Maintenance Expenses in excess of what is available in such separate account.

B. Authority shall endeavor to make repairs and conduct maintenance in such a manner so as to avoid, to the extent reasonable and practicable, significant disturbance or inconvenience to the County or any of its officers, employees, inmates, invitees, visitors, or agents, but Authority shall not be liable or responsible to the County for inconvenience caused by making of such repairs. Maintenance, repairs or replacements to the Facility caused or occasioned by the misuse or negligence of the County, its officers, employees, inmates, invitees, visitors, or agents, or maintenance contractors shall be at the County's sole expense.

C. In the event that the Facility should become in need of repairs required to be made by Authority hereunder, the County shall give written notice within a reasonable time (or immediate telephone notice in the case of an emergency) thereof to Authority and Authority shall commence any such repairs within a reasonable time after the County's delivery of such notice and Authority shall diligently pursue the completion of such repairs as expeditiously as reasonably possible, as the circumstances may warrant. Failure of the County to provide the requisite notice shall release Authority from all responsibility for said repairs.

D. Except as otherwise provided in this Lease, Authority shall not be liable for, and there shall be no abatement of Rent with respect to any injury to or interference with the County's operations arising from any repairs, maintenance, alteration or improvement in or to any portion of the Facility, or in or to the fixtures, appurtenances or equipment therein, unless the need for such repairs or maintenance was caused by Authority's negligence or willful misconduct.

E. The County agrees that it will make all repairs to the Facility not required to be made by Authority, as set forth above, and, subject to the provisions of this Lease, to do all redecorating, remodeling, alteration, and painting required by it during the Term of the Lease, at the County's sole cost and expense. The County will also pay for any repairs to the Facility made necessary by the acts or omissions of the County, its officers, employees, inmates, invitees, visitors, or agents and will at all times maintain the Facility in a safe, clean, neat, and sanitary condition. The County shall not burn refuse in or about the Facility and shall not store refuse or garbage in or about the Facility.

Section 12.2. Floor Loads; Operation of the County's Activities; Electrical and HVAC Loads.

A. The County shall not place an unreasonable load upon the floor of the Facility without Authority's prior written consent. Business machines, mechanical equipment, and materials belonging to the County which cause vibration, noise, cold, heat, or fumes that may be transmitted to the Building structure to such a degree as to be objectionable to Authority or to any

other tenant in the Building shall be placed, maintained, isolated, stored, and/or vented by the County at its sole expense so as to absorb and prevent such vibration, noise, cold, heat or fumes. The County shall not keep within or about the Facility any dangerous, inflammable, toxic or explosive material, except as specifically permitted hereunder.

B. The County will not install or operate in the Facility any electrically operated equipment or other machinery, including the use of any personal electric heating device, other than equipment necessary to operate the Facility as a law enforcement center, including, but not limited to, personal computers, printers, copy machines, facsimile machines, electric typewriters, adding machines, and such other small electrically operated office equipment as is used in similar modern facilities, without first obtaining the prior written consent of Authority, who may condition such consent upon the payment by the County of Additional Rent in compensation for such excess consumption of water and/or electricity or wiring as may be occasioned by the operation of said equipment or machinery; nor shall the County install any other equipment whatsoever which will, or may, necessitate any changes, replacements, or additions to or require the use of the water system, plumbing system, heating system, air conditioning system, or the electrical system of the Facility, without the prior written consent of Authority.

Article XIII Damage, Fire or Other Casualty; Insurance; Loss

Section 13.1. Damage, Fire or Other Casualty. In the event of partial destruction or damage of the Facility, which damage can be reasonably repaired by Authority within one hundred eighty (180) days after its occurrence, this Lease shall not terminate, and Base Rent and Additional Rent shall not abate during the period of reconstruction. In the event of such partial destruction or damage, Authority shall repair same within one hundred eighty (180) days of its occurrence, unless prevented from so doing by Unavoidable Delays or other causes beyond Authority's reasonable control. The County shall be responsible to pay for all repair or replacement costs incurred by Authority in connection with damage caused by the County or its officers, employees, inmates, invitees, visitors, or agents to the extent not covered by the County's or Authority's insurance on the Facility.

In the event of the occurrence of damage which renders the Facility untenable and such damage in the Authority's reasonable estimation cannot be repaired within one hundred eighty (180) days, this Lease may be terminated at the option of the Authority or the County after such determination is communicated by Authority. Authority shall notify the County of Authority's determination not to restore the Facility within sixty (60) days of such damage. The County shall thereafter have fifteen (15) calendar days from receipt of such notice from Authority to decide and notify Authority of the County's decision to terminate the Lease.

In addition to the option to cancel this Lease by Authority and the County as set forth above, in the event the Facility is damaged or destroyed to the extent of more than one-third of its replacement cost, or in the event of any destruction not covered by insurance, or in the event of any destruction occurring during the last two years of the term of this Lease, Authority may elect to terminate this Lease. Notice of any such election by Authority shall be given to the County within sixty (60) days after such damage to the Facility.

The County shall surrender possession within sixty (60) days after a notice of termination given by either Authority or the County pursuant to the provisions of this section and each party shall thereafter be released from all future obligations under this Lease. The County shall pay rent pro rata to the date of such damage or destruction of the Facility resulting in such termination of Lease. In the event of such a termination of the Lease, Authority may at its option elect to rebuild or not rebuild, as it shall determine in its sole discretion.

Section 13.2. Insurance.

A. Casualty Insurance. Authority shall insure the Facility. The County shall pay to the Authority all Insurance Expenses with respect to the Facility during the Term of this Lease as part of the Additional Rent. "Insurance Expenses" shall include but is not limited to the cost to Authority for any insurance coverages including comprehensive general liability insurance, casualty insurance against fire, extended coverage, vandalism and malicious mischief, collapse and such other perils as are normally found in "all-risk" forms in at least a sufficient amount to prevent Authority from becoming a co-insurer, boiler and machinery coverage and such other coverages as are reasonable or prudent for Authority to carry on the Facility. The Insurance Expense shall include the cost of premiums, fees and deductibles, if applicable. No insurance hereinabove mentioned shall cover any of the County's personal property.

The County shall be responsible for obtaining, at the County's option, cost and expense, insurance for property of The County (including the County's improvements and personal property). During any period of reconstruction, the County shall obtain a builders risk policy of insurance containing such terms as are acceptable to Authority.

B. Liability Insurance. The County covenants to obtain and keep in full force and effect during the Lease Term, and to pay the premiums and costs of, Liability Insurance as hereinafter defined. "**Liability Insurance**" shall mean comprehensive general liability insurance covering public liability with respect to its occupancy, use and operation of the Facility, with limits of not less than \$2,000,000 combined single limit of liability (with no deductible or retention provision contained therein, unless otherwise approved in writing by Authority) naming Authority, its Board of Commissioners, officers and agents, and such other persons as Authority reasonably specifies as additional insured.

C. Property Insurance. An "all risk" property insurance policy or a fire insurance policy covering all trade fixtures, equipment, personal property, and leasehold improvements, if any, installed by the County, from time to time in, on or upon the Facility in the amount of the full replacement value thereof, which coverages shall include protection against any peril included within the classification "fire and extended coverage," together with insurance against sprinkler leakage, if the premises are sprinklered, vandalism and malicious mischief. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed unless this Lease shall cease or terminate under the provisions of this Lease.

D. General Provisions Respecting Insurance. Except as otherwise approved in writing by Authority, all insurance required of the County hereunder shall: (i) be on forms issued by

insurers authorized to do business in the State of Iowa and rated A or better by Best Rating Guide, as approved by Authority, which approval shall not be unreasonably withheld; (ii) name Authority and the County, as insured parties, as their respective interests may appear; (iii) shall provide coverage on an occurrence basis; and (iv) shall provide, by certificate of insurance or otherwise, that the insurance coverage shall not be canceled or altered, except upon thirty (30) days prior written notice to Authority. Certificates of insurance and copies of the original policies obtained by the County shall be delivered to Authority and certificates of renewal of such policies shall be delivered by the County to Authority at least thirty (30) days prior to the expiration date of the then-effective policies. The County may provide any such insurance through blanket policies, as long as the Facility is specifically scheduled as an insured property on such policies. The County agrees to comply with all rules and regulations of the Board of Fire Underwriters and the applicable rules and regulations of the City, the County, and State where the Facility is located. If the County fails to provide any of the herein required coverage, Authority shall be entitled to place such coverage, whereupon the County shall promptly pay for all costs associated therewith on demand.

E. Cooperation in the Event of Loss. Authority and the County shall cooperate with each other in the collection of any insurance proceeds which may be payable in the event of any loss, including the execution and delivery of any proof of loss or other actions required to effect recovery.

F. No Waiver of Immunities. Notwithstanding anything herein, neither party is waiving any applicable immunities granted under the law to governmental entities.

Section 13.3. Injury, Loss, Agreement to Hold Harmless. Authority shall not be responsible or liable for any loss, theft, or damage to property, or interruption of business, or injury to, or death of the County's officers, employees, inmates, invitees, visitors, or agents, or any person on or about the Facility, and to the extent not prohibited by law the County agrees to indemnify, defend, and hold Authority harmless from and against all claims arising from the conduct or management of or from any work or thing whatsoever done in and about the Facility or arising from any breach or default by the County in the performance of any covenant under this Lease, or the violation of any rule or regulation, or arising from any act or negligence of the County or any of its agents, contractors, servants, employees, invitees, inmates, visitors, or licensees and from and against all costs, expenses, and liabilities incurred in connection with any such claim, and in case of any action or proceeding against Authority by reason of any such claim. The County shall, upon notice from Authority, at the County's cost and expense, defend or cause to be defended such action or proceeding with counsel acceptable to Authority.

To the extent not prohibited by law, each party agrees to protect, defend, indemnify and hold harmless the other party, its governing body, officers, employees and agents, against any claim, liability, loss or expense arising directly or indirectly from any breach or default by such party in the performance of any covenant or other obligation under this Lease.

Article XIV
Miscellaneous Covenants

Section 14.1. Eminent Domain. In the event all or any portion of the Facility is taken under eminent domain proceedings or conveyed under threat of such proceedings, this Lease will terminate as to the portion taken, and Authority may terminate this Lease in its entirety, if Authority elects to do so, in the event more than 50% of the Facility is taken under eminent domain proceedings or conveyed under threat thereof. Notice of any such election by Authority to terminate this Lease shall be given to the County within sixty (60) days after more than 50% of the Facility is taken through condemnation or conveyed as a result of the threat thereof. Authority reserves all rights to damages to the Facility for any such taking or private purchase in lieu thereof, and the County hereby assigns to Authority any right the County may have to such damages, award, or compensation, and the County shall make no claim against Authority or the condemning authority for damages for termination of the leasehold interest or interference with the County's operations; provided that the County shall have the right to claim and recover from the condemning authority compensation for any taking of the County's personal property (including the County's leasehold interest), if such damages can be claimed, awarded, and recovered separately in the eminent domain proceedings and not out of or as a part of the damages recoverable by Authority, and will not reduce the damages recoverable by Authority.

Section 14.2. Signs. The County agrees that it will not place any signs in, on, or about the Facility without the prior written consent of Authority, and upon notice from Authority, will immediately remove any signs placed without such consent of Authority. If consent is granted, such signs will be installed and maintained at the County's expense, and the County will remove such signs at the termination of this Lease and repair any damage caused by such removal.

Section 14.3. Entry of Authority. Subject to reasonable security policies and procedures for the protection of the jail, county attorney's office and judicial staff offices, the Authority reserves the right to enter upon the Facility at reasonable times for the inspection and repair of the same.

Section 14.4. Rules and Regulations. The County shall at all times comply with the Rules and Regulations set forth on **Exhibit D** attached hereto, and with any additions thereto and modifications thereof adopted from time to time by Authority, and such rules and regulations shall be deemed to be a covenant of this Lease to be performed and observed by the County.

Section 14.5. Parking. Parking shall be on a first-come, first-served basis. The County hereby agrees to comply with all traffic and parking regulations imposed by Authority from time to time. The County agrees not to overburden the parking facilities.

Authority retains the right to restructure the parking areas, including the management of the parking areas and the use of the physical structures and hard-surface areas.

Section 14.6. Green Building Reporting. Authority may pursue having the Building certified as a "Green Building" through the Leadership in Energy & Environmental Design (LEED) rating system. The certification process employs a system of metrics and methodologies

to promote an environmentally responsible, economically profitable, healthy, and safe work environment for building owners, their tenants and their employees. As part of the certification and recertification processes, the County agrees to use its best efforts to provide from time to time, as reasonably requested by Authority, reporting to include, for example, the number and type of vehicles used by the County's employees (including, specifically, alternative fuel or hybrid vehicles); the numbers of employees using carpooling and van pooling programs; the numbers of employees using "work from home" programs; other information relating to automobile use; and other relevant data. If the foregoing information is not readily available from the County's records, the County agrees to cooperate with Authority in obtaining as much of this information as is possible by way of a survey program prepared by Authority. Authority acknowledges and agrees that the County shall not be expected to comply with requests for information that would violate any applicable privacy laws or policies.

Article XV

Default; Remedies; Surrender and Holding Over

Section 15.1. Default by the County. Each of the following shall constitute a "Default" under this Lease:

A. Failure to Pay Rent or Other Amounts. If the County fails to pay Base Rent, Additional Rent, or any other amounts payable by the County under the terms of this Lease within seven (7) days after the County's receipt of written notice that such payment was not made when due.

B. Transfer of Interest Without Consent. If the County's interest under this Lease or in the Facility shall be assigned, transferred, pass to, or devolve upon any other person without Authority's prior written consent.

C. Execution and Attachment Against the County. If the County's interest under this Lease or in the Facility shall be taken upon execution or by other process of law directed against the County, or shall be subject to any attachment at the instance of any creditor or claimant against the County and said attachment shall not be discharged within fifteen (15) days thereof.

D. Bankruptcy and Related Proceedings. If the County shall be adjudicated insolvent or shall suffer the filing of a petition in bankruptcy under the bankruptcy laws of the United States or under any similar law of any state, and such proceedings shall not be dismissed or vacated within sixty (60) days after institution; or if the County shall voluntarily seek protection under the bankruptcy laws of the United States or under any similar law of any state; or if the County shall seek arrangement for assignment for the benefit of creditors under the laws of any state.

E. Violation of Lease Terms. If the County fails to comply with any other material term, covenant, or condition of this Lease applicable to the County, and the County does not cure such breach or failure within thirty (30) days after notice thereof by Authority to the County.

Section 15.2. Remedies. Upon the occurrence of a Default by the County, Authority shall have the right, at Authority's election, then or at any time thereafter, to exercise any one or more

of the following remedies:

A. Cure by Authority. Authority may, at Authority's option, but without obligation to do so, and without releasing the County from any obligations under this Lease, make any payment or take any action as Authority may deem necessary or desirable to cure such Default by the County in such manner and to such extent as Authority may deem necessary or desirable. Authority may do so without demand on or written notice to the County. The County covenants to pay to Authority, within ten (10) days after demand, all advances, costs, and expenses of Authority incurred in connection with the making of any such payment or the taking of any such action, including reasonable attorneys' fees, together with interest as hereinafter provided, from the day of payment of any such advances, costs, and expenses by Authority. Authority may also commence, appear in, defend, or otherwise participate in any proceeding with respect to the Facility which Authority, in its discretion, may deem necessary or desirable to protect its interest in the Facility and under this Lease.

B. Termination of Lease and Damages. Authority may terminate this Lease effective at such time as may be specified in written notice to the County and demand (and, if such demand is refused, recover) possession of the Facility from the County. The County shall remain liable to Authority for damages representing the loss of the bargain, and not as a penalty, in an amount which, at the time of such termination of this Lease, represents the excess, if any, of the aggregate of the Base Rent, Additional Rent, and all other sums payable by the County hereunder that would have accrued for the balance of the Lease Term, discounted to present worth at the rate of eight percent (8%) per annum, over the then-present fair rental value of the Facility for such period, similarly discounted, plus any due and unpaid amounts then owing under this Lease and any amounts expended in Authority's recovery of possession and reletting of the Facility.

C. Recovery of Enforcement Costs. If on account of any default by the County in the County's obligations under the terms of this Lease, it becomes necessary or appropriate for Authority to utilize attorneys or other persons to enforce any of Authority's rights or remedies hereunder, the County shall pay upon demand as Additional Rent hereunder all reasonable fees of such attorneys and other persons and all other costs of any kind so incurred. Notwithstanding the foregoing, however, the prevailing party in any litigation or arbitration concerning any dispute arising under this Lease shall recover from the losing party the reasonable attorney's fees and expenses incurred by the prevailing party.

D. Administrative Late Charge. Other remedies for nonpayment of rent notwithstanding, if the semiannual rental payment is not received by Authority on or before the fifth day of the month for which the rent is due, or if any other payment due Authority by the County is not received by Authority on or before the tenth day of the month next following the month in which the County was invoiced for same, an Administrative Late Charge of five percent (5%) of such past due amount shall become due and payable, in addition to such amounts owed under this Lease to help defray the additional cost to Authority for processing such late payments.

E. Interest on Past-Due Payments and Advances. If the County fails to pay any amount due hereunder as and when due, then the County shall pay to Authority, on demand,

interest on such amounts at the rate one percent per month, compounded monthly, from the due date.

F. Bankruptcy or Insolvency Proceedings Remedies. Nothing contained in this Lease shall limit or prejudice the right of Authority to obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization, or dissolution proceeding, the maximum amount allowable by any statute or rule of law governing such proceeding at the time when such damages are to be provided, whether or not such amount be greater, equal to, or less than the amounts later recovered, either as damages or rent, under this Lease.

G. Remedies Cumulative. Exercise of any of the remedies of Authority under this Lease shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Lease or otherwise available to Authority at law or in equity.

H. The County's Remedies. Upon default by Authority, the County may exercise any remedies available at law or in equity, but shall not be entitled to offset its obligations, and shall not be entitled to terminate this Lease, unless the default is determined by a court of law with jurisdiction over the parties and the Facility to constitute a constructive eviction of the County. The County shall provide written notice to Authority of any default alleged by the County, whereupon Authority shall have thirty (30) days thereafter in which to cure such default (or to initiate a cure and thereafter diligently pursue the cure to conclusion, if such default is of a nature which cannot be cured within such thirty (30) day period), prior to the County exercising any such remedies.

Section 15.3. Surrender and Holding Over.

A. Surrender upon Lease Expiration. Upon the expiration or earlier termination of this Lease, the County covenants to surrender possession of the Facility to Authority broom clean and in good condition, ordinary wear and tear excepted.

B. Holding Over. If the County shall hold over after the expiration of the Lease Term without written agreement of Authority, the County shall be deemed to be a tenant from month to month, at a monthly rental, payable in advance, equal to 150% of the rent payable for the immediately preceding month prorated from the semiannual rent payments shown on Exhibit C, and the County shall be bound by all of the other terms, covenants, and agreements of this Lease. Notwithstanding the foregoing, Authority may exercise any and all remedies at law or in equity to recover possession of the Facility, as well as any actual damages incurred by Authority, due to the County's failure to vacate the Facility and deliver possession to Authority as herein provided.

Article XVI

Notices

Section 16.1. Notices. Any notices or demands to be given hereunder shall be given as follows:

If to the Authority:

Woodbury County Law Enforcement Center Authority
Attn: Board of Commissioners
620 Douglas Street
Sioux City, Iowa 51101

With a copy to legal counsel at:

Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, Iowa 50309

If to the County:

Woodbury County, State of Iowa
Attn: Board of Supervisors
620 Douglas Street
Sioux City, Iowa 51101

With a copy to legal counsel at:

Woodbury County, State of Iowa
Attn: County Attorney
620 Douglas Street
Sioux City, Iowa 51101

The Authority and the County shall have the right to designate in writing a different valid street address to which any notices or demands shall be given hereunder. Notices or demands hereunder shall be served in hand or by certified mail, return receipt requested. All notices or demands shall be in writing, signed by the party giving the same and shall be deemed properly given and received when actually given and received or three (3) business days after mailing, if sent by registered or certified U.S. mail, postage prepaid, addressed to the party to receive the notice as provided above.

Article XVII Miscellaneous Provisions

Section 17.1. Assignment. The County agrees that it will not assign this Lease or sublet in whole or in part any portion of the Facility, without the prior written consent of Authority which may be withheld or granted at Authority's sole and absolute discretion. Notwithstanding the foregoing sentence, the parties acknowledge that a portion of the Facility may be used by the state of Iowa judicial branch/courts. Any approved assignee or sub lessee must agree in writing to abide by all of the terms of this Lease. Consent to an assignment by Authority or any future assignments

that Authority may consent to, with or without the County's consent, shall not relieve the County herein from any of its obligations under this Lease. All excess sub rent received by the County under this Lease as a result of any assignment or sublease shall be paid by the County to Authority when received by the County under this Lease. Any assignment by operation of law shall be subject to the same conditions and restrictions as an assignment by the County. Any assignment or sublease not made in conformity with the foregoing shall be voidable at the option of Authority.

Section 17.2. Security Rules; Security Key Fobs. Certain portions of the Building may be equipped with a card access security system. Authority will provide key fobs and card readers for access at the door to the Facility at the County's request. Such key fobs will be provided as indicated in the Plans and Specifications.

Section 17.3. Waiver and Severability. The consent of the Authority in any instance to any variation of the terms of this Lease, or the receipt of rent with knowledge of any breach, shall not be deemed to be a waiver as to any breach of any covenant or condition herein contained, nor shall any waiver be claimed as to any provision of this Lease, unless the same be in writing, signed by Authority or Authority's authorized agent. This Lease contains the entire agreement between the parties with respect to the leased Facility, superseding all other instruments or agreements, written or oral.

If any term or provision of this Lease or any application thereof shall be determined to be invalid or unenforceable by a court of law with jurisdiction over the parties and the Facility, then the remaining terms and provisions of this Lease and any other application of such term or provision shall not be affected thereby.

Section 17.4. Liens and Encumbrances by County. The County shall at all times keep the Facility free from any liens arising out of any work performed or allegedly performed, materials furnished or allegedly furnished, or obligations incurred by or for the County. At any time the County either desires or is required to make any improvements, Authority may require the County, at the County's sole cost and expense, to obtain and provide to Authority a lien and completion bond in a form and by a surety acceptable to Authority and in an amount no less than the estimated cost of such improvements to insure Authority against liability from mechanics' and materialmen's liens and to insure completion of the work, and may require such additional items or assurances as Authority, in its sole discretion, may deem reasonable or desirable. To the extent not prohibited by law, the County agrees to indemnify and hold Authority harmless from and against any and all claims for mechanics', materialmen's, or other liens in connection with any improvements, repairs, or any work performed, materials furnished, or obligations incurred by or for the County. Authority reserves the right to enter the Facility for the purpose of posting and maintaining such notices of non-responsibility as may be permitted by law or desired by Authority.

Section 17.5. Hazardous Substances. The County is prohibited from using or permitting the existence of hazardous substances at the Facility. The County represents and warrants to the Authority that hazardous substances will not be used in its operations. In the event of the use of hazardous substances at the Facility by the County, the Authority shall have the right to require The County to discontinue its operation and clean up the contamination while the Authority, at the same time, enforces the remaining terms of the Lease. As used in this Lease, the term "Hazardous

Substances” shall mean any element, compound, mixture, solution, particle or substance which is dangerous or harmful or potentially dangerous or harmful to the health or welfare of life or environment, including but not limited to, asbestos, asbestos containing materials, explosives, petroleum and petroleum products, radioactive materials, hazardous chemicals (excluding chemicals commonly used for cleaning purposes), toxic substances or related materials, including, without limitation: (1) any substances defined as or included within the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “toxic substances,” “hazardous pollutants” or “toxic pollutants,” or other similar terms, as those terms are used in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act and the Clean Water Act, or any amendments thereto, or any regulations promulgated thereunder, and any other law or regulation promulgated by any federal, municipal, state, the County or other governmental or quasi-governmental authority and/or agency or department thereof; (2) any “PCBs” or “PCB items” (as defined in 40 C.F.R. § 761.3); or (3) any “asbestos” (as defined in 40 C.F.R. § 763.63).

It shall not be a violation of this Lease for the County to keep and use such Hazardous Substances as are commonly used in the County’s operations provided (1) the County gives prior written notice to Authority of the identity of such Hazardous Substances and (2) the County shall promptly, timely and completely comply with all applicable laws (a) regarding such use, storage and disposal, and (b) for reporting and record-keeping and submit to Authority true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of Hazardous Substances, then the reasonable costs thereof shall be reimbursed by the County to Authority upon demand as additional charges, if such requirement applies to the Facility. In addition, the County shall execute affidavits, representations, and the like from time to time at Authority’s request concerning the County’s best knowledge and belief regarding the presence of hazardous substances or materials on the Facility. To the extent not prohibited by law, the County shall indemnify, defend and hold harmless Authority and its Board of Commissioners, officers, employees, and agents from claims or liability relating to Hazardous Substances kept or released on the Facility by the County or persons acting under or through the County.

Section 17.6. Liability of Authority. The County waives and releases any claims the County may have against Authority or Authority's Board of Commissioners, officers, agents, or employees for loss, damage, or injury to person or property sustained by the County or the County's officers, employees, inmates, invitees, visitors, or agents or anyone claiming by, through, or under the County resulting from any cause whatsoever, other than negligence or willful misconduct of Authority or its officers, agents, contractors, representatives, visitors, or invitees. Notwithstanding anything to the contrary contained in this Lease, Authority shall not be personally liable with respect to any of the terms, covenants, and conditions of this Lease, and the County shall look solely to the equity of Authority in the Facility in the event of any default or liability of Authority under this Lease, such exculpation of liability to be absolute and without any exception whatsoever. In the event of a default by Authority under this Lease, the sole remedy of the County shall be to bring a personal action against Authority, and in no event shall the County be entitled

to terminate this Lease or to set off any claims the County may have against Authority against the rental and other sums due hereunder.

Section 17.7. Authority Approvals. Whenever the County is required to obtain Authority's consent hereunder, the County agrees to reimburse Authority all out-of-pocket reasonable expenses incurred by Authority, including reasonable attorney's fees in order to review documentation or otherwise determine whether to give its consent. The County shall pay Authority's invoice for any such amounts within thirty (30) days following Authority's delivery of its invoice therefor. Any provision of this Lease which requires the County to obtain Authority's consent to any proposed action by the County shall not be the basis for an award of damages or give rise to a right of setoff on the County's behalf, but may be the basis for a declaratory judgment or injunction with respect to the matter in question.

Section 17.8. Waiver of Setoff. The covenant of the County to pay any and all rents and other charges or other money obligations provided for in this Lease shall be deemed a separate and independent covenant and obligation of the County, and the County acknowledges and agrees that the County shall have no right of deduction or set-off whatsoever from said covenant and obligation.

Section 17.9. Authority's Reserved Rights. Without notice to the County, without liability to the County for damage or injury to property, person, or business, and without effecting an eviction of the County or a disturbance of the County's use or possession or giving rise to any claim for set off or abatement of rent, Authority shall have the right to:

A. At reasonable times, make, at its own expense, repairs, alterations, and improvements, structural or otherwise, in or to the Facility, or part thereof, and any adjacent land, street, or alley, and during such operations to take into and through the Facility or any part of the Facility all materials required, and to temporarily close or suspend operation of entrances, doors, corridors, elevators, or other facilities to do so.

B. Take any and all reasonable measures, including inspections or the making of repairs, alterations, and improvements to the Facility, which Authority deems necessary or desirable for the safety, protection, operation, or preservation of the Facility.

C. Approve all sources furnishing signs, painting, and/or lettering to the Facility, and approve all signs on the Facility prior to installation thereof.

D. To change the name or street address of the Facility.

E. To install, affix and maintain any and all common area alterations, additions, or improvements, whether structural or otherwise.

F. To retain at all times, and to use in appropriate instances, keys and other access devices to all doors within and into the Facility.

G. The County understands and agrees that the Facility is smoke-free. The County understands and agrees that there is no smoking at the Facility. The County shall instruct all employees, agents and invitees to smoke inside their personal vehicles.

H. Designate parking areas for the County employees and agents.

I. Establish rules and regulations for the safety, use, entry, care, order, operation, maintenance, appearance, and cleanliness of the Facility and to make amendments thereto. The County covenants and agrees to keep and observe the rules and regulations, reasonably adopted or amended from time to time and delivered by Authority to the County, each of which rules and regulations shall become a part of this Lease; provided, that such rules and regulations shall apply uniformly to all tenants of the Facility. No such rule or regulation, however, shall contradict or abrogate any right or privilege herein expressly granted to the County.

Section 17.10. Mediation. The parties agree that prior to initiating legal action arising out of or in connection with this Lease, they shall meet in good faith and attempt to mediate and resolve their dispute(s). At the request of either party, the mediation shall be conducted by a mediator appointed through the District Court Mediation Program, Des Moines, Iowa. This mediation requirement does not apply to disputes regarding the non-payment of rent.

Section 17.11. Waiver of Jury Trial. Authority and the County waive any right to trial by jury in any and all actions, proceedings, cross claims and counter claims, whether at law or in equity, between Authority and the County in any manner arising out of or in any way connected with this Lease or the relationships created between the parties by this Lease.

Section 17.12. No Implied Waiver. No failure by Authority to insist upon the strict performance of any term, covenant, or agreement contained in this Lease, no failure by Authority to exercise any right or remedy under this Lease, and no acceptance of full or partial payment during the continuance of any Default by the County shall constitute a waiver of any such term, covenant, or agreement, or a waiver of any such right or remedy, or a waiver of any such Default by the County.

Section 17.13. Survival of Provisions. Notwithstanding any termination of this Lease, the provisions hereof which require observance or performance by Authority or the County subsequent to termination shall survive.

Section 17.14. Covenants Independent. This Lease shall be construed as if the covenants herein between Authority and the County are independent, and not dependent, and the County shall not be entitled to any offset against Authority, if Authority fails to perform its obligations under this Lease, except to the extent set forth herein.

Section 17.15. No Accord and Satisfaction. Authority may collect and receive any Rent due from the County, and the payment thereof shall not constitute a waiver of or affect any notice or demand given, suit instituted or judgment obtained by Authority, or be held to waive, affect, change, modify or alter the rights or remedies that Authority has against the County in equity, at law, or by virtue of this Lease. No receipt or acceptance by Authority from the County of less than

the semiannual Rent herein stipulated shall be deemed to be other than a partial payment on account for any due and unpaid stipulated rent; no endorsement or statement on any check or any letter or other writing accompanying any check or payment of Rent to Authority shall be deemed an accord and satisfaction, and Authority may accept and negotiate such check or payment without prejudice to Authority's rights to (a) recover the remaining balance of such unpaid Rent, or (b) pursue any other remedy provided in this Lease.

Section 17.16. Binding Effect. This Lease shall extend to and be binding upon the heirs, executors, legal representatives, successors, and assigns of the respective parties hereto. The terms, covenants, agreements, and conditions in this Lease shall be construed as covenants running with the land.

Section 17.17. Easements. Authority reserves the right, from time to time, to grant easements and rights, make dedications, agree to restrictions and record maps affecting the Property as Authority may deem necessary or desirable, so long as such easements, rights, dedications, restrictions, and maps do not unreasonably interfere with the use of the Facility by the County; and this Lease shall be subordinate to such instruments, so long as the holders of such rights agree, provided the County is not in default, do not disturb the County in its occupancy of the Facility and enjoyment of its rights under this Lease.

Section 17.18. Short Form (Memorandum) of Lease. This Lease shall not be recorded, but the parties agree at the request of either of them to execute a short form lease for recording, containing the names of the parties, a description of the Facility, and the Lease Term.

Section 17.19. Time of the Essence. Time is of the essence under this Lease, and all provisions herein relating thereto shall be strictly construed.

Section 17.20. Captions for Convenience. Article, Section or other headings contained in this Lease are for reference purposes only and are not intended to affect in any way the meaning or interpretation of this Lease. Feminine or neuter pronouns may be substituted for those of the masculine form, and the plural may be substituted for the singular number in any place or places in which the context may require such substitution.

Section 17.21. Governing Law and Contractual Limitations Period. This Lease shall be interpreted and enforced according to the laws of the State of Iowa. If any provision of this Lease shall be held to be void, invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby and all other provisions shall remain in full force and effect. The venue for any legal action brought to interpret or enforce the terms of this Lease shall be the exclusively set in the Iowa District Court in and for Woodbury County, Iowa, and the parties irrevocably hereby submit to the jurisdiction of said Court. Any legal proceedings initiated by reason of an alleged default of this Lease by either party must be commenced within one (1) year from the date that such alleged default occurred.

Section 17.22. Entire Agreement. This Lease and any exhibits and addenda referred to herein constitute the final and complete expression of the parties' agreements with respect to the Facility and the County's occupancy thereof. Each party agrees that it has not relied upon or

regarded as binding any prior agreements, negotiations, representations, or understandings, whether oral or written, except as expressly set forth herein.

Section 17.23. No Oral Amendment or Modifications. No amendment or modification of this Lease, and no approvals, consents, or waivers by Authority under this Lease shall be valid or binding, unless in writing and executed by the party to be bound.

Section 17.24. Relationship of Authority and the County. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, of partnership, or of joint venture by the parties hereto, it being understood and agreed that no provision contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship, other than the relationship of Authority and the County.

Section 17.25. Authority of Parties. Each individual executing this Lease on behalf of Authority and the County represents and warrants that he or she is duly authorized by their respective governing body to deliver this Lease on behalf of the party, and that this Lease is binding in accordance with its terms.

Section 17.26. Successors. Except as otherwise herein provided, all of the covenants, agreements, terms, conditions, provisions, and undertakings in this Lease shall inure to the benefit of, and shall extend to and be binding upon, the parties hereto and their respective heirs, executors, legal representatives, and permitted successors and assigns.

Section 17.27. Electronically Stored Documents. The parties agree that this Lease and any amendments hereto may be stored and later reproduced by electronic process (including, but not limited to, digital or photo static process), in which case Authority's and the County's signatures as they appear on such reproduction shall be deemed to be original. The parties agree that any such reproduction of this Lease or copy made by electronic process shall have the same legal effect and admissibility as the original document.

Article XVII

Amended and Substituted Lease Agreement

Section 18.1. Amended and Substituted Lease Agreement. The parties hereby agree to enter into an Amended and Substituted Lease Agreement to be dated on or about the closing of the issuance of the Additional Bonds. The Amended and Substituted Lease Agreement shall be in substantially the same form as this Lease; provided, however, that: (i) the applicable percentage of private business use currently set forth in Section 2.2(C) shall be updated; (ii) the term of the Amended and Substituted Lease Agreement as currently set forth in Section 6.1 shall be updated to provide for a twenty (20) year term starting with said date of issuance; (iii) the schedule of the Base Rent referred to in Section 7.1 and set forth in Exhibit C shall be updated by the Authority's Municipal Advisor such that the Base Rent shall be sufficient to cover the debt service on the Bonds; and (iv) any other revisions agreed to by both parties.

IN WITNESS WHEREOF, Authority and the County have caused this Lease to be executed and attested by their duly authorized officers, all as of the date first above written.

[Remainder of page intentionally left blank; execution pages follow]

AUTHORITY:

WOODBURY COUNTY LAW ENFORCEMENT
CENTER AUTHORITY

Bernard Allich
Chairperson

ATTEST:

Dan Moore
Secretary

STATE OF IOWA)
) SS:
COUNTY OF WOODBURY)

On this 29th day of July, 2020, before me the undersigned, a Notary Public in and for the State of Iowa, personally appeared Ron Wieck and Dan Moore, to me personally known, who being by me duly sworn, did say that they are the Chairperson and Secretary, respectively, of the Woodbury County Law Enforcement Center Authority executing the within and foregoing instrument to which this is attached; that said instrument was signed on behalf of the Woodbury County Law Enforcement Center Authority by authority of its Board of Commissioners; and that the said Chairperson and Secretary, as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said authority, by it and by them voluntarily executed.

Karen James
Notary Public

[Signature Page to the Lease - Authority]



COUNTY:

WOODBURY COUNTY, STATE OF IOWA

Matthew Ung
Chairperson

ATTEST:
Patrick Gill
Auditor

STATE OF IOWA)
) SS:
COUNTY OF WOODBURY)

On this 21st day of July, 2020, before me the undersigned, a Notary Public in and for the State of Iowa, personally appeared Matthew Ung and Patrick Gill, to me personally known, who being by me duly sworn, did say that they are the Chairperson and County Auditor, respectively, of Woodbury County, State of Iowa executing the within and foregoing instrument to which this is attached; that said instrument was signed on behalf of Woodbury County, State of Iowa by authority of its Board of Supervisors; and that the said Chairperson and Auditor, as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said County, by it and by them voluntarily executed.

Karen James
Notary Public

[Signature Page to the Lease - County]



EXHIBIT A
Legal Description of Property

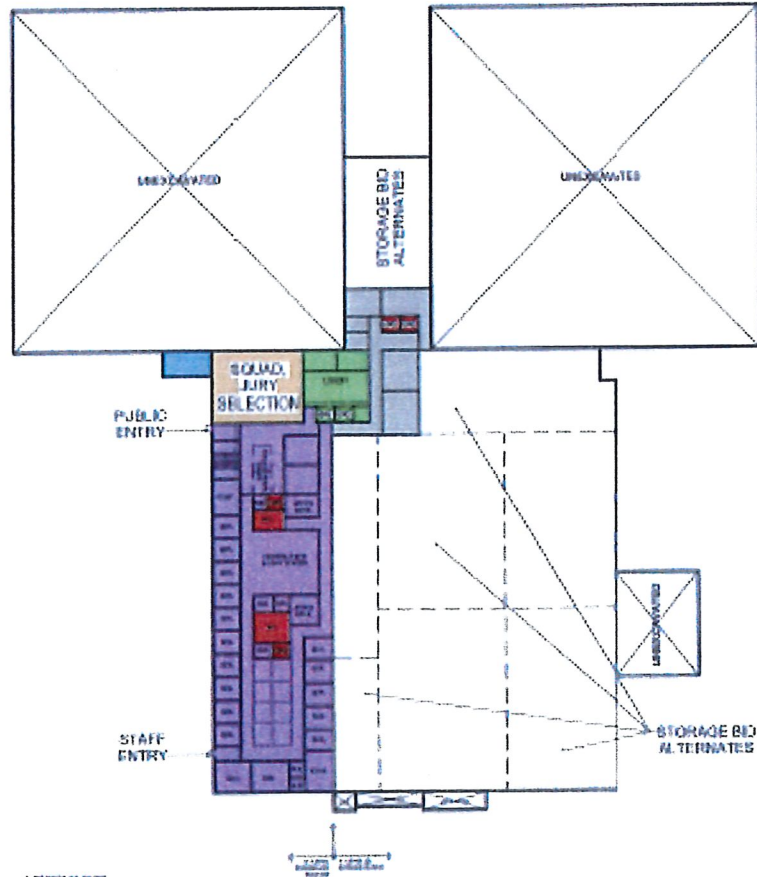
The Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4) in Section Fourteen (14), Township Eighty-nine (89) North, Range Forty-seven (47) West of the Fifth Principal Meridian, Woodbury County, Iowa, consisting of 38.27 acres, more or less, except road right-of-way (Parcel No. 894714400008) described as follows:

A new right-of-way dedication to that part of 28th Street lying in part of the Southeast Quarter of Section 14, Township 89 North, Range 47 West of the Fifth Principal Meridian, Woodbury County, Iowa, more particularly described as follows:

Commencing at the Southeast corner of said Section 14; thence N 02°27'17" E along the East line of said Section 14 for 46.97 feet measured (47.00 feet recorded) to the North line of existing 28th Street being the point of beginning; thence continuing N 02°27'17" E along said East line of Section 14 for 20.00 feet; thence N 87°19'47" W for 913.64 feet; thence S 02°40'09" W for 20.00 feet to the North line of said existing 28th Street; thence S 87°19'47" E along the said North line of existing 28th Street for 913.72 feet measured (913.74 feet recorded) to the point of beginning. Containing a total area of 18273.57 square feet or 0.42 acres.

Woodbury County Parcel No. 8947 14 400 008

EXHIBIT B Drawing of Facility



LOWER FLOOR

HOUSING	211
SUPPORT	809
JUDICIAL	1404
PUBLIC	1017
OFFICE	
SHERIFF	2180
COURTS	6
PRCS	6034
TOTAL	1802

08.15.2020
1.0
LOWER LEVEL FLOOR PLAN

WOODBURY COUNTY, IA



EXHIBIT B (continued) Drawing of Facility

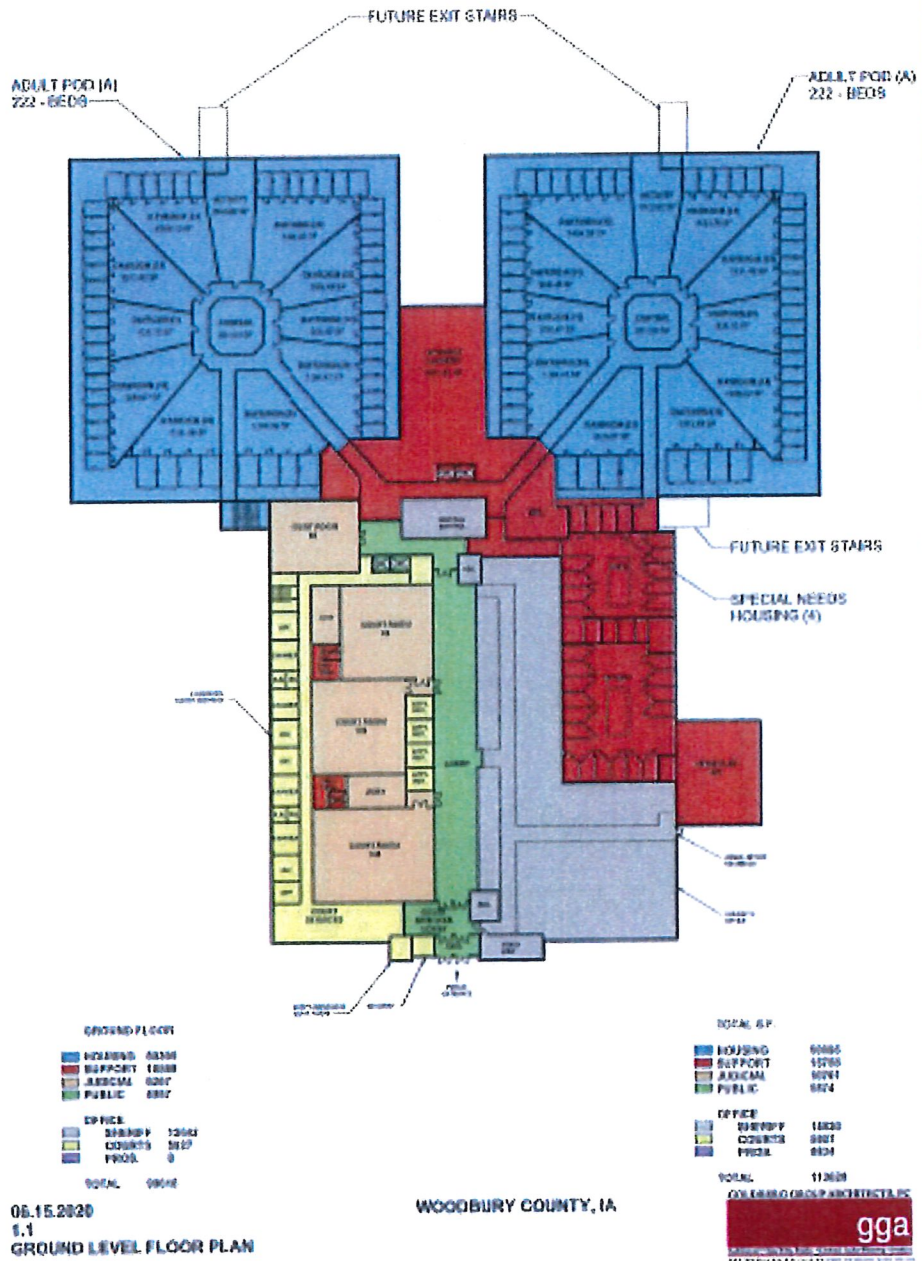


EXHIBIT B (continued)
Drawing of Facility

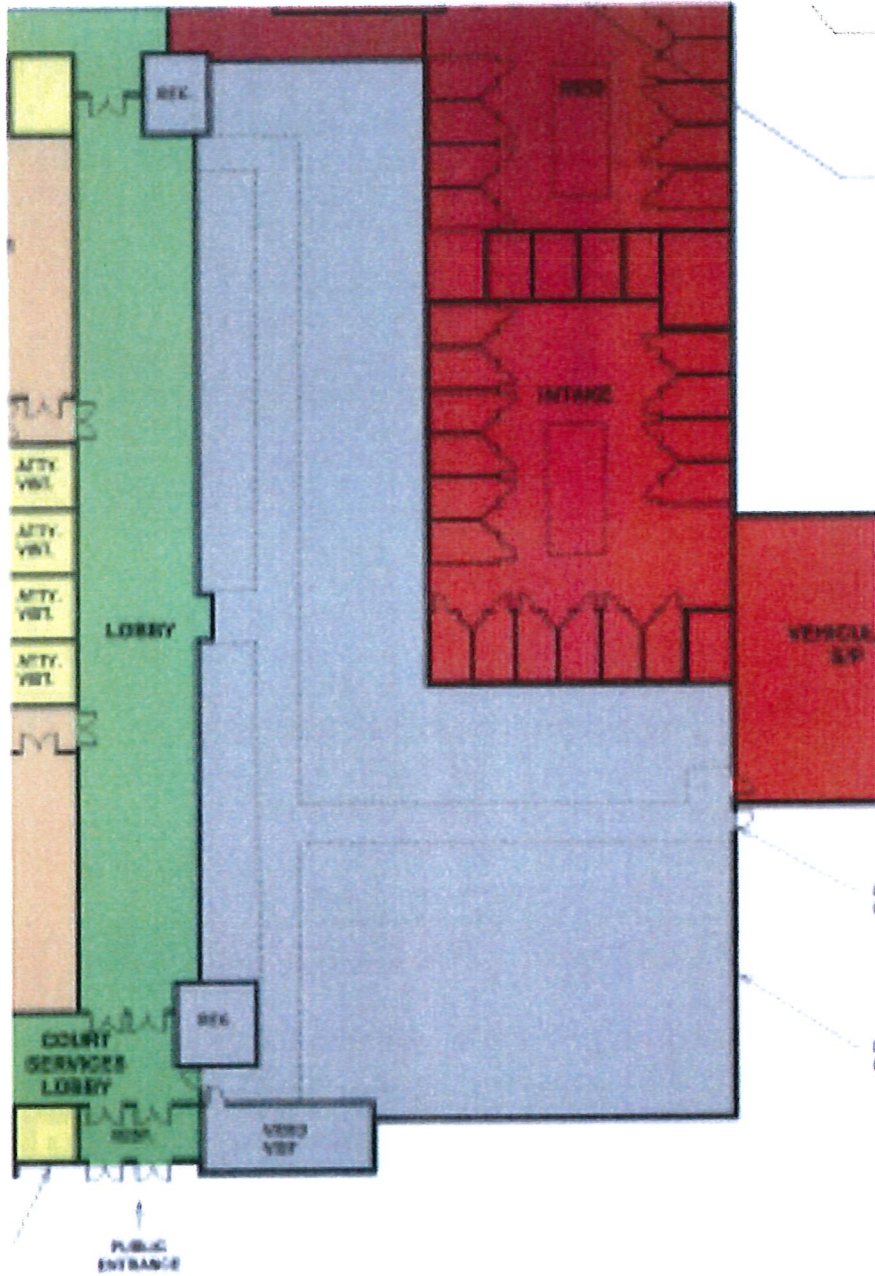


EXHIBIT C
Schedule of Base Rent Payments (to be updated)

11/01/2021	\$ 637,461.88
05/01/2022	\$1,039,984.75
11/01/2022	\$ 251,138.25
05/01/2023	\$1,426,138.25
11/01/2023	\$ 245,028.25
05/01/2024	\$1,430,028.25
11/01/2024	\$ 238,066.38
05/01/2025	\$1,438,066.38
11/01/2025	\$ 230,806.38
05/01/2026	\$1,445,806.38
11/01/2026	\$ 22,240.63
05/01/2027	\$1,452,240.63
11/01/2027	\$ 212,892.63
05/01/2028	\$1,462,892.63
11/01/2028	\$ 202,411.38
05/01/2029	\$1,472,411.38
11/01/2029	\$ 191,152.83
05/01/2030	\$1,486,152.83
11/01/2030	\$ 178,979.83
05/01/2031	\$1,498,979.83
11/01/2031	\$ 165,832.63
05/01/2032	\$1,510,832.63
11/01/2032	\$ 151,683.23
05/01/2033	\$1,521,683.23
11/01/2033	\$ 136,572.13
05/01/2034	\$1,541,572.13
11/01/2034	\$ 120,639.43
05/01/2035	\$1,555,639.43
11/01/2035	\$ 103,921.68
05/01/2036	\$1,573,921.68
11/01/2036	\$ 85,936.23
05/01/2037	\$1,590,936.23
11/01/2037	\$ 66,642.13
05/01/2038	\$1,611,642.13
11/01/2038	\$ 45,931.40
05/01/2039	\$1,630,931.40
11/01/2039	\$ 23,757.25
05/01/2040	\$1,653,757.25

EXHIBIT D

Rules and Regulations

The following Rules and Regulations shall be and are hereby made a part of this Lease, and the County's employees and agents, or any other persons permitted by the County to occupy or enter the Facility, will at all times abide by said Rules and Regulations, unless otherwise specified or provided for in the Lease. Substantial violation of these rules, any amendments thereof, or additions thereto shall be sufficient cause for termination of this Lease at the option of Authority.

1. The sidewalks, entries, passages, corridors, stairways, and elevators of the Facility shall not be obstructed by the County or the County's officers, employees, inmates, invitees, visitors, or agents or used for any purpose other than ingress and egress to and from the Facility.

2. The County shall not do or permit to be done or kept in the Facility anything which shall in any way obstruct or interfere with the rights of the other the County or Authority or in any way injure them. The County, their officers, employees, inmates, invitees, visitors, or agents shall maintain order on the Facility, shall not make or permit any improper noise on the Facility, or interfere in any way with the other tenant or those having business with them.

3. Furniture, equipment, or supplies will be moved in or out of the Building only as designated by Authority, and then only during such hours and in such manner as may be reasonably prescribed by Authority. The County shall cause its movers to use only the loading facilities, common entrances, and elevators designated by Authority. In the event the County's movers damage the elevators or any part of the Building, The County shall pay to Authority the amount required to repair said damage.

4. No safe or article, the weight of which may in the opinion of Authority constitute a hazard or damage the Building or the Building's equipment, shall be moved into the Building without Authority's approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

5. Except as otherwise provided for in this Lease, no sign or notice shall be inscribed, painted, or affixed on any part of the inside or outside of the Building, unless the color, size, style, and location are approved by Authority.

6. The County shall not employ any person or persons, other than the janitor or cleaning contractor of Authority, for the purpose of cleaning or taking care of the Facility, without the prior written consent of Authority. Except as otherwise provided in this Lease, Authority shall not be responsible to the County for any loss of property from the Facility, however occurring. The janitor of the Building may at all times keep a passkey, and other agents of Authority shall at all times be allowed admittance to the Facility, in accordance with the provisions set forth in this Lease.

7. Water closets and other water fixtures shall not be used for any purpose, other than that for which the same are intended. No sweepings, rubbish, or other obstructing substances shall

be thrown therein, and any damage resulting to the same from misuse on the part of the County or the County's officers, employees, inmates, invitees, visitors, or agents shall be paid for by the County. No person shall waste water by tying back or wedging the faucets or in any other manner.

8. No animals, except law-enforcement and seeing-eye dogs or other animals necessary to the functioning of disabled persons, shall be allowed at the Facility.

9. No weapons, firearms, or explosive devices shall be permitted at the Facility (including in vehicles), except for official government law enforcement officers or properly trained civilian officers employed by the County.

10. Bicycles or other vehicles, other than wheelchairs, shall not be permitted in the offices, halls, corridors, and elevators in the Building, nor shall any obstruction of sidewalks or entrances of the Building by any such vehicles be permitted.

11. The County shall not allow anything to be placed on the outside of the Building, nor shall anything be thrown by the County or the County's officers, employees, inmates, invitees, visitors, or agents out of the windows or doors, down the corridors, elevator shafts, or ventilating ducts, or shafts of the Building. The County, except in case of fire or other emergency, shall not open any outside window.

12. The windows shall not be covered or obstructed by the County. If the County desires blinds or window coverings of any kind over the windows, they must be of such shape, color, and material as may be prescribed by Authority and shall be erected with Authority's consent and at the expense of said the County. No awnings shall be placed on said Building.

13. The County shall not install or operate any electrical heating device, steam engine, boiler, or machinery, upon the Facility, or carry on any mechanical business thereon, or use or allow to be used upon the Facility oil, burning fluids, camphene, gasoline, or kerosene for heating, warming, or lighting. No article deemed extra hazardous and no explosives shall be brought into said Facility. No hazardous or offensive gasses or liquids will be permitted.

14. Any painting or decorating as may be agreed to be done by and at the expense of Authority shall be done during regular weekday working hours. Should the County desire such work on Saturdays, Sundays, holidays, or outside of regular working hours, the County shall pay for the extra cost thereof, if any.

15. The County shall abide by all recycling rules and regulations adopted by Authority.

16. Authority's smoking policy prohibits smoking in the Building and allows smoking only within the confines of their own personal vehicle in the parking lot, or off the Property altogether.

17. Authority may amend, modify, delete, or add new and additional rules and regulations for the use and care of the Facility. The County shall comply with all such rules and regulations, upon notice to the County from Authority thereof. In the event of any breach of any

Rules and Regulations herein set forth or any reasonable amendments, modifications, or additions hereto, Authority shall have all remedies provided for in this Lease in the event of default under any of these rules or regulations.

EXHIBIT E Map of Joint Use of Portions of Facility

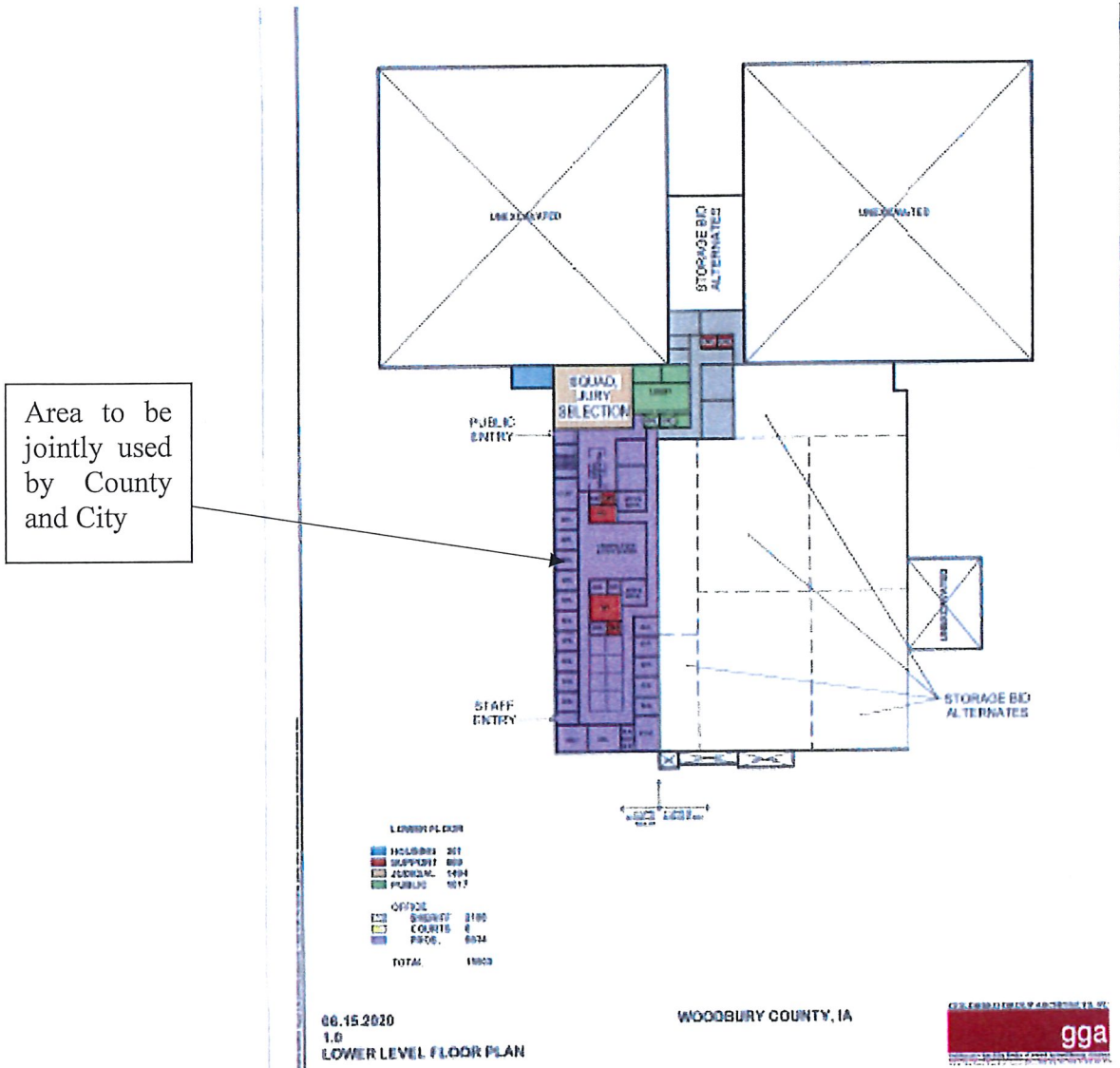


EXHIBIT E (continued) Map of Joint Use of Portions of Facility

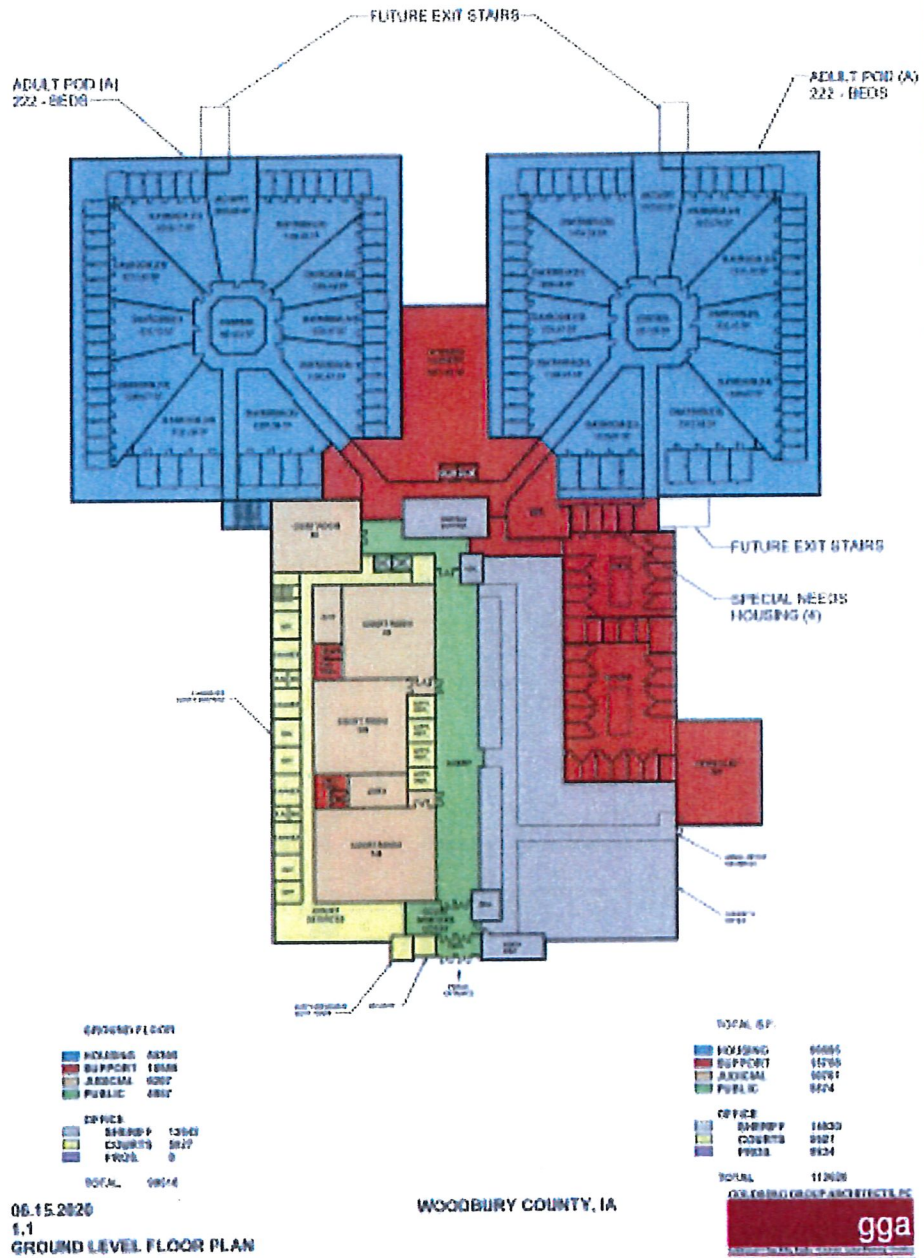
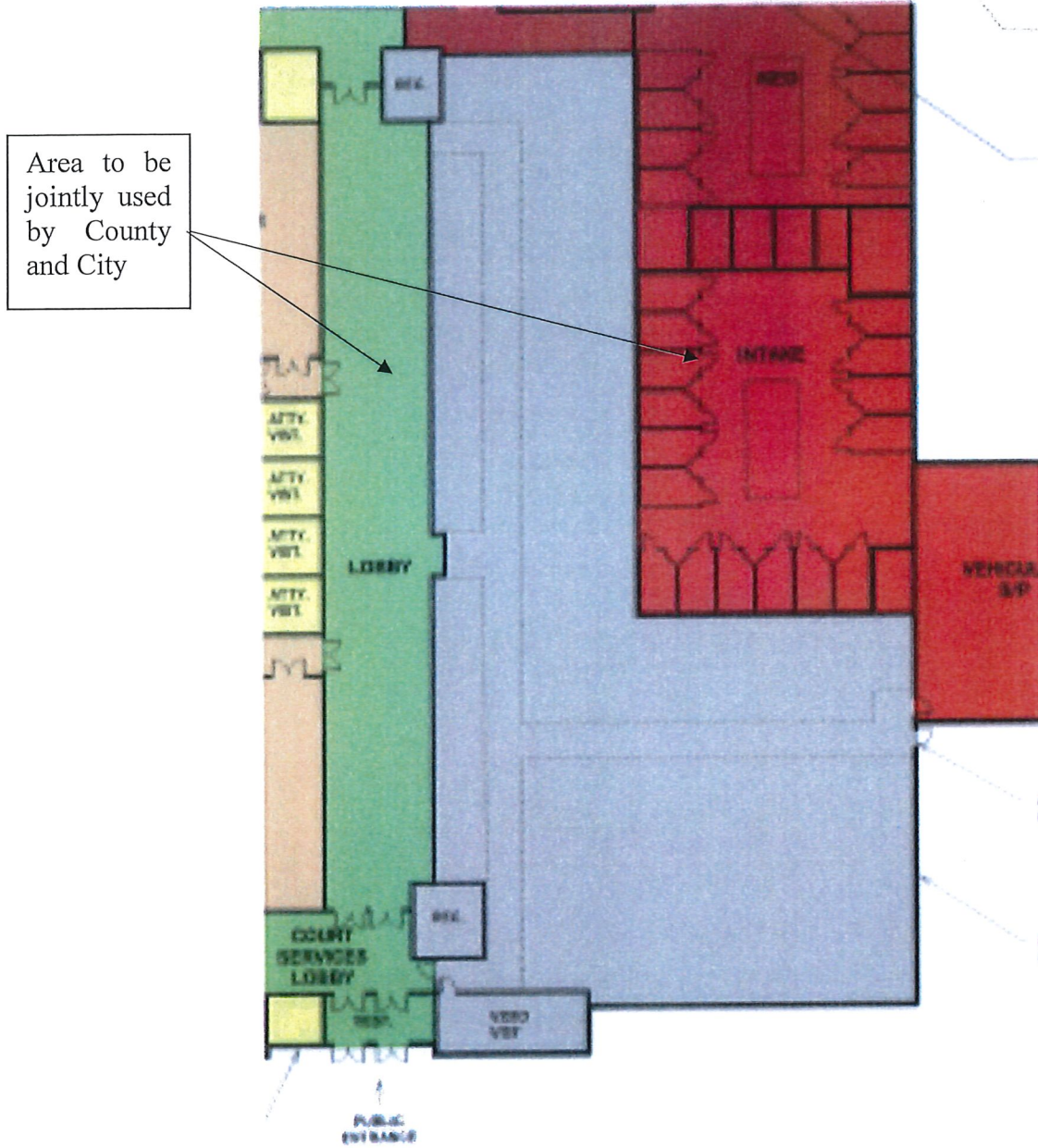


EXHIBIT E (continued)
Map of Joint Use of Portions of Facility



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