



City of Grand Island

Tuesday, May 26, 2015

Council Session

Item G-12

#2015-140 - Approving Renewal of Building Lease Agreement with the Nebraska State Patrol at the Former Cornhusker Army Ammunition Plant

Staff Contact: Todd McCoy, Parks & Recreation Director

Council Agenda Memo

From: Todd McCoy, Parks and Recreation Director

Meeting: May 26, 2015

Subject: Approving Renewal of Building Lease with the Nebraska State Patrol

Item #'s: G-12

Presenter(s): Todd McCoy

Background

Over ten years ago the City purchased property at the former Cornhusker Army Ammunition Plant (CAAP) to build Heartland Public Shooting Park (HPSP). Since the purchase, the City has been leasing one of the original CAAP buildings to the Nebraska State Patrol for storage.

Discussion

The Parks and Recreation Department recommends renewing the lease with the Nebraska State Patrol for two additional years. The State Patrol is a reliable tenant that mows the property, maintains landscaping, completes minor building repairs, and handles the snow removal.

The previous two year lease agreement was \$765 annually. The recommended new lease is \$800 annually.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that City Council approve the resolution authorizing the extension of the lease with the Nebraska State Patrol for an additional two year period.

Sample Motion

Motion to approve the resolution authorizing the City to extend the lease for an additional two years to the Nebraska State Patrol in the amount of \$800.00 annually.

This **Storage Lease Agreement**, hereinafter this "Lease," executed in duplicate, is by and between the **City of Grand Island**, a municipal corporation, hereinafter known as "Lessor," and **Department of Administrative Services, State Building Division**, an agency of the State of Nebraska, hereinafter known as "Lessee," acting on behalf of the **Nebraska State Patrol**, hereinafter known as "Tenant Agency," collectively the "Party" or "Parties."

1. Premises. Lessor hereby leases, subject to the terms, covenants and conditions set forth in this Lease, to Lessee, the premises located at:

**FORMER CORNHUSKER ARMY AMMUNITION PLANT SITE
6788 W HUSKER HWY BUILDING A-30
ALDA NE 68810**

hereinafter "Demised Premises," which consists of 4,755 square feet of leasable storage area, shown on the floor plan attached hereto and incorporated herein as *Exhibit A – Demised Premises Floor Plan* and a parking lot northeast of Building A-30 for inert storage purposes as shown on a site plan attached hereto and incorporated herein as *Exhibit E - Parking Lot Plan*. Lessor warrants and represents that it is the owner of the Demised Premises. The Demised Premises are being leased for the sole purpose of storage space.

- 1.1 **Common Areas – Definition.** "Common Areas" are all areas and facilities outside the Demised Premises and within the exterior boundary line of the building and grounds and interior utility raceways within the Demised Premises that are provided and designated by Lessor from time to time for the general non-exclusive use of Lessor, Lessee/Tenant Agency and other tenants of the building and their respective employees, suppliers, shippers, tenants, contractors and invitees.
- 1.2 **Common Areas – Lessee/Tenant Agency's Rights.** Lessor hereby grants to Lessee, for the benefit of Tenant Agency and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof.

2. Term.

- 2.1 The term of this Lease, hereinafter "Term," shall be for an initial term of 2 years, commencing on May 1, 2015, hereinafter the "Commencement Date," and ending on April 30, 2017, hereinafter the "Expiration Date," unless sooner terminated as hereinafter provided. This Lease shall in no case become effective until all required signatures and exhibits have been obtained and Demised Premises are ready for full legal occupancy. If Tenant Agency occupies said Demised Premises prior to Commencement Date, rent will commence at time of said occupancy and shall be

prorated based on the number of days in the month of earlier occupancy. The Expiration Date shall remain the same despite the earlier occupation by Tenant Agency.

2.2 Intentionally Omitted.

2.3 It is agreed between Lessor and Lessee that in the event Lessor, Lessee and Tenant Agency have fully complied with all the terms and conditions of this Lease, in that event, Lessee prior to the expiration of the original Term of this Lease shall have the right exercisable at its sole option to renew the Lease for additional terms, hereinafter "Renewal Term," as mutually agreed by all Parties in writing, upon the same terms and conditions as those set forth in the original Lease, including the right to negotiate the rental rate, provided Lessee notifies Lessor in writing of its exercise of such right within forty-five (45) calendar days before the end of the original Term of this Lease. If any of the terms or conditions of this Lease are to be changed at the time of renewal, said changes must be mutually agreed to in writing between all Parties.

3. Rent.

3.1 Lessee shall pay Lessor rent in one annual installment payable in advance on the first (1st) day of May throughout the Term of this Lease. Rent payable hereunder for any period of time less than one (1) year shall be determined by prorating the annual rent. Rent shall be made payable to:

CITY OF GRAND ISLAND – PARKS & RECREATION

and sent to Lessor's financial institution as designated by Lessor at the time of this Lease, or during the Term of this Lease to such other financial institution, as designated in writing and served as notice to Lessee.

3.2 Tenant Agency will occupy 4,755 square feet of space. The actual rentable area of the Demised Premises shall be determined in accordance with the Standard Method for Measuring "Floor Area in Office Buildings, Approved June 7, 1996 ("BOMA Standards") by the American National Standards Institute, Inc. (ANSI/BOMA 265.1-1996).

3.3 The payment schedule for the Term of this Lease shall be as follows:

Description	SF	Rate	Annual Rent
Inert Storage Space	4,755	\$0.16	\$800.00

3.4 Intentionally Omitted.

4. Termination.

4.1 This Lease may be terminated by Lessee by written notice to Lessor if sufficient appropriated funds are not available to Lessee and/or Tenant Agency for the purpose of paying necessary operating expenses of Tenant Agency, including rent on the Demised Premises. If any Governor's budget message is such that it does not include sufficient appropriated funds to pay necessary operating expenses of Tenant Agency, including rent hereunder, notice of such fact shall be given promptly to Lessor, and if at any time it appears that appropriated funds will be depleted in the

future, or such funds are not sufficient to pay necessary operating expenses of Tenant Agency including rent hereunder, notice of such fact and the estimated date of depletion shall be given promptly to Lessor. If only a portion of the funds sufficient to pay the necessary operating expenses of Tenant Agency including rent hereunder are appropriated, this Lease may be kept in force with a prorata share of the space and corresponding rent decreased. Any such reduction shall be agreed upon by Lessor, Lessee and Tenant Agency.

- 4.2 Lessor and Lessee each shall have the right to cancel this Lease, for any reason whatsoever including no reason, upon giving one hundred eighty (180) days notice of such cancellation in writing to the other Party.
- 4.3 Lessee may terminate this Lease immediately without penalty for the following reasons: (a) if directed to do so by statute; (b) if Lessor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business; (c) if a trustee or receiver of Lessor or of any substantial part of Lessor's assets has been appointed by any court; (d) in the case of fraud, misappropriation embezzlement, malfeasance, misfeasance, or illegal conduct by Lessor, its employees, officers, directors, or shareholders; (e) if an involuntary proceeding has been commenced by any party against Lessor under any one of the chapters of Title 11 of the United States Code and (i) if the involuntary proceeding has been pending for at least sixty (60) days; or (ii) Lessor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) Lessor has been decreed or adjudged a debtor; (f) A voluntary petition has been filed by Lessor under any of the chapters of Title 11 of the United States Code.
- 4.4 Lessee may terminate this Lease, in whole or in part, if Lessor fails to perform its obligations under this Lease in a timely and proper manner. Lessee may, by providing a written notice of default to Lessor, allow Lessor to cure a failure or breach of this Lease within a period of thirty (30) days. Allowing Lessor time to cure a failure or breach of contract does not waive Lessee's right to immediately terminate this Lease for the same or different contract breach which may occur at a different time.
- 4.5 If the whole or substantial part of the building or Demised Premises shall be taken or condemned by any competent authority for any public use or purpose, unless otherwise agreed upon in writing by the Parties, this Lease shall end upon and not before the date when possession of the part so taken shall be required for such use or purchase, and without apportionment of the award, and current rent shall be apportioned to the date of termination.
- 4.6 If Lessee opts to terminate this Lease during the Term for any reason other than non-appropriations or failure of Lessor to comply with the terms and conditions, Tenant Agency will be responsible for any outstanding Tenant Improvement costs and such amount shall be based on the number of years remaining on the agreed to original Term.

If Lessor opts to terminate this Lease during the Term for any reason other than failure of Lessee to comply with the terms and conditions, Lessor will be responsible for any outstanding Tenant Improvements remaining on the original Term.

5. Notices. All notices herein provided to be given, or which may be given, by either Party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid, certified return receipt, or overnight delivery and addressed as follows:

To Lessor at:

CITY OF GRAND ISLAND
ATTN: PARKS AND RECREATION DIRECTOR
PO BOX 1968
GRAND ISLAND NE 68802-1968
Phone: (308) 385-5444 ext. 290
Email: toddm@grand-island.com

To Lessee at:

AS/BUILDING DIVISION
ATTN: 65152164
PO Box 98940
Lincoln, NE 68509-8940
Phone: (402) 471-8221
Email: sarah.mccarter@nebraska.gov

6. Assignment and Subletting.

- 6.1 Lessee shall not assign this Lease without the written consent of Lessor, which shall not be unreasonably withheld. Any occupant, assignee, or sub-lessee must agree to abide by all of the terms and provisions of this Lease. Lessor shall not assign this Lease without the written consent of Lessee, which shall not be unreasonably withheld.
- 6.2 Notwithstanding the provisions of Section 6.1, above, Lessee may assign or sublet the Demised Premises, or any portion thereof, to any agency, board or commission of the State of Nebraska provided that said assignee assumes, in full the obligations of Lessee under this Lease and has sufficient appropriated funds available to assignee for the purpose of paying necessary operating expenses of the assignee, including rent on the Demised Premises.

7. Inspection – Right to Enter Premises. Lessee and/or Tenant Agency agree to permit Lessor and/or its authorized representative to enter the Demised Premises during usual business hours for the purposes of inspecting the same, subject to permission, accompaniment and supervision of Tenant Agency. Lessee and/or Tenant Agency agree that Lessor may enter the Demised Premises at any reasonable time for the purpose of making necessary repairs for which Lessor is responsible for such repairs that are demonstrably necessary for the safety and preservation of the Demised Premises, subject to permission, accompaniment and supervision of Tenant Agency.

8. Fixtures and Personal Property. Any trade fixtures, equipment or personal property installed in or attached to the Demised Premises by or at the expense of Lessee and/or Tenant Agency, shall be and remain the property of Lessee and/or Tenant Agency and Lessor agrees that Lessee and/or Tenant Agency shall have the right to remove any or all of its personal property, trade fixtures and equipment. Equipment and other personal property which may have been stored or installed by or at the expense of Lessor shall be and remain the property of Lessor. Tenant Agency agrees that it will, at its expense, repair any damage occasioned to the Demised Premises by reason of the removal of its trade fixtures, equipment and other personal property.

9. Alterations. Lessee and Tenant Agency will not permit any alterations or additions to any part of the Demised Premises, except by written consent of Lessor, which consent shall not be unreasonably withheld. All alterations to the Demised Premises shall remain for the benefit of Lessor unless otherwise provided in said consent. Notwithstanding the foregoing, Tenant Agency may, with or without consent of Lessor, make additions, alterations, repairs or other changes to the Demised Premises of a non-structural nature, provided that upon

completion of such alterations and additions, the fair market value of the Demised Premises and rental value thereof will not be less than the fair market value and rental value of the Demised Premises immediately prior to such alterations and additions. Said fair market value and rental value shall be determined by a licensed real estate appraiser, in good standing in the State of Nebraska, mutually agreed to by Lessee and Lessor.

10. Return of Premises. At the conclusion of this Lease or any extension thereof, Lessee shall return the Demised Premises to Lessor in the same condition as it was received at origination of this Lease, normal wear and tear excepted as provided in Section 9, above. If at the conclusion of this Lease or any extension thereof, Lessor is of the opinion that Tenant Agency is not leaving the Demised Premises in the same condition as it was received, normal wear and tear excepted, then such costs of restoration will be mutually agreed upon between the Parties. If the costs cannot be agreed upon, the costs will be determined by a panel of three (3) persons consisting of Lessee, Lessor, and one (1) person selected by mutual consent of the Parties.

11. Destruction of Premises.

- 11.1 If a portion of the Demised Premises or the building is damaged by fire, unavoidable casualty, Act of God, or some other event that renders the Demised Premises unfit ("Event") such that Lessee is prevented from conducting its business in the premises in a manner reasonably comparable to that conducted immediately before such Event, then Lessee may terminate this Lease by delivering written notice to Lessor of its election to terminate immediately after the Event. The portion of any lease payment which is attributed to the period of time after the Lease has been terminated in the above manner shall be refunded by Lessor to Lessee. If Lessee does not so timely terminate this Lease, then Lessor shall repair the building or the Demised Premises, as the case may be, as provided below, and the lease payment for the portion of the Demised Premises rendered unusable for Tenant Agency's purposes by the damage or repair shall be abated on a reasonable basis from the date of damage until the completion of the repair, unless a Tenant Agency agent, invitee or employee caused such damage, in which case, Tenant Agency shall continue to pay the lease payment without abatement.
- 11.2 Lessor shall, within fifteen (15) days after such Event, deliver to Lessee a good faith estimate of the time needed to repair the damage caused by such Event. Lessor shall be responsible for repairing the same in a timely manner at Lessor's own expense and the lease payments shall be suspended from the time of the Event until the Demised Premises have been put in substantially the same condition as they existed immediately before such Event.

12. Repair and Maintenance. During the Term of this Lease, Lessee shall maintain the Demised Premises and associated parking lot including, but not limited to, mowing, spraying, hand grubbing, or any combination of these methods, general landscaping, sidewalks, building entrances and graveled and concrete parking areas, and proper drainage to prevent erosion, the roof, exterior walls, exterior doors, exterior windows and corridors of the building, and any building equipment in good repair and tenantable condition.

As applicable, Lessee's obligations include, but are not limited to, the maintenance and repair of the plumbing, heating, electrical, air-conditioning and ventilating equipment and fixtures, and consequential damages that result from plumbing, window and roof leaks to the end that all such facilities are kept in good operative condition except in case of damage arising from a willful or negligent act of Lessor's agent, invitee, or employee. In addition, it is the responsibility of Lessor to ensure that the electrical power to the Demised Premises is distributed in such a way to make it convenient to provide reasonably adequate outlets to the storage space; this

is in addition to reasonably adequate electrical power required for general lighting and heating, ventilating and air conditioning equipment, if applicable. Lessee's obligations shall also include, but are not limited to, furnishing and replacing electrical light bulbs, fluorescent tubes, ballasts and starters and air conditioning and ventilating equipment filters.

13. Services and Utilities.

- 13.1 Utilities: Tenant Agency shall pay all utility costs for services necessary in the Demised Premises during the original Term and any Renewal Term of this Lease.
- 13.2 Intentionally Omitted.
- 13.3 Parking: Lessor shall provide Tenant Agency access to the parking lot located in the US Air Force Small CONUS Ground Station, which is 675 feet northeast of Building A-30 in a fenced-in area.
- 13.4 Other: Lessee will provide snow/ice removal from the surrounding sidewalks and entrance of the Demised Premises and associated parking lot. All maintenance-related services including, but not limited to, electrical (including light tube/bulb/ballast replacement and installation), pest control, structural, roof, etc., for the Demised Premises, shall be provided by Tenant agency.
- 13.5 Intentionally Omitted.
- 13.6 Intentionally Omitted.
- 13.7 Intentionally Omitted.

14. Holding Over. In the event Lessee remains in possession of the Demised Premises after the expiration of the Term or any Renewal Term thereof, this Lease shall be automatically extended on a month-to-month basis, subject to termination by either Party by providing thirty (30) days written notice of termination to the other Party, and otherwise on the terms and conditions herein specified. Rent payable during any holdover period shall be the same as the monthly rent payable in the last month prior to expiration unless another amount is mutually agreed upon in writing by Tenant Agency, Lessee and Lessor.

15. Compliance with Law.

- 15.1 Lessor shall, at its expense, comply with all applicable statutes, charters, laws, ordinances, building and maintenance codes, rules, regulations, requirements and orders of duly constituted public authorities now or hereafter in any manner affecting the Demised Premises, or the use thereof, or the sidewalks, alleys, streets, and ways adjacent thereto, whether or not any such statutes, charters, laws, ordinances, rules, regulations, requirements, or orders which may be hereinafter enacted involve a change of policy on the part of the governmental body enacting the same.

Lessee shall not conduct or allow to be conducted any illegal or prohibited activity on the premises and specifically shall not conduct or allow to be conducted any activities which violate any of the environmental laws, regulations, rules, or other regulatory measures of the United States Environmental Protection Agency (USEPA) or Nebraska Department of Environmental

Quality (NDEQ). The Lessee shall be responsible for and hold the Lessor harmless from all claims, costs, penalties, or any other consequences associated with violations of environmental laws committed by the Lessee.

- 15.2 The Demised Premises shall meet all current applicable code requirements, including but not limited to fire/life safety codes and the Americans with Disabilities Act Accessibility Guidelines. The HVAC System must be able to maintain a constant 72 °F temperature under all conditions. HVAC system in all spaces proposed are required to meet current thermal environmental conditions for human occupancy (ASHREA standard 55-2004) and ventilation (ASHRAE standard 62.1-2007).
- 15.3 Lessor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.

Intentionally Omitted.

16. Liabilities – Limited or Negligent Acts. Lessee and/or Tenant Agency shall not be responsible for any liabilities resulting from negligent acts or omissions of Lessor, its agents, invitees or employees, and Lessor will hold Lessee and/or Tenant Agency harmless from any damages or injuries caused by Lessor, its agents, invitees or employees.

Lessor shall not be responsible for any liabilities resulting from the negligent acts or omissions of Lessee and/or Tenant Agency, its agents, employees or invitees.

17. Default.

- 17.1 In the event Tenant Agency and/or Lessee fails to pay any lease payment due herein or fails to keep and perform any of the other terms or conditions hereof, Lessor may serve written notice of default upon Lessee. Upon such receipt, Lessee and/or Tenant Agency shall have thirty (30) days to cure the default so noted in the notice of default. If, after said cure period the default has not been cured, Lessor may resort to any and all legal remedies or combination of remedies which Lessor may desire to assert, including but not limited to one or more of the following: (1) declare the Lease terminated; (2) file a claim for the lease payment due under the Lease and/or for any damages sustained by Lessor; (3) continue the Lease in effect and relet the Demised Premises on such terms and conditions as Lessor may deem advisable with Lessee and/or Tenant Agency remaining liable for the monthly lease payment until the Demised Premises is relet.
- 17.2 No action by Lessor shall be construed as an election to terminate the Lease unless written notice of such intention is given to Lessee by certified mail, return receipt requested.
- 17.3 In the event Lessor fails or refuses to comply with any requirements of the Lease within thirty (30) days of the event giving rise to the requirement or in the event of an emergency constituting a

hazard to the health or safety of Lessee's and/or Tenant Agency's employees, property, or invitees, Lessee and/or Tenant Agency may perform such maintenance or make such repair at its own cost and, in addition to any other remedy Lessee and/or Tenant Agency may have, may deduct the amount thereof from the lease payment that may then be or thereafter become due hereunder.

18. Compliance with Civil Rights Laws and Equal Opportunity Employment. Lessor shall comply with all applicable local, state and federal statutes and regulations regarding civil rights and equal opportunity employment. Neither Lessor nor any subcontractors of Lessor shall discriminate against any employee or applicant for employment, to be employed in the performance of this Lease, with respect to the employee or applicant hire, tenure, terms, conditions or privileges of employment, because of his or her race, color, religion, sex, disability or national origin.

19. Drug Free Workplace. Lessor certifies that it maintains a drug free workplace environment to ensure worker safety and workplace integrity. Lessor agrees to provide a copy of its drug free workplace policy at any time upon request by Lessee.

20. Lessor Site Policies, Rules and Regulations, Smoking Policy and Signage Criteria. Tenant Agency shall use its best efforts to ensure that its employees, agents and subcontractors comply with Lessor's site Policies, Rules and Regulations, while on Lessor's premises, attached hereto and incorporated herein as *Exhibit H-1, Rules and Regulations*. Tenant Agency shall use its best efforts to ensure the policies, rules and regulations are adhered to inside and outside the Demised Premises.

If Tenant Agency must perform on-site work outside of the daily operational hours as provided to Lessor, Tenant Agency must make arrangements with Lessor to ensure access to the facility and Tenant Agency equipment.

Tenant Agency shall not place any advertising signage without prior written approval of Lessor.

Tenant Agency shall use its best efforts to ensure the smoking policy is complied with on Lessor's Demised Premises, both inside and outside the building, attached hereto and incorporated herein as *Exhibit H-3, Smoking Policy*.

21. Insurance and Notice of Self-Insurance. Lessor shall provide proof it has obtained all the insurance required hereunder and such insurance shall be approved by Lessee. Approval of the insurance by Lessee does not relieve or decrease the liability of Lessor hereunder. If by the terms of any insurance, a mandatory deductible is required or if Lessor elects to increase the mandatory deductible amount, Lessor shall be responsible for payment of the amount of the deductible in the event of a paid claim. This Section 21 shall in no way affect the indemnification, remedy, or warranty provisions set forth in this Lease or Lessee's right of recovery thereunder.

21.1 Lessor shall take out and maintain during the life of this Lease the statutory Workers' Compensation and Employers' Liability Insurance for all of its employees to be engaged in work for Lessor. Lessor shall require any subcontractor similarly to provide Workers' Compensation and Employers' Liability Insurance for all of the latter's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is being performed, including Occupational Disease. This policy shall include a waiver of subrogation

in favor of Lessee. The amounts of the insurance shall not be less than the limits stated hereinafter.

21.2 Lessor shall take out and maintain during the life of this Lease such Commercial General Liability insurance as shall protect it and any subcontractor performing work covered by this Lease from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this Lease, whether such operation be by Lessor or any subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than the limits stated hereinafter. The Commercial General Liability insurance shall be written on an occurrence basis, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury and Contractual Liability coverage, and shall include Lessee as an Additional Insured. This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered excess and non-contributory.

21.3 Lessor shall take out and maintain during the life of this Lease such Commercial Automobile Liability insurance as shall protect it and any subcontractor performing work covered by this Lease from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this Lease whether such operation be by Lessor or any subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than the limits stated hereinafter. The Commercial Auto Liability insurance shall be written to cover all Owned, Non-owned and Hired vehicles.

21.4 Insurance Coverage Amounts Required.

21.4.1 Workers' Compensation and Employer's Liability

<i>Coverage A –</i>	<i>Statutory</i>
<i>Coverage B –</i>	
<i>Bodily Injury by Accident -</i>	\$100,000 each accident
<i>Bodily Injury by Disease -</i>	\$500,000 policy limit
<i>Bodily Injury by Disease -</i>	\$100,000 each employee

21.4.2 Commercial General Liability

<i>General Aggregate -</i>	\$2,000,000
<i>Products/Completed Operations Aggregate-</i>	\$2,000,000
<i>Personal/Advertising Injury -</i>	\$1,000,000 any one person
<i>Bodily Injury/Property Damage -</i>	\$1,000,000 per occurrence
<i>Fire Damage -</i>	\$50,000 any one fire
<i>Medical Payments -</i>	\$5,000 any one person

21.4.3 Commercial Automobile Liability

<i>Bodily Injury/Property Damage -</i>	\$1,000,000 combined single limit
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21.4.4 Umbrella/Excess Liability

<i>Over primary insurance -</i>	\$1,000,000 per occurrence
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21.5 Lessor shall furnish Lessee with a certificate of insurance coverage, attached hereto and incorporated herein as *Exhibit I, Certificate of Insurance*, which shall be submitted to Lessee annually thereafter through the Term of this Lease. The certificate shall include the name of the company, policy numbers, effective dates, dates of expiration and amounts and types of coverage afforded. If Lessee is damaged by the failure of Lessor to maintain such insurance, then Lessor shall be responsible for all reasonable costs properly attributable thereto.

21.6 Lessee shall furnish Lessor with a certificate of self-insurance coverage, attached hereto and incorporated herein as *Exhibit I-2, Certificate of Self-Insurance*, which provides coverage for the original Term and any Renewal Term of this Lease. Lessee, under the provisions of R.R.S., 1943, § 81-8,239.01, self-insures all such exposures and is financially capable of retaining those losses should they occur. If there is a liability loss under the provisions of this Lease, a claim may be filed with the State Claims Board and, if approved, will be paid from the State Tort Claims Act, R.R.S., 1943, § 81.8,209.08, et seq., and any other provision of law. Workers' Compensation is statutorily required in Nebraska and Lessee is fully self-insured. Occupational diseases are fully covered by law.

22. Amendments and Binding Effect. This Lease may not be amended except by instrument in writing signed by Lessor and Lessee. No provision of this Lease shall be deemed to have been waived by either Party unless such waiver is in writing signed by the applicable Party and no custom or practice which may evolve between the Parties in the administration in the terms hereof shall waive or diminish the right of either Party to insist on the performance of the other Party in strict accordance with the terms hereof.

23. Severability. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, then the remainder of this Lease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

24. Entire Agreement. This Lease constitutes the entire agreement between Lessor and Lessee regarding the subject matter hereof and supersedes all oral statements and prior writings relating thereto. Except for those set forth in this Lease, no representations, warranties or agreements have been made by Lessor or Lessee to the other with respect to this Lease or the obligations of Lessor or Lessee in connection therewith. The normal rule of construction that any ambiguities be resolved against the drafting Party shall not apply to the interpretation of this Lease or any exhibits or amendments hereto.

25. Lessor Stipulations - Taxes. Any and all taxes imposed by the State of Nebraska or its political subdivisions upon the Demised Premises shall be paid promptly by the Lessor. Proof of such payment shall be provided to Lessee and Tenant Agency for reimbursement to Lessor by Tenant Agency.

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IN WITNESS WHEREOF, the Parties have executed this Lease as of the day and year last below written.

LESSOR:

ATTEST:

**CITY OF GRAND ISLAND, NEBRASKA,
A Municipal Corporation,**

ReNae Edwards, City Clerk

Jeremy Jensen, Mayor

LESSEE:

Byron Diamond, Director
Department of Administrative Services

Date

Rodney Anderson, Administrator
AS/State Building Division

Date

Exhibit A – Demised Premises Floor Plan (Section 1)



Exhibit B – Tenant Improvements (Section 2) Intentionally Omitted

Exhibit C - Acknowledgement of Acceptance of the use of Net Useable Space Definition (Section 3) Intentionally Omitted

Exhibit D – Custodial General Performance Requirements (Section 13) Intentionally Omitted

Exhibit E - Demised Premises– Parking Lot Plan

Exhibit F - Voice and Data Faceplate and Closet Termination Point Labeling Scheme (Section 13) Intentionally Omitted

Exhibit G – United States Citizenship Attestation Form, if an Individual person (Section 15.3) Intentionally Omitted

Exhibit H-1 - Lessor Site - Rules and Regulations (Section 20)

EXHIBIT H-1 - RULES AND REGULATIONS

1. Notwithstanding any provision of this Lease to the contrary, Lessor shall take all steps necessary to maintain the Demised Premises in a manner that provides a safe environment for Tenant Agency's employees and invitees. Such steps shall include, but not be limited to the prompt (i) removal of snow and ice from the immediate entryway and sidewalk, (ii) spreading ice melt product, and (iii) taking of all other action steps reasonably required to provide a safe environment for employees and invitees.
2. Tenant Agency shall not:
 - A. Keep animals or birds in the rooms;
 - B. Use rooms as sleeping apartments; and
 - C. In cases of a keyed entry, permit duplicate keys to be made, such keys shall be provided by Lessor at Tenant Agency's expense.
3. Without written permission of Lessor, Tenant Agency shall not:
 - A. Place or change locks upon any doors in the Demised Premises;
 - B. Conduct any auction on said Demised Premises and shall not store goods, wares or merchandise on the Demised Premises, except for Tenant Agency's own personal use;
 - C. Install and/or maintain ATM's in the interior or on or around the exterior of the premises; and
 - D. Use any electric heating or cooling devices.
4. Lessor reserves the right, at all times, and, from time to time, to:
 - A. Rescind any one or more of these rules and regulations, or to make such other and further reasonable rules and regulations as in Lessor's judgment may from time to time be necessary for the safety, care and cleanliness of the Demised Premises, and for the preservation of order herein;
 - B. Possess a pass key to all Demised Premises and shall be allowed admittance in the event of any emergency such as fire and to conduct building inspections; and

- C. Exclude or eject from the Demised Premises all animals, vehicular traffic of every kind and all canvassers and other persons who conduct themselves in such a manner to be, in the judgment of Lessor, an annoyance to Tenant Agency or a detriment to the Demised Premises.

Exhibit H-2 - Lessor Site - Signage Criteria (Section 20) Intentionally Omitted

Exhibit H-3 - Lessor Site – Smoking Policy (Section 20)

EXHIBIT H-3 - SMOKING POLICY

1. Lessor currently maintains a smoke and tobacco-free campus.
2. Smoking or other use of tobacco products, including, but not limited to, cigarettes, pipes, cigars, smokeless tobacco – snuff or chewing tobacco, is not permitted inside the Demised Premises or any other interior area of the building.
3. This means you may smoke in your vehicle and/or in the parking lot adjacent to your Demised Premises entrance or in a designated smoking area. (See Parking Lot Plan Exhibit H3)
4. Please do not stand at or near an entrance while smoking and dispose of your smoking materials in a proper manner.

All employees and invitees of Tenant Agency or anyone representing Lessee are expected to abide by this policy in all respects while on or at this site.

Exhibit I - Certificate of Insurance Coverage (Section 21)

Exhibit I-2 - Certificate of Self Insurance (Section 25)

RESOLUTION 2015-140

WHEREAS, the City of Grand Island is the owner of an approximately 420 acre tract of land at the former Cornhusker Army Ammunition Plant, which has several buildings which were leased by the US Army Corp of Engineers during their ownership of the property; and

WHEREAS, on May 22, 2001, by Resolution 2001-132, the City approved Building Leases with the tenants of the buildings pending development of the property; and,

WHEREAS, the leases will terminate on May 1, 2015; and

WHEREAS, one Lessee of the storage buildings have requested that their lease be renewed.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Building Lease at the former Cornhusker Army Ammunition Plant are hereby authorized to be renewed for an additional two years to the following Lessee in accordance with the Building Lease:

<u>Lessee</u>	<u>Description</u>	<u>Rental</u>
Nebraska State Patrol	Storage building	\$800/yr.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 26, 2015.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
May 22, 2015 ☐ City Attorney