



---

# **Le Sueur County, MN**

**Tuesday, January 17, 2017**

**Board Meeting**

## **Item 4**

**9:10 a.m. Human Services (35 min)**

**Staff Contact:**

**Human Services Board Agenda  
January 17, 2017 @ 9:15 a.m.**

**100- INFORMATION/PRESENTATIONS:**

- 101 - Legislative Update
- 102 - 2017 Organizational Chart

**200- CHARTS/GRAPHS:**

- 210- Finance Graphs/Report;
- 220- Income Maintenance/Child Support Graphs;
- 230- Family Services Graphs-
  - 231- Social Services Team
  - 232- Child Services Team
    - 232.1- Out Of Home Placement Report
    - 232.2- In-Home Family Therapy Report;
  - 233- Behavioral Health Team

**300- BOARD APPROVAL ITEMS:**

- 310 - 2017 Blue Earth County HUB Contract (Psychiatric Services)
- 320 - 2017 Clubhouse Lease
- 330 - Commissioner's Warrants

# Purchase-of-Service Agreement

LeSueur County Human Services, 88 South Park Avenue, LeCenter, Minnesota, 56057, hereafter referred to as the "Agency" and Blue Earth County Human Services, 410 S. Fifth Street, P.O. Box 3526, Mankato, Minnesota, 56002-3526, acting as the fiscal host and agent for the South Central Community Based Initiative, hereafter referred to as the "Contractor", enter into this agreement for the period from January 1, 2017, to December 31, 2017.

## WITNESSETH

WHEREAS, the Contractor is an organization licensed under Rule 29 by the Minnesota Department of Human Services to provide outpatient mental health services to persons; and

WHEREAS, the Agency, pursuant to Minnesota Statutes, Sections 373.01, 373.02, and 256M, wishes to purchase such program services from the Contractor; and

WHEREAS, the Contractor represents that it is duly qualified and willing to perform such services;

NOW, THEREFORE, in consideration of the mutual understandings and agreements set forth, the Agency and Contractor agree as follows:

### 1. CONTRACTOR'S DUTIES

- a. The Agency agrees to purchase and the Contractor agrees to furnish the following services:
  - (1) Psychiatric medication management (adults),
  - (2) Diagnostic assessments,
  - (3) Psychiatric urgent care services, and
  - (4) One hour per month of psychiatric consultation.
  
- b. Upon request by the Agency, the Contractor must to provide:
  - (1) An explicit description of the services to be provided; and
  - (2) A listing of all involved staff persons and professional qualifications to the service provided; and
  - (3) A budget which includes all professional providers to be compensated within the limits of the Contractor's adopted psychiatric provider pay scale. Professional providers allowable under this contract include licensed medical doctors, advanced practice registered nurses, registered nurses or licensed practical nurses.
  
- c. The Contractor must, within ten (10) days, notify the Agency in writing whenever it is unable to, or going to be unable to, provide the required quality or quantity of

purchased services. Upon such notification, the Agency must determine whether such inability will require modification or cancellation of said contract.

- d. In connection with work under this agreement, the Contractor agrees to provide language assistance services to applicants and eligible recipients with limited English proficiency as required by Title VI of the Civil Rights Act of 1964. Such assistance shall be given at no additional charge and in a timely manner for provided mental health services.

## 2. COST AND DELIVERY OF PURCHASED SERVICES

- a. The total amount to be paid for such purchased services may not exceed \$40,000.00 annually.
- b. The Contractor certifies that the services to be provided under this agreement are not otherwise available without cost to the client. The Contractor further certifies that payment claims for purchased services will be in accordance with rates of payment which do not exceed amounts reasonable and necessary to assure quality of service. The Contractor further certifies that rates of payment do not reflect any administrative or program costs assignable to private pay or third-party pay service recipients.
- c. Purchased services will be provided at Blue Earth County Human Services or via telehealth at 410 South Fifth Street, P.O. Box 3526, Mankato, Minnesota, 56002-3526.

## 3. ELIGIBILITY FOR SERVICES

The parties understand and agree that the eligibility of the client to receive the purchased services is to be determined in accordance with eligibility criteria established by the SCCBI Psychiatric Urgent Care Services Plan pursuant to Exhibit A.

The parties understand and agree that when the Contractor has been delegated to make the determination of the client's eligibility for purchased services.

- a. It is understood and agreed by the parties that, when applicable, fees will be charged and collected in accordance with fee policy and schedules adopted by the county board of commissioners in accordance with Minnesota Statutes, Section 256M, Subd. 6.
- b. The Contractor must not charge any program or service fee to eligible clients except in accordance with a. above.

## 4. PAYMENT FOR PURCHASED SERVICES

- a. Certification of expenditures: The Contractor must submit a quarterly invoice for social services purchased to LeSueur County Human Services.
- b. Payment: The Agency must, within thirty (30) days of the date of receipt of the invoice, make payment to the Contractor for all eligible services.

5. AUDIT AND RECORD DISCLOSURES

The Agency must:

- a. Allow personnel of the Agency, the Minnesota Department of Human Services, and the U.S. Department of Health and Human Services, access to the Contractor's facility and records at reasonable hours to exercise their responsibility to monitor purchased services.
- b. If the collection of social services fees is delegated to the Contractor, the Contractor must provide the Agency with information about fees collected and the fee sources.
- c. Maintain all records pertaining to the contract at Blue Earth County Mental Health Center for four (4) years for audit purposes.
- d. Comply with policies of the Minnesota Department of Human Services regarding social services recording and monitoring procedures, as defined and described in Department of Human Services rules and manuals.

6. SAFEGUARD OF CLIENT INFORMATION

- a. The use of disclosure by any party of information concerning an eligible client in violation of any rule of confidentiality provided for in Minnesota Statutes, Chapter 13, or for any purpose not directly connected with the Contractor's or Provider's responsibility with respect to the purchased services hereunder is prohibited except on written consent of such eligible client, the client's attorney, or the client's responsible parent or guardian.
- b. The Contractor is a covered entity under the Health Insurance Portability and Accountability Act (HIPAA). To the extent that the Contractor performs a function or activity involving the use of "protected health information" (45 CFR section 164.501), on behalf of the Contractor including, but not limited to: providing health care services; health care claims processing or administration; data analysis, processing, or administration; utilization review; quality assurance; billing; benefit management; practice management; repricing; or otherwise provided by 45 CFR section 160.103, the Contractor shall comply with the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160-164), (collectively referred to as "HIPAA"), and all applicable requirements.

7. EQUAL EMPLOYMENT OPPORTUNITY AND CIVIL RIGHTS AND NONDISCRIMINATION

(When applicable) the Contractor agrees to comply with the Civil Rights Act of 1964, Title VII (42USC 2000e); including Executive Order No. 11246, and Title VI (42 USC 2000d); and the Rehabilitation Act of 1973, as amended by Section 504;

(When applicable) the Contractor certifies that it has received a certificate of compliance from the Commissioner of Human Rights pursuant to Minnesota Statutes, Section 363.073 (1998). This section only applies if the grant is for more than \$100,000, and the Contractor has employed forty or more full-time employees within the State of Minnesota on a single working day during the previous 12 months.

8. FAIR HEARING AND GRIEVANCE PROCEDURES

The Agency agrees to provide for a fair hearing and grievance procedure in conformance with Minnesota Statutes, section 256.045, and in conjunction with fair hearing and grievance procedures established by Department of Human Services administrative rules.

9. BONDING, INDEMNITY, INSURANCE AND AUDIT CLAUSE

- a. Bonding: The Contractor must obtain and maintain at all times, during the term of this Contract, a fidelity bond covering the activity of its personnel authorized to receive or distribute monies. Such bond must be in the amount of \$100,000.00.
- b. Indemnity: The Contractor agrees that it will at all times indemnify and hold harmless the Agency from any and all liability, loss, damages, costs or expenses which may be claimed against the Contractor or Agency:
- (1) By reason of any service clients suffering personal injury, death, or property loss or damage either while participating in or receiving from the Contractor the care and services to be furnished by the Contractor under this Agreement, or while on premises owned, leased, or operated by the Contractor, or while being transported to and from said premises in any vehicle owned, operated, chartered, or otherwise contracted for by the Contractor or Contractor's assigned; or
  - (2) By reason of any service clients causing injury to, or damage to, the property of another person, during any time when the Contractor or Contractor's assigns or employee thereof has undertaken or is furnishing the care and service called for under this Agreement.
- c. **Insurance:** The Contractor further agrees, in order to protect itself and the Agency under the indemnity contract provision set forth above, its officers, agents, employees, and servants as additional insureds, but only insofar as the operations under this contract. It will at all times during the term of the Contract, and beyond such term when so required, have and keep in force a general liability insurance policy. Any insurance required to be provided by the Contractor shall be primary, and not excess, to any other coverage carried by the County. The selected insurance company of the Contractor must be acceptable to the County. The Contractor is responsible for any deductible or self-insured retention contained within the insurance program.
- (1) The Contractor will purchase occurrence-based liability insurance. The policy shall include coverage for all applicable liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under a contract. An umbrella liability policy may be used in conjunction with the primary coverage limits to meet the minimum limit requirements for each coverage. The County should be listed as an additional insured.
  - (2) The applicable liability insurance coverage will meet the limits as shown below or be of equal to the tort liability limits under Minnesota Statutes, Section 3.736, Subd. 4, whichever is greater:
    - (a) **Commercial General Liability Coverage**  
\$4,000,000.00 for general aggregate coverage

- \$4,000,000.00 for products and completed operations aggregate
- \$2,000,000.00 for each occurrence
- \$2,000,000.00 for personal injury and advertising injury
- \$100,000.00 for fire damage limit
- \$5,000.00 for medical expense
- (b) **Auto liability coverage** of \$1,500,000.00 per occurrence. Auto coverage should include any auto, including hired and non-owned.
- (c) **Worker's Compensation and employer's liability coverage:** Worker's Compensation limits are to be statutory per applicable state and federal laws. Minimum employer's liability coverage:
  - Bodily injury by accident: \$500,000.00 each accident
  - Bodily injury by disease: \$500,000.00 each employee
  - Bodily injury by disease: \$500,000.00 policy limit
- (3) If the Contractor is unable to obtain the required insurance coverage, or if the coverage is cancelled during the term of this Agreement, the Contractor must notify the Agency contract manager (or the contract manager's designee) by telephone or e-mail the same business day as the Contractor receives notice of cancellation or inability to obtain coverage. The Contractor shall also provide written notice to the Agency contract manager within five (5) business days. The Contractor shall make immediate good faith efforts to obtain or replace the coverage in the open market. If such efforts are unsuccessful, the Contractor shall apply to the Minnesota Joint Underwriting Association for the insurance coverage. Failure to maintain required insurance coverage shall be considered an event of default pursuant to this Agreement.

10. CONTRACTOR DEBARMENT, SUSPENSION AND RESPONSIBILITY CERTIFICATION

Federal Regulation 45 CFR 92.35 prohibits the State/Contractor from purchasing goods or services with federal money from vendors who have been suspended or debarred by the federal government. Similarly, Minnesota Statutes, Section 16C.03, subd. 2 provides the Commissioner of Administration with the authority to debar and suspend vendors who seek to contract with the State/Contractor. Vendors may be suspended or debarred when it is determined, through a duly authorized hearing process, that they have abused the public trust in a serious manner.

By signing this contract, the Contractor certifies that it and its principals<sup>1</sup> and employees:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from transacting business by or with any federal, state or local governmental department or agency; and
- b. Have not within a three- (3-) year period preceding this contract:
  - (1) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining,

---

<sup>1</sup>"Principals" for the purpose of this certification means officers; directors; owners; partners; and persons having primary management or supervisor responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment and similar positions).

- attempting to obtain or performing a public (federal, state or local) transaction or contract;
  - (2) violated any federal or state antitrust statutes; or
  - (3) committed embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and
- c. Are not presently indicted or otherwise criminally or civilly charged by a governmental entity for:
  - (1) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction;
  - (2) violating any federal or state antitrust statutes; or
  - (3) committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and
- d. Are not aware of any information and possess no knowledge that any subcontractor(s) that will perform work pursuant to this contract are in violation of any of the certifications set forth above.
- e. Shall immediately give written notice to the Contracting Officer should Contractor come under investigation for allegations of fraud or a criminal offense in connection with obtaining, or performing: a public (federal, state or local government) transaction; violating any federal or state antitrust statutes; or committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

Directions for on-line access to excluded providers

To ensure compliance with this regulation, identification of excluded entities and individuals can be found on the Office of Inspector General (OIG) website at [www.dhhs.gov/progorg/oig/](http://www.dhhs.gov/progorg/oig/).

If you do not have access to the website, and/or need the information in an alternative format, contact: SCCBI Program Manager/Contract Manager, Blue Earth County Social Services Agency, at (507) 304-4156.

11. CONDITIONS OF THE PARTIES' OBLIGATIONS

- a. It is understood and agreed that in the event the reimbursement to the Agency from State and Federal sources is not obtained and continued at a level sufficient to allow for the purchase of the indicated quantity of purchased services, the obligations of each party hereunder must thereupon be terminated.
- b. This agreement may be canceled by either party at any time, with or without cause, upon thirty (30) days' notice, in writing, delivered by mail or in person.
- c. Before the termination date specified in Section 1 of this agreement, the Agency may evaluate the performance of the Contractor in regard to terms of this agreement to determine whether such performance merits renewal of this agreement.



- d. Any alterations, variations, modifications, or waivers of provisions of this agreement must be valid only when they have been reduced to writing, duly signed, and attached to the original of this agreement.
- e. No claim for services furnished by the Contractor not specifically provided in the agreement will be allowed by the Contractor, nor must the Contractor do any work or furnish any material not covered by the agreement, unless this is approved in writing by the Agency. Such approval must be considered to be a modification of the agreement.
- f. In the event that there is a revision of Federal regulations which might make this agreement ineligible for Federal financial participation, all parties will review the agreement and renegotiate those items necessary to bring the agreement into compliance with the new Federal regulations.

12. SUBCONTRACTING

- a. The Contractor agrees not to enter into subcontracts for any of the work contemplated under this contract without written approval of the Agency.
- b. All subcontractors must be subject to and must meet all of the requirements of this contract.
- c. The Contractor must ensure that any and all subcontracts to provide services under this contract must contain the following language:

The subcontractor acknowledges and agrees that the Minnesota Department of Human Services is a third-party beneficiary, and as a third-party beneficiary, is an affected party under this contract. The subcontractor specifically acknowledges and agrees that the Minnesota Department of Human Services has standing to and may take any appropriate administrative action or may sue the provider for any appropriate relief in law or equity, including but not limited to rescission, damages, or specific performance, of all or any part of the contract. Minnesota Department of Human Services is entitled to and may recover from the provider reasonable attorney's fees, costs, and disbursements associated with any action taken under this paragraph that is successfully maintained. This provision must not be construed to limit the rights of any party to the contract or any other third-party beneficiary, nor must it be construed as a waiver of immunity under the Eleventh Amendment to the United States Constitution or any other waiver or immunity.

- d. The Contractor agrees to be responsible for the performance of any subcontractor to ensure compliance to the subcontract and Minnesota Rules, Part 9525.1870, Subpart 3.

13. NONCOMPLIANCE

- a. If the Contractor fails to comply with the provisions of this contract, the Agency may seek any available legal remedy.
- b. Either party must notify the other party within thirty (30) days when a party has reasonable grounds to believe that this contract has been or will be breached in a

material manner. The party receiving such notification must have thirty (30) days, or any other such period of time as mutually agreed to by the parties, to cure the breach or anticipatory breach.

14. MISCELLANEOUS

The Contractor acknowledges and agrees that the Minnesota Department of Human Services is a third-party beneficiary, and as third-party beneficiary, is an affected party under this agreement. The Contractor specifically acknowledges and agrees that the Minnesota Department of Human Services has standing to and may take any appropriate administrative action or may sue the Agency for any appropriate relief in law or performance of all or any part of the agreement between the County Welfare Board and the Contractor. The Contractor specifically acknowledges that the County Welfare Board and the Minnesota Department of Human Services are entitled to and may recover from the Contractor reasonable attorney's fees and costs and disbursements associated with any action taken under this paragraph that is successfully maintained. This provision must not be construed to limit the rights of any party to the agreement of any other third-party beneficiary, nor must it be construed as a waiver of immunity under the Eleventh Amendment to the United States Constitution or any other waiver of immunity.

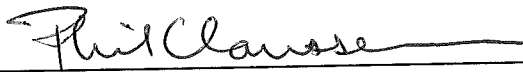
(REST OF PAGE LEFT BLANK INTENTIONALLY)

15. ENTIRE AGREEMENT

It is understood and agreed that the entire contract of the parties is contained herein and this contract supersedes all oral agreements and negotiations between the parties relating to the subject matter thereof.

Dated: 12-20-16   
Chairperson, Blue Earth County Board

Dated: 12-20-16 Attest:   
Robert W. Meyer  
Blue Earth County Administrator

Dated: 12/21/16   
Phil Claussen, Director  
Blue Earth County Human Services

Dated: \_\_\_\_\_  
Sue Rynda, Director  
LeSueur County Human Services

Dated: \_\_\_\_\_  
Le Sueur County Commissioner

Dated: \_\_\_\_\_  
Le Sueur County Administrator

SE/  
11-16  
N:\CONTRACT\LeSueur Co POS.Doc

## Appendix A **SCCBI Urgent Care Services**

Urgent Care is a service that addresses imminent mental health concerns. Its purpose is to prevent the need for emergency care and/or hospitalization.

### Urgent Care Locations

#### SCCBI Psychiatric Services Hub

20 hours available per week  
(507) 304-4319

#### Sioux Trails Mental Health Center

3 hours available per week  
(507) 354-3181

Contact the Urgent Care Clinic of your choice at the number above. Adult residents of the SCCBI are eligible to be served at either location. Indicate you are making a referral for Psychiatric Urgent Care Services. You will then be transferred to a nurse to whom you will provide the necessary information. Urgent Care is not a walk-in service, and appointments are necessary. Having a current Diagnostic Assessment is not necessary for this service.

### Types of Urgent Care

1. **Rapid Access Appointment (30 minutes)**
  - a. A person is experiencing an exacerbation of existing illness symptoms and is not able to be seen by their primary prescriber.
  - b. Person is experiencing adverse medication side effects or other medication issues and is not able to be seen by their primary prescriber.
  - c. There is concern for safety, and the person is in need of a safety/risk of harm assessment.
  
2. **Transition Appointment (30 minutes)**
  - a. Person is discharged from a hospital and is unable to see their primary prescriber in a timely basis. Only one appointment will be provided. For these appointments, Hub prescribers are not assuming the care of the patient. The duty remains with the transferring provider and will be assumed by the receiving provider.
  
3. **Urgent Evaluation (60 minutes)**
  - a. A new person is experiencing an acute onset of symptoms that might be managed in a community setting without hospital level of care which cannot wait for a routine appointment. (A diagnostic assessment will be completed during this appointment.)

#### **Appointments will NOT be available for:**

1. Medication refill issues due to noncompliance with primary prescriber.
2. A "fast track" to receive traditional psychiatric services or evaluation.
3. What was formerly known as "bridging" appointments on an extended basis.

### Use of Telehealth

Telehealth may be used for urgent care for existing patients. If the person is not an existing patient of the clinic, the patient must be seen face-to-face in the office.

SE/, 11-16  
N:/WP/Contract/LeSueur Co POS.Doc

# COMMERCIAL LEASE

This lease is made between Le Sueur Co. Sued, herein called Lessor, and  
of Le Sueur Co. Human Services, herein called Lessee.

Lessee hereby offers to lease from Lessor the premises situated in the City of LeCenter  
County of Le Sueur, State of MINNESOTA, described as 181 W. Min. St (SE room + kitchen) upon the following TERMS and CONDITIONS:

1. **Term and Rent.** Lessor demises the above premises for a term of 1 years, commencing January 1, 2017, and terminating on December 31, 2017 or sooner as provided herein at the annual rental of \$100.00 monthly Dollars (\$ 100.00), payable in equal installments in advance on the first day of each month for that month's rental, during the term of this lease. All rental payments shall be made to Lessor, at the address specified above.

2. **Use.** Lessee shall use and occupy the premises for Le Sueur Co. Human Services. The premises shall be used for no other purpose. Lessor represents that the premises may lawfully be used for such purpose.

3. **Care and Maintenance of Premises.** Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Lessee shall, at his own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises and shall surrender the same, at termination hereof, in as good condition as received, normal wear and tear excepted. Lessee shall be responsible for all repairs required, excepting the roof, exterior walls, structural foundations, and: annual maintenance, which shall be maintained by Lessor. Lessee shall also maintain in good condition such portions adjacent to the premises, such as sidewalks, driveways, lawns and shrubbery, which would otherwise be required to be maintained by Lessor.

4. **Alterations.** Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to or about the premises.

5. **Ordinances and Statutes.** Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.

6. **Assignment and Subletting.** Lessee shall not assign this lease or sublet any portion of the premises without prior written consent of the Lessor, which shall not be unreasonably withheld. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this lease.

7. **Utilities.** All applications and connections for necessary ~~utility~~ telephone services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for ~~utility~~ charges as they become due, including those for sewer, water, gas, electricity, and telephone services. telephone

8. **Entry and Inspection.** Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter.

9. **Possession.** If Lessor is unable to deliver possession of the premises at the commencement hereof, Lessor shall not be liable for any damage caused thereby, nor shall this lease be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this lease if possession is not delivered within 0 days of the commencement of the term hereof.

10. **Indemnification of Lessor.** Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, and Lessee agrees to hold Lessor harmless from any claims for damages, no matter how caused.

11. **Insurance.** Lessee, at his expense, shall maintain ~~leases~~ and public liability insurance including bodily injury and property damage insuring Lessee and Lessor with minimum coverage as follows:

Lessee shall provide Lessor with a Certificate of Insurance showing Lessor as additional insured. The Certificate shall provide for a ten-day written notice to Lessor in the event of cancellation or material change of coverage. To the maximum extent permitted by insurance policies which may be owned by Lessor or Lessee, Lessee and Lessor, for the benefit of each other, waive any and all rights of subrogation which might otherwise exist.

12. **Eminent Domain.** If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by Lessee, and for moving expenses.

13. **Destruction of Premises.** In the event of a partial destruction of the premises during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. If such repairs cannot be made within said sixty (60) days, Lessor, at his option, may make the same within a reasonable time, this lease continuing in effect with the rent proportionately abated as aforesaid, and in the event that Lessor shall not elect to make such repairs which cannot be made within sixty (60) days, this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third of the replacement costs thereof, Lessor may elect to terminate this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease

14. **Lessor's Remedies on Default.** If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not cure any such default within \_\_\_\_\_ days, after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such \_\_\_\_\_ days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Lessor may terminate this lease on not less than \_\_\_\_\_ days' notice to Lessee. On the date specified in such notice the term of this lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects.

15. **Security Deposit.** Lessee shall deposit with Lessor on the signing of this lease the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) as security for the performance of Lessee's obligations under this lease, including without limitation the surrender of possession of the premises to Lessor as herein provided. If Lessor applies any part of the deposit to cure any default of Lessee, Lessee shall on demand deposit with Lessor the amount so applied so that Lessor shall have the full deposit on hand at all times during the term of this lease.

16. **Tax Increase.** In the event there is any increase during any year of the term of this lease in the City, County or State real estate taxes over and above the amount of such taxes assessed for the tax year during which the term of this lease commences, whether because of increased rate or valuation, Lessee shall pay to Lessor upon presentation of paid tax bills an amount equal to \_\_\_\_\_% of the increase in taxes upon the land and building in which the leased premises are situated. In the event that such taxes are assessed for a tax year extending beyond the term of the lease, the obligation of Lessee shall be proportionate to the portion of the lease term included in such year.

17. **Common Area Expenses.** In the event the demised premises are situated in a shopping center or in a commercial building in which there are common areas, Lessee agrees to pay his pro-rata share of maintenance, taxes, and insurance for the common area.

18. **Attorney's Fees.** In case suit should be brought for recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.

19. **Waiver.** No failure of Lessor to enforce any term hereof shall be deemed to be a waiver.

20. **Notices.** Any notice which either party may or is required to give, shall be given by mailing the same, postage prepaid, to Lessee at the premises, or Lessor at the address shown below, or at such other places as may be designated by the parties from time to time.

21. **Heirs, Assigns, Successors.** This lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.

22. **Option to Renew.** Provided that Lessee is not in default in the performance of this lease, Lessee shall have the option to renew the lease for an additional term of \_\_\_\_\_ months commencing at the expiration of the initial lease term. All of the terms and conditions of the lease shall apply during the renewal term except that the monthly rent shall be the sum of \$ \_\_\_\_\_ . The option shall be exercised by written notice given to Lessor not less than \_\_\_\_\_ days prior to the expiration of the initial lease term. If notice is not given in the manner provided herein within the time specified, this option shall expire.

23. **Subordination.** This lease is and shall be subordinated to all existing and future liens and encumbrances against the property.

24. **Entire Agreement.** The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits, if any, have been made a part of this lease before the parties' execution hereof:

Signed this \_\_\_\_\_ day of \_\_\_\_\_

By: Jim Struck, Chairman  
Lessor

By: \_\_\_\_\_  
Lessee

© E-Z Legal Forms

Before you use this form, read it, fill in all blanks, and make whatever changes are necessary to your particular transaction. Consult a lawyer if you doubt the form's fitness for your purpose and use. E-Z Legal Forms and the retailer make no representation or warranty, express or implied, with respect to the merchantability of this form for an intended use or purpose.