



LEASE - BUSINESS PROPERTY - SHORT FORM

THIS LEASE, made and entered into this _____, by and between the City of Oelwein, Iowa ("Landlord"), whose address, for the purpose of this lease, is 20 2nd Ave. SW, Oelwein, IA 50662 and Michael A. Leo ("Tenant"), whose address for the purpose of this lease is 3672 Outer Road, PO Box 468, Oelwein, IA 50662.

The parties agree as follows:

- 1. PREMISES AND TERM.** Landlord leases to Tenant the following real estate, situated in Fayette County, Iowa:

That portion of the property locally known as 33 S. Frederick, Oelwein, IA 50662 (Tax Parcel #1821401011) as further described/shown within "Addendum A" to this lease agreement. (A Parcel 20' wide by 50' long, totaling 1,000 sf)

together with all improvements thereon, and all rights, easements and appurtenances thereto belonging, for a term beginning on the date set out in the City Council Resolution approving this Lease Agreement, and continuing on a month to month basis thereafter, unless and until terminated by either party consistent with the termination provisions as detailed and explained within Paragraph 19 "Additional Provisions" of this Lease Agreement.

- 2. RENT.** Tenant agrees to pay Landlord as rent \$1.00 per month, in advance commencing on the date on which this lease is approved by both parties, and on the same day of each month thereafter, during the term of this lease. All sums shall be paid at the address of Landlord, or at such other place as Landlord may designate in writing. Delinquent payments shall draw interest at 10% per annum.
- 3. POSSESSION.** Tenant shall be entitled to possession on the first day of the lease term, and shall yield possession to Landlord at the termination of this lease.
- 4. USE.** Tenant shall use the premises only for temporary parking during deliveries to Tenant's restaurant located on the adjacent lot, 29 S. Frederick, and for the placement of dumpsters used by Tenant's business, for collection by garbage haulers.
- 5. CARE AND MAINTENANCE.**
 - A.** Tenant takes the premises as is, except as herein provided.
 - B.** Landlord will place rock on the premises subject to this Lease in advance of or shortly after lease commencement.
 - C.** Tenant shall thereafter maintain the rock, adding rock and grading as necessary, remove garbage and debris from the leased premises, maintain the premises free of weeds and grass, and otherwise maintain the premises consistent with City Code in a reasonable safe, serviceable, clean and presentable condition. (Any rock/gravel placed on the leased premises during the term of the Lease shall remain and become the property of Landlord.)
- 6. UTILITIES.** N/A

7. **SURRENDER.** Upon the termination of this lease, Tenant will surrender the premises to Landlord in good and clean condition, except for ordinary wear and tear or damage without fault or liability of Tenant. Continued possession, beyond the term of this Lease and the acceptance of rent by Landlord shall constitute a month-to-month extension of this lease.
8. **ASSIGNMENT AND SUBLETTING.** No assignment or subletting, either voluntary or by operation of law, shall be effective without the prior written consent of Landlord.
9. **INSURANCE.**
 - A. **PROPERTY INSURANCE.** Landlord and Tenant agree to insure their respective real and personal property for the full insurable value. Such insurance shall cover losses included in the special form causes of loss (formerly all risks coverage). To the extent permitted by their policies the Landlord and Tenant waive all rights of recovery against each other.
 - B. **LIABILITY INSURANCE.** Tenant shall obtain commercial general liability insurance in the amounts of \$1,000,000 each occurrence and \$2,000,000 annual aggregate per location. This policy shall be endorsed to include the Landlord as an additional insured.
10. **LIABILITY FOR DAMAGE.** Each party shall be liable to the other for all damage to the property of the other negligently, recklessly or intentionally caused by that party (or their agents, employees or invitees), except to the extent the loss is insured and subrogation is waived under the owner's policy.
11. **INDEMNITY** Except for any negligence of Landlord, Tenant will protect, defend, and indemnify Landlord from and against any and all loss, costs, damage and expenses occasioned by, or arising out of, any accident or other occurrence causing or inflicting injury or damage to any person or property, happening or done in, upon or about the premises, or due directly or indirectly to the tenancy, use or occupancy thereof, or any part thereof by Tenant or any person claiming through or under Tenant.
12. **DAMAGE.** In the event of damage to the premises, so that Tenant is unable to conduct business on the premises, this lease may be terminated at the option of either party. Such termination shall be effected by notice of one party to the other within 30 days after such notice; and both parties shall thereafter be released from all future obligations hereunder.
13. **MECHANICS' LIENS.** Neither Tenant, nor anyone claiming by, through, or under Tenant, shall have the right to file any mechanic's lien against the premises. Tenant shall give notice in advance to all contractors and subcontractors who may furnish, or agree to furnish, any material, service or labor for any improvement on the premises.
14. **DEFAULT, NOTICE OF DEFAULT AND REMEDIES.**

EVENTS OF DEFAULT

- A. Each of the following shall constitute an event of default by Tenant: (1) Failure to pay rent when due; (2) failure to observe or perform any duties, obligations, agreements, or conditions imposed on Tenant pursuant to the terms of the lease; (3) abandonment of the premises. "Abandonment" means the Tenant has failed to engage in its usual and customary business activities on the premises for more than fifteen (15) consecutive business days; (4) institution of voluntary bankruptcy proceedings by Tenant; institution of involuntary bankruptcy proceedings in which the Tenant thereafter is adjudged a bankruptcy; assignment for the benefit of creditors of the interest of Tenant under this lease agreement; appointment of a receiver for the property or affairs of Tenant, where the receivership is not vacated

within ten (10) days after the appointment of the receiver.

NOTICE OF DEFAULT

- B.** Landlord shall give Tenant a written notice specifying the default and giving the Tenant ten (10) days in which to correct the default. If there is a default (other than for nonpayment of a monetary obligation of Tenant, including rent) that cannot be remedied in ten (10) days by diligent efforts of the Tenant, Tenant shall propose an additional period of time in which to remedy the default. Consent to additional time shall not be unreasonably withheld by Landlord. Landlord shall not be required to give Tenant any more than three notices for the same default within any 365 day period.

REMEDIES

- C.** In the event Tenant has not remedied a default in a timely manner following a Notice of Default, Landlord may proceed with all available remedies at law or in equity, including but not limited to the following: (1) Termination. Landlord may declare this lease to be terminated and shall give Tenant a written notice of such termination. In the event of termination of this lease, Landlord shall be entitled to prove claim for and obtain judgment against Tenant for the balance of the rent agreed to be paid for the term herein provided, plus all expenses of Landlord in regaining possession of the premises and the reletting thereof, including attorney's fees and court costs, crediting against such claim, however, any amount obtained by reason of such reletting; (2) Forfeiture. If a default is not remedied in a timely manner, Landlord may then declare this lease to be forfeited and shall give Tenant a written notice of such forfeiture, and may, at the time, give Tenant the notice to quit provided for in Chapter 648 of the Code of Iowa.

15. SIGNS. N/A

- 16. NOTICES AND DEMANDS.** All notices shall be given to the parties hereto at the addresses designated unless either party notifies the other, in writing, of a different address. Without prejudice to any other method of notifying a party in writing or making a demand or other communication, such notice shall be considered given under the terms of this lease when it is deposited in the U.S. Mail, registered or certified, properly addressed, return receipt requested, and postage prepaid.

- 17. PROVISIONS BINDING.** Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs, administrators, executors and assigns of the parties hereto.

- 18. CERTIFICATION.** Tenant certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

19. ADDITIONAL PROVISIONS.

- a. Tenant acknowledges his understanding that the leased premises is being marketed for sale by the City, along with the balance of City property adjacent to the leased premises.
- b. Landlord agrees to provide Tenant ninety (90) days' notice of lease termination.
- c. Tenant acknowledges that Landlord may terminate the lease upon said ninety (90) days' notice for any reason in the sole discretion of Landlord.
- d. The Parties agree that in no event will this lease be allowed to extend beyond three (3) years from the approval effective date of this Lease Agreement. That should the Parties wish to continue this lease beyond three (3) years that the Council would be required to consider approval of a new lease agreement. (Iowa Code requires a public hearing before entering into a lease agreement for a term in excess of three years. At entry into this lease agreement the Parties do not intend for this lease to continue beyond three years and, therefore, no public hearing was required or held in advance of Council consideration and approval hereof.

Approved by City Council Resolution _____ on the ___ day of _____, 2024

CITY OF OELWEIN , LANDLORD

Signed and dated this ____ day of _____, 2024

Signed and dated this ____ day of _____, 2024

MICHAEL A. LEO, TENANT