

STAR FIRE PROTECTION DISTRICT
PROPERTY LEASE

This Property Lease ("Lease") is made and effective as of March 1, 2023, by and between STAR FIRE PROTECTION DISTRICT ("Landlord") and the City of Star ("Tenant").

1. DEFINITIONS - The following terms shall have the definitions ascribed to them below:

- 1.1. Landlord and/or Designated Agent: Star Fire Protection District, organized and existing pursuant to Chapter 14 of Title 31 of the Idaho Code, whose address is 11665 West State Street Suite B, Star, Idaho, 83669. Greg Timinsky, Fire Chief of the Star Fire Protection is the Designated Agent authorized to act on behalf of the property owner Star Fire Protection District.
- 1.2. Tenant: City of Star, a municipal corporation established in accordance with Article XII of the Constitution of the State of Idaho and Title 50 Idaho Code, whose address is 10769 W State Street, PO Box 130, Star, Idaho, 83669.
- 1.3. Premises: That certain southwest section of the building located at 11665 W. State St., Star, Idaho, in Ada County, "Suite A and Suite C"(aka Suite A-1 & A-2) which is a portion of the building known as Phase 1 that was constructed in 2005 and consists of approximately 3,500 square feet of office space, and allocated parking as outlined in a diagram attached as EXHIBIT A to this lease agreement.
- 1.4. Permitted Use: The permitted use for the Premises shall be for administrative offices and use by the City of Star's Police and Parks and Recreation Departments.
- 1.5. Term and Commencement Date: The term of this Lease shall commence on March 1, 2023, ("Commencement Date") for a term of twelve months ending on February 28, 2024, and shall automatically renew in one year increments (12 months) and continue under the same terms and conditions contained in this Lease and shall continue in full force and effect each year thereafter ("Renewal Term") until this Lease is terminated by Landlord or Tenant pursuant to this Lease.
- 1.6. Base Rent: Tenant shall pay to Landlord a monthly Base Rent in the amount of zero dollars (\$0.00). Landlord shall provide Tenant with at least one hundred and eighty (180) days written notice of any increase to the Base Rent. Any increase to the Base Rent will take effect the beginning of the renewal of this Lease, or after, and shall be in effect for the following twelve (12) months from the date of increase.
- 1.7. Utilities: In addition to the Base Rent, Tenant shall pay all related utilities.
- 1.8. Services: This is a triple net lease. Landlord's sole obligation is to provide possession of the Premises to Tenant, including utilities (as described above). Tenant shall have all other obligations relating to the Premises including but not limited to building and parking lot maintenance, trash and insurance as specified in Lease.

2. GRANT OF PREMISES AND POSSESSION

2.1. Grant of Premises: Landlord leases to Tenant and Tenant leases from Landlord the Premises subject to the terms and conditions of this Lease.

2.2. Possession: Tenant receives right of possession of the premises in exchange for the required monthly rent as outlined in this Lease. Tenant is not relying on representations of Landlord or Landlord's employees, officer, directors and agents, whether oral or written, with respect to any aspect, feature or condition of the Premises, and Tenant is leasing the Premises "AS IS", "WHERE IS" AND "WITH ALL FAULTS", INCLUDING, WITHOUT LIMITATION, ANY HIDDEN DEFECTS OR ENVIRONMENTAL CONDITIONS AFFECTING THE PREMISES, INCLUDING WHETHER THE PREMISES CONTAINS ANY HAZARDOUS WASTE, WHETHER KNOWN OR UNKNOWN WHETHER SUCH DEFECTS OR CONDITIONS WERE DISCOVERABLE THROUGH INSPECTION OR NOT. TENANT ACKNOWLEDGES THAT LANDLORD, ITS AGENTS AND REPRESENTATIVES HAVE NOT MADE AND LANDLORD SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES, IMPLIED OR EXPRESS, ORAL OR WRITTEN IN RESPECT TO:

2.2.1. THE PHYSICAL CONDITION OR ANY OTHER ASPECT OF THE PREMISES INCLUDING THE STRUCTURAL INTEGRITY OR THE QUALITY OR CHARACTER OF MATERIALS USED IN CONSTRUCTION OF ANY IMPROVEMENTS, AVAILABILITY AND QUANTITY OR QUALITY OF WATER, STABILITY OF THE SOIL, SUSCEPTIBILITY TO LANDSLIDE OR FLOODING, SUFFICIENCY OF DRAINAGE, WATER LEAKS, WATER DAMAGE, MOLD OR ANY OTHER MATTER AFFECTING THE STABILITY, INTEGRITY, OR CONDITION OF THE PREMISES OR IMPROVEMENTS;

2.2.2. THE CONFORMITY OF THE PREMISES OR THE IMPROVEMENTS TO ANY ZONING, LAND USE OR BUILDING CODE REQUIREMENTS OR COMPLIANCE WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL AUTHORITY, OR THE GRANTING OF ANY REQUIRED PERMITS OR APPROVALS, IF ANY, OF ANY GOVERNMENTAL BODIES WHICH HAD JURISDICTION OVER THE CONSTRUCTION OF THE ORIGINAL STRUCTURE, ANY IMPROVEMENTS AND/OR ANY REMODELING OF THE STRUCTURE; AND

2.2.3. THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PREMISES OR IMPROVEMENTS INCLUDING REDHIBITORY VICES AND DEFECTS, APPARENT, NON-APPARENT OR LATENT, WHICH NOW EXIST OR WHICH MAY HEREAFTER EXIST AND

WHICH IF KNOWN TO THE TENANT, WOULD CAUSE TENANT TO REFUSE TO LEASE THE PREMISES.

2.3. Mold, mildew, spores and/or other microscopic organisms and/or allergens (collectively referred to in this Agreement as "Mold") are environmental conditions that are common in residential and commercial properties and may affect the Premises. Mold, in some forms, has been reported to be toxic and to cause serious physical injuries, including but not limited to, allergic and/or respiratory reactions or other problems, particularly in person with immune system problems, young children and/or elderly persons. Mold has also been reported to cause extensive damage to personal and real property. Mold may have been removed or covered in the course of any cleaning or repairing of the Premises. Tenant acknowledges that, if Landlord, or any of Landlord's employees, contractors, or agents cleaned or repaired the Property or remediated Mold contamination, that Landlord does not in any way warrant the cleaning, repairs or remediation. Tenant accepts full responsibility for all hazards that may result from the presence of Mold in or around the Premises. By continuing to lease the Premises, Tenant is satisfied with the condition of the Premises notwithstanding the past or present existence of Mold, in or around the Premises and Tenant has not, in any way, relied upon any representations of Landlord, Landlord's employees, officer, directors, contractors, or agents concerning the past or present existence of Mold in or around the Premises.

2.4. During the Term, Landlord covenants not to disturb the quiet enjoyment or possession of the Premises by Tenant, except as permitted by this Lease.

3. RENT

3.1. Definition of Rent: The word "Rent" includes the Base Rent, any adjustments to the Base Rent, any amounts described as additional rent, and any other amount payable by Tenant to Landlord under this Lease.

3.2. Payment of Rent: Tenant agrees to pay Landlord, without offset or deduction for any reason except as otherwise expressly permitted by this Lease, Rent for the Premises, which includes all of the following:

3.2.1. Base Rent: The Base Rent in Section 1.6 of this Lease.

3.2.2. Additional Rent and Other Amounts: The additional rent and any other amounts required by this Lease

3.3. Triple Net Lease: Tenant's payment to Landlord shall be in addition to Tenant's obligations to pay all taxes or other assessment upon the Premises (excluding any real property taxes assessed on the building), insurance premiums, repairs, utilities, and maintenance costs, any and all costs, charges and obligations which may arise due to any easement, maintenance agreement, common area agreement, or the like, or any other expenses or charges related to the Premises, all of which are the responsibility of Tenant regardless of whether the expense or charge is specifically considered elsewhere in this

Lease. The parties intend that, with the exception for real property taxes, this Lease be a triple net lease.

3.4. Date and Form of Rent and Utility Payments: Rent shall commence on the Commencement Date and shall be paid in full each month in advance or no later than the fifth (5th) of each month. Rent shall be payable at the Landlord's address set forth in this Lease or as Landlord shall notify Tenant in writing. All utilities are the responsibility of the Tenant and shall be paid directly to any utility companies.

3.5. Rent Proration: For any fractional month occurring during the Term, the Base Rent and any adjustments to the Base Rent payable for the fractional month shall be prorated based on the ratio that the number of days in the fractional month bears to the number of days in the calendar month.

4. Operation of Premises:

4.1. Tenant's Use of Premises: The Premises shall be occupied and used by Tenant only for the Permitted Use and for no other purpose.

4.2. Tenant's Maintenance Obligations: Tenant shall, at Tenant's sole expense, keep and maintain the Premises in a good, clean condition, reasonable wear and tear excepted. Tenant's maintenance and repair obligation (a) includes, but is not limited to, all plumbing, heating, air conditioning, ventilating, electrical, lighting, telecommunications, fire suppression, interior walls, ceilings, floors, windows, doors, plate glass, and cabinets, (b) include the repair, replacement, payment or performance of all obligations that are required under any common area agreement, restriction, or easement agreement to which the Premises are subject; and (c) include the prompt extermination of termites, rodents, and other vermin. repair any structural defects and damage to the roof, outer walls, foundations, underground utilities to the Premises, and exterior drainage.

4.3. Landlords Maintenance Obligations: Landlord has no obligation.

4.4. Utilities: Tenant shall be solely responsible for and shall promptly pay all charges, when due, for water, sewer, natural gas, electricity, telephone, cable, computer, security, refuse disposal and any other utility or other service used upon or furnished to the Premises or for common area charges required by any easement, restrictive covenant or common area agreement of record.

4.5. Alterations and Remodeling: Tenant shall not make any changes (a) to the Premises, (b) to the parking areas, (c) to Tenant's signs, or (d) structural components of the building without the prior written consent of Landlord, not to be unreasonably withheld. All such alterations shall comply with all laws, rules, regulations and permits and be performed in a good workmanlike manner. Tenant shall submit plans and specifications for such alterations and additions to Landlord for Landlord's prior review and consent. Tenant shall be responsible for obtaining all permits and approvals required by government requirements. All alterations and additions to the Leased Premises shall remain upon

and be surrendered with the Leased Premises and become the property of Landlord at the termination of this Lease without reimbursement or compensation to Tenant of any kind.

- 4.6. Ownership of Alterations: All alterations, additions or improvements made by Tenant which are permanently attached to the Premises shall become the property of Landlord at the expiration of the Term.
- 4.7. Tenant's Hazardous Material Use: Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Premises by Tenant, its agents, employees, contractors, customers, clients, patients, guests or invites except as incidental to Tenant's permitted use of the Premises or only in quantities that are less than the quantities that are required to be reported to governmental or other authorities under applicable law or regulations. Tenant shall comply with all applicable laws and regulations regulating the use, reporting, storage, and disposal of Hazardous Material.
- 4.8. Hazardous Material Definition: As used in the Lease, the Term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any federal, state or local governmental authority or political subdivision. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under applicable law, (ii) petroleum, (iii) asbestos, (iv) polychlorinated biphenyl ("PCB"), (v) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1321), (vi) defined as a "hazardous waste" pursuant to Section 1004 of the Solid Waste Disposal Act (42 U.S.C. 6903), (vii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601), (viii) defined as a "regulated substance" pursuant to Section 9001 of the Solid Waste Disposal Act (Regulation of Underground Storage Tanks), 42 U.S.C. 6991, (ix) considered a "hazardous chemical substance and mixture" pursuant to Section 6 of the Toxic Substance Control Act (15 U.S.C. 2605), or (x) defined as a "pesticide" pursuant to Section 2 of the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 136)
- 4.9. Real and Personal Property Taxes:
- 4.9.1. Tenant's Payment of Taxes: Excluding real property taxes (as described in Section 3.3), Tenant agrees to pay before they become delinquent all taxes (both general and special), assessments, or governmental charges lawfully levied or assessed against the Tenant's personal property ("Taxes").
- 4.9.2. Landlord's Payment of Real Property Taxes (if applicable): Landlord shall be responsible for payment of all real property taxes assessed on the building or land, as well as all other taxes (both general and special), assessments, or governmental charges lawfully levied or assessed against the real property (building or land) located at the Premises.

4.10. **Covenant Against Liens:** Tenant will not directly or indirectly create or cause to be created or to remain, and will promptly discharge, at Tenant's sole expense, any mechanics' lien or similar lien against the Premises which Tenant created or caused to be created by Tenant's work on the Premises. Tenant has no authority or power to cause or permit any mechanics' lien or similar lien created by act of Tenant, operation of laws, or otherwise to attach to or be placed upon Landlord's title or interest in the Premises. Any lien against the Tenant shall attach only to Tenant's leasehold interest in the Premises. Landlord will not directly or indirectly create or cause to be created or to remain, and will promptly discharge, at Landlord's sole expense, any mechanics' lien or similar lien against the Premises which Landlord created or caused to be created by Landlord's work on the Premises. A party may, at the party's sole expense, contest any lien, and the lien may remain pending resolution of the challenge. The party challenging the lien shall indemnify and hold the other party harmless from any and all loss, damage or expense occasioned by the lien challenge. If the lien is adjudged to be valid, the challenging party shall promptly pay and discharge the lien.

4.11. **Landlord's Right of Entry:** Landlord and Landlord's agents may enter the Premises during Tenant's normal business hours to (i) inspect the general condition and state of repair of the Premises, (ii) show the Premises to prospective purchasers, tenants or mortgagees, and (iii) erect on the Premises, customary signs advertising the Premises for sale or lease. Landlord shall exercise reasonable care not to interfere with, or create a hazard to, Tenant's business operations. In the event of an emergency arising within the Premises which endangers property or persons, Landlord may enter the Premises at any time without prior notice to Tenant.

4.12. **Landlord's Title:** Landlord shall have and retain title to the Premises, subject to Landlord's absolute transfer rights set forth in Section 6.4.

5. **Changes in the Parties:**

5.1. **Relationship of Parties:** Nothing contained in this Lease shall be construed as creating the relationship of principal or agent, partnership or joint venture. Neither the method of computation of Rent nor any other provision of this Lease, nor any act of the parties, shall be deemed to create any relationship other than that of landlord and tenant.

5.2. **Successors and Assigns:** This Lease shall benefit and bind the successors and permitted assigns of Landlord and Tenant.

5.3. **Tenant's Assignment and Subletting:** Tenant may not assign or sublet all or a part of this Lease, by operation of law or otherwise, without the express written consent of Landlord.

5.4. **Landlord's Transfer:** Landlord may sell, assign or otherwise transfer the Premises without the consent of Tenant. If Landlord should sell or transfer Landlord's interest in the Premises, then effective with the date of the sale or transfer, Landlord shall be

released and discharged from any and all further obligations and responsibilities under this Lease (except those already accrued).

- 5.5. Subordination: Tenant agrees that this Lease is and shall remain subordinate to any existing or subsequent mortgage or deed of trust covering the fee title to the Premises, together with any renewals, modifications or extensions of existing or subsequent mortgages or deeds of trust.
- 5.6. Estopped Certificate: From time to time upon not less than five (5) business days' prior written request by a party, the other party will deliver to the requesting party a certificate in writing stating (i) that this Lease is unmodified and in full force and effect (or that the Lease as modified is in full force and effect, describing the modifications), (ii) that the rents and other charges have been paid to date without any prepayments or defaults (or if any prepayments or defaults, the nature of the prepayments or defaults), and (iii) that the requesting party is not in default under any provision under this Lease (or, if in default, the nature of the default). If the party shall fail to respond within five business days of receipt the written request for the estoppel certificate, the party shall be deemed to have given the certificate without modification.

6. Loss and Damage to Premises:

- 6.1. Liability Insurance: Tenant shall provide and maintain commercial general liability insurance (Occurrence Basis) with broad form coverage endorsement (including broad form property damage endorsement) and insuring it against claims for personal injury, bodily injury or death, and property damage or destruction. Such insurance shall be written with an insurer licensed to do business in the State of Idaho, shall name Landlord as additional insured, and contain a waiver of subrogation endorsement in favor of Landlord. The initial limits of liability of all such insurance shall be not less than \$1,000,000 (one million dollars) for personal injury or bodily injury or death of any one person, \$1,000,000 (one million dollars) for personal injury or bodily injury or death of more than one person in one occurrence and \$500,000 (five hundred thousand dollars) with respect to damage to or destruction of property; or, in lieu of such coverage, a combined single limit (covering personal injury, bodily injury or death and property damage or destruction) with a limit of not less than \$2,000,000 (two million dollars) per occurrence. Landlord may purchase and maintain additional commercial general liability insurance insuring in amounts determined by Landlord in its sole and absolute discretion, insuring it against claims for personal injury, bodily injury or death, and property damage or destruction. Such policy maintained by Landlord shall not in any way relieve Tenant of its obligation to maintain insurance under this Section.
- 6.2. Property Insurance: Tenant shall purchase and maintain property insurance, which premium amounts for such insurance shall be solely Tenant's cost and expense, insuring all improvements, structures and buildings located on the Premises. Such insurance shall be written with an insurer licensed to do business in the State of Idaho, shall name Landlord as the insured, and contain a waiver of subrogation endorsement in favor of Landlord. Tenant shall purchase and maintain, which premium amounts for such

insurance shall be solely Tenant's cost and expense, insuring all Tenant's personal property contents as provided in Section 7.8.6.

- 6.3. Worker's Compensation Insurance: Tenant, at Tenant's sole cost and expense, shall carry Worker's Compensation Insurance as required by Idaho Law. No "alternative" forms or self-insurance coverage will be allowed.
- 6.4. Insurance Provisions: For all insurance which Tenant is required to maintain hereunder, Tenant shall furnish Landlord with certificates evidencing the insurance. All policies shall be obtained from an insurer licensed to do business in the State of Idaho with a Best's Rating of "A" or higher and a Financial Size Category of "VIII" or higher. The policies of insurance shall provide that the insurance represented by the certificates shall not be cancelled, materially changed or nonrenewed without the giving of thirty (30) days prior written notice to the holders of the insurance and the holders of the certificates. If Tenant shall fail to obtain any policy of insurance required hereunder, Landlord may obtain the same and keep the insurance in effect, and Tenant shall pay Landlord the cost thereof plus a ten percent (10%) service charge to cover Landlord's administration costs within ten (10) days after receipt of an invoice. No policy will contain a deductible or self-insured retention in excess of \$10,000 (ten thousand dollars) without Landlord's prior written approval. If requested by Landlord, Tenant will promptly deliver to Landlord a certified copy of any insurance policies required by this Lease. Furthermore, Landlord shall have the right to adjust the dollar amounts required by this Article 7 from time to time in keeping with the amounts maintained by other properties of similar nature within the counties surrounding the Premises. The insurance carried by Tenant hereunder shall be primary and not contributory with any other insurance which is maintained by Landlord. All insurance which Tenant is required to maintain hereunder may be provided under a blanket policy provided such policy otherwise complies with the requirements of this Lease and is endorsed with an Aggregate Limits of Insurance (Per Location) endorsement.
- 6.5. Waiver of Subrogation: To the extent permitted by their respective insurers, Landlord and Tenant (and each person claiming an interest in the Premises though Landlord or Tenant) release and waive their entire right of recovery against the other for direct, incidental or consequential or other loss or damage arising out of, or incident to, the perils covered by insurance carried by each party, whether due to the negligence of Landlord or Tenant. If necessary, all insurance policies shall be endorsed to evidence this waiver.
- 6.6. Effect of One Party's Actions on Other Party's Insurance: Neither party shall do or permit to be done anything which shall invalidate any insurance carried by the other party. Each party shall pay the entire increase in the insurance premium if the increase is specified by the other party's insurer as caused by the actions or omissions of the party.
- 6.7. Condemnation: In the event of a taking of, or damage to, any portion of interest in or access to the Premises or any portion thereof by eminent domain or any transfer in lieu thereof or by any other governmental action, which taking or damage renders the

Premises unsuitable for Tenant's business operations, Tenant may terminate this Lease as of the date of such taking or damage by written notice to Landlord within ninety (90) days after the taking or damage deprives Tenant of possession of any such portion of, interest in or access to the Premises or any portion thereof.

In the event this Lease is not so terminated, Landlord shall promptly restore the Premises to a condition as nearly comparable as the condition existing immediately prior to such taking or damage, and this Lease shall continue in full force and effect; provided, however, that commencing on the date on which Tenant is deprived of the use of any portion of, interest in or access to the Premises, the Base Rent due and payable under this Lease shall be reduced by the percentage by which the fair market rental value of the Premises immediately after the taking or damage is reduced from such fair market rental value of the Premises immediately prior to such taking or damage.

In the event of any condemnation and whether or not Tenant elects to Terminate this Lease, Tenant shall only be entitled to any and all awards or payments made in the condemnation proceedings with respect to any damage to (i) Tenant's leasehold estate, (ii) Tenant's trade fixtures and equipment, and (iii) Tenant's loss of business. All other awards or payments shall be paid to Landlord. Tenant agrees to reasonably cooperate with the condemning authority and to execute and deliver all documents and agreements reasonably requested by Landlord or the condemning authority in conjunction with condemnation or taking.

6.8. Damage or Destruction of Premises:

6.8.1. Landlord's Duty to Rebuild: If the building on the Premises shall be partially or totally damaged or destroyed by fire or other casualty (and if this Lease shall not be terminated as in this article hereinafter provided), (a) Landlord shall repair the damage to and restore and rebuild the building and the Premises with reasonable dispatch after notice to Landlord of the damage or destruction and the collection of the insurance proceeds attributable to such damage and (b) Tenant shall repair the damage to and restore and repair the property that is deemed Tenant's property with reasonable dispatch after such damage or destruction. Such work by Tenant shall be deemed alterations for the purposes of Section 5.6. The proceeds of policies providing coverage for Tenant's improvements and betterments shall be paid to Landlord. Concurrently with the collection of any insurance proceeds attributable to the damage of Tenant's improvements and betterments, and as a condition precedent to Landlord's obligation to commence those repairs required to be performed by Landlord pursuant to this Section, Tenant shall pay to Landlord (i) the amount of any deductible under the policy insuring Tenant's improvements and betterments and (ii) the amount, if any, by which the cost of repairing and restoring Tenant's improvements and betterments as estimated by a reputable contractor designated by Landlord exceeds the available insurance proceeds therefor. Tenant shall also pay to Landlord, upon demand, the amount by which the cost of repairing and restoring Tenant's improvements and betterments exceeds the amount described in the immediately preceding sentences. The amounts due in accordance with the two

immediately preceding sentences shall be Additional Rent under this Lease and payable by Tenant to Landlord upon demand.

- 6.8.2. **Rent Abatement:** Subject to the provisions of this Lease, if all or part of the Premises shall be damaged or destroyed or rendered completely or partially untenable on account of fire or other casualty, the Base Rent and the Additional Rent under Article 3 hereof shall be abated in the proportion that the untenable area of the Premises bears to the total area of the Premises, for the period from the date of the damage or destruction to (i) the date the damage to the Premises shall be substantially repaired (provided, however, that if in Landlord's judgement such repairs would have been substantially completed at an earlier date but for Tenants having failed to reasonably cooperate with Landlord in effecting such repairs, then the Premises shall be deemed to have been repaired substantially on such earlier date and any reduction or abatement shall cease) or (ii) if the building and not the Premises is so damaged or destroyed, the date on which the Premises shall be made tenantable; provided, however, should Tenant or any of its subtenants reoccupy a portion of the Premises during the period the repair work is taking place and prior to the date that the Premises are substantially repaired or made tenantable, the Base Rent and the Additional Rent allocable to such reoccupied portion, based upon the proportion that the area of the reoccupied portion of the Premises bears to the total area of the Premises, shall be payable by Tenant from the of such occupancy.
- 6.8.3. **Lease Termination Right:** Landlord shall have the right, in its sole and absolute discretion, to determine whether to rebuild the Premises. If Landlord refuses to rebuild the Premises, the Lease shall automatically terminate.
- 6.8.4. **Liability Limitation:** Tenant shall not be entitled to terminate this Lease and Landlord shall have no liability to Tenant for inconvenience, loss or business or annoyance arising from any repair or restoration of any portion of the Premises or of the building pursuant to this article. Landlord shall use reasonable efforts to make such repair or restoration promptly and in such manner as not unreasonably to interfere with Tenant's use and occupancy of the Premises, but Landlord shall not be required to do such repair or restoration work except during business hour of business days.
- 6.8.5. **Non-abatement of Rent:** Notwithstanding any of the foregoing provisions of this article, if by reason of some act or omission on the part of Tenant or any of its subtenants or its or their partners, directors, officers, servants, employees, agents or contractors, either (a) Landlord shall be unable to collect all the insurance proceeds (including, without limitation, rent insurance proceeds) applicable to damage or destructions of the Premises or the building by fire or other casualty, or (b) the Premises or the building shall be damaged or destroyed or rendered completely or partially un-tenantable on account of fire or other casualty, then, without prejudice to any other remedies that may be available against Tenant, there shall be no abatement or reduction of Base Rent or Additional Rent. Further, nothing contained

in this article shall relieve Tenant from any liability that may exist as a result of any damage or destruction by fire or other casualty.

6.8.6. Tenant's Insurance: Landlord will not carry insurance of any kind on Tenant's furniture, fixtures, equipment, inventory or supplies or on Tenant's improvements or betterments and shall not be obligated to repair any damage to or replace Tenant's property and Tenant agrees to look solely to its insurance for recovery of any damage to or loss of Tenant's property. If Tenant shall fail to maintain such insurance, Landlord shall have the right to obtain such insurance and the cost thereof shall be Additional Rent under this Lease and payable by Tenant to Landlord on demand.

7. Default by Tenant or Landlord:

7.1. Default by Tenant: Tenant shall be in default under this Lease if any of the following occur: (i) Tenant fails to pay when due any Rent or other payment required to be paid by Tenant under this Lease and the failure shall not be cured within ten (10) days after the due date; (ii) Tenant fails to perform or observe any other covenant, agreement or condition which Tenant is required to perform or observe and the failure shall not be cured within thirty (30) days after delivery of written notice to Tenant of the failure (or, if the cure cannot be effected within the thirty day period, then within the additional period of time as may be required to cure the default provided Tenant is diligently and continuously pursuing the cure to completion); (iii) Tenant is named as a debtor in any voluntary or involuntary bankruptcy proceeding; (iv) substantially all of Tenant's assets are placed in receivership or are subjected to attachment or other judiciary seizure; (v) Tenant makes or suffers a general assignment for the benefit of creditors; or (vi) Tenant vacates or abandons all or a substantial portion of the Premises.

7.2. Remedies of Landlord: In the event of Tenant's default as set forth in Section 8.1, Landlord shall have the remedies set forth in this Lease. Landlord's remedies are cumulative and not alternative remedies.

7.2.1. Legal and Equitable Remedies: Landlord shall have all remedies available at law or in equity.

7.2.2. Termination of Lease: In addition to all other rights and remedies available to Landlord in law and equity. Landlord may (i) change the locks and lock the doors to the Premises and exclude Tenant from the Premises, (ii) enter the Premises and remove all persons and property therefrom without being liable for prosecution or any claim for damages for the removal, (iii) declare the Lease terminated, (iv) commence litigation for the Rent due and to become due under the Lease, and for any damages sustained by Landlord, (v) continue the Lease in effect and refer the Premises on such terms and conditions as Landlord may deem advisable, and (vi) hold the Tenant liable for the Rent, the reasonable cost of obtaining possession of the Premises, the reasonable cost of re-letting the Premises, and the reasonable cost

of any repairs and alterations necessary to prepare the Premises for re-letting, less the Rents actually received from the re-letting, if any.

7.2.3. Advance: In the event of Tenant's breach, Landlord may remedy the breach for the account and at the expense of Tenant. If Landlord at any time, by reason of the breach, is compelled to pay, or elects to pay, any money or do any act which will require the payment of any money, or is compelled to incur any expense, including reasonable attorneys' fees, in instituting or prosecuting any action or proceeding to enforce Landlord's rights under this Lease, the money paid by Landlord, with interest from the date of payment, shall be additional rent and shall be due from Tenant to Landlord as Rent.

7.3. Default by Landlord: Landlord shall be in default under this Lease if Landlord fails to perform or observe any covenant, agreement or condition which Landlord is required to perform or observe and the failure shall not be cured within thirty (30) days after delivery of written notice to Landlord by Tenant of the failure (or, if the cure cannot be effected within the thirty day period, then within the additional period of time as may be required to cure the default provided Landlord is diligently and continuously pursuing the cure to completion).

7.4. Remedies of Tenant: In the event of Landlord's default as set forth in Section 8.3, Tenant shall have all rights provided at law or in equity, except Tenant expressly waives any right to the abatement or withholding of rent payable to Landlord under this Lease. Tenant's obligation to pay rent is independent of all other rights, and Tenant may not withhold Rent payments to Landlord or pay Rent to other parties or into any escrow or holding account because of the default or alleged default of Landlord.

8. Termination of Lease:

8.1. Events of Termination: This Lease shall terminate upon the occurrence of one or more of the following events: (i) by mutual written agreement of Landlord and Tenant; or (ii) by Landlord pursuant to this Lease; or (iii) by Tenant pursuant to this Lease; or (iv) upon one hundred eighty (180) days prior written notice from Landlord or Tenant to the other electing to terminate this Lease; or (v) by reason of Section 6.7 or 6.8 relating to condemnation or casualty of the Premises.

8.2. Surrender of Possession: Upon termination of this Lease, Tenant will immediately surrender possession of the Premises to Landlord. If possession is not immediately surrendered, Landlord may, in compliance with the laws of the State of Idaho, re-enter and repossess the Premises and remove all persons or property.

8.3. Holding Over: If Tenant fails to deliver actual possession of the Premises to Landlord upon termination of this Lease, Landlord shall have all remedies available at law or in equity to a lessor of real property in the State of Idaho, plus one of the following remedies; (i) Landlord may recover damages from Tenant in an amount equal to (a) the

Rent applicable immediately prior to termination for each full or partial month that Tenant fails to deliver actual possession of the Premises to Landlord, and (b) all damages sustained by Landlord by reason of Tenant's failure to deliver actual possession of the Premises to Landlord; or (ii) Landlord may accept Tenant's failure to deliver actual possession of the Premises to Landlord as an irrevocable offer to renew this Lease for a month to month period.

8.4. Condition of Premises Upon Termination: Tenant, upon termination or abandonment of this Lease or termination of Tenant's right of possession, agrees as follows:

8.4.1. Removal of Property: Except as permitted by this Lease, Tenant shall not remove any alterations, improvements or additions made to the Premises by Tenant or others without the prior written consent of Landlord, which consent may be withheld for any reason or for no reason. Tenant shall immediately remove, in a good and workmanlike manner, (i) all personal property of Tenant, and (ii) the alterations, improvements and additions made to the Premises by Tenant as Landlord may request in writing to be removed. All damage occasioned by the removal shall be promptly repaired by Tenant in a good and workmanlike manner. If Tenant fails to remove any property, Landlord may (i) accept the title to the property without credit or compensation to Tenant, or (ii) remove or dispose of the property, at Tenant's expense, in any reasonable manner that Landlord may choose.

8.4.2. Restoration of Premises: Tenant shall restore the Premises to a broom clean condition and in the condition existing on the Commencement Date, with the exception of (i) ordinary wear and tear, and (ii) alterations, improvements and additions which Landlord has not directed to Tenant in writing to remove. If Tenant fails to properly restore the Premises, Landlord, at Tenant's expense, may restore the Premises in any reasonable manner that Landlord may choose.

9. Claims and Disputes:

9.1. Rights and Remedies Cumulatives: Except as expressly provided in this Lease, each party's rights and remedies described in this Lease are cumulative and not alternative remedies.

9.2. Nonwaiver of Remedies: A Waiver of any condition stated in this Lease shall not be implied by any neglect of a party to enforce any remedy available by reason of the failure to observe or perform the condition. A waiver by a party shall not affect any condition other than the one specified in the waiver and a waiver shall waive a specified condition only for the time and in the manner specifically stated in the waiver. The acceptance by Landlord of rent or other money from Tenant after termination of the Lease, after termination of Tenant's right of possession, after the occurrence of a default, or after institution of any remedy by Landlord shall not alter, diminish, affect or waive the Lease termination, termination of possession, default or remedy.

- 9.3. Indemnification: To the extent caused by an act or failure to act of Tenant or Tenant's partners, managers, members, officers, directors, employees, invitees, guests, customers, clients or licensees, and regardless whether the act or failure to act is negligent, during and after the Term of this Lease, Tenant shall defend, indemnify and hold harmless Landlord, and Landlord's partners, managers, members, officers, directors, agents and employees from any liabilities, damages and expenses (including attorney fees) arising out of or relating to (i) the Premises, or (ii) Tenant's use or occupancy of the Premises.
- 9.4. Tenant's Hazardous Material Indemnification: During and after the Term of this Lease, Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or useable space or any amenity of the Premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of Tenant's breach of the obligations stated in Section 5.8 regarding the use of Hazardous Material. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by an federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the preceding, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at Tenant's sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any Hazardous Material to the Premises.
- 9.5. Effect of Landlord's Insurance on Tenant's Obligation: From time to time and without obligation to do so, Landlord may purchase insurance against damage or liability arising out of or related to the Premises. The Purchase or failure to purchase insurance shall not release or waive the obligations of Tenant set forth in this Lease. Tenant waives all claims on insurance purchased by Landlord.
- 9.6. Attorney Fees and Costs: In the event either party to this Lease initiates or defends any legal action or proceeding with the other party in any way connected with this Lease, the prevailing party in any such legal action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover from the losing party in any such legal action or proceeding its reasonable costs and attorneys' fees (including its reasonable costs and attorneys' fees on any appeal). In the event either party to this Lease initiates or defends any legal action or proceeding with a third party because of the violation of any term, covenant, condition or agreement contained in this Lease by the other party to this Lease, then the party so litigating shall be entitled to recover its reasonable costs and attorneys' fees (including its reasonable costs and attorneys' fees on any appeal) incurred in connection with such litigation from the other party to this Lease. All such costs and attorneys' fees shall be deemed to have accrued

on commencement of any such legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

- 9.7. Interpretation: This Lease shall be governed by the laws of the State of Idaho. The courts in the State of Idaho shall have exclusive jurisdiction. The invalidity of any portion of this Lease shall not affect the validity of any other portion of this Lease. This Lease constitutes the entire, completely integrated agreement among the parties and supersedes all prior memoranda, correspondence, conversation and negotiations. Whenever the consent of either party is required to an action under this Lease, consent shall not be unreasonably withheld or delayed.

10. General Provisions:

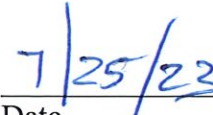
- 10.1. Notices: All notices under this Lease shall be in writing and shall be deemed to be delivered on the date of delivery, if delivered in person or by email, or on the date of receipt if delivered by U.S. Mail or express courier. Proof of delivery shall be by affidavit of personal delivery, computer generated confirmation of transmission, or return receipt issued by U.S. Postal Service or express courier. Notices shall be addressed to the address set forth in Section 1.1. as to Landlord and Section 1.2 as to Tenant (or at the other addresses one party may give to another party by written notice).
- 10.2. Interest on Past Due Amounts: All rent or other payments becoming due under this Lease and all amounts expended by Landlord for the account of Tenant shall be subject to a late charge at the annual percentage rate of nine percent (9%) compounded monthly, or the highest rate permitted by law, whichever is less. Interest shall be calculated from the due date or the date of expense, whichever is earlier, until paid.
- 10.3. Landlord's Occupancy and Use of Adjoining Space: Tenant has been notified of Landlord's use of adjoining space that may or may not be occupied by and used as a multi-purpose public facility, including, but not limited to, housing Fire District Administration, Maintenance Division, Emergency Responders including full time living quarters, and other Fire District related divisions and activities.
- 10.4. Non-recording: This Lease or any memorandum of this Lease shall not be recorded unless all parties further consent.
- 10.5. Time is of the Essence: Time is of the essence with respect to the obligations to be performed under this Lease.

This Lease is executed to be effective as of the date as written above.

LANDLORD:
STAR FIRE PROTECTION DISTRICT



Greg Timinsky, Fire Chief, Designated Agent



Date

TENNANT:
City of Star
A Municipal Corporation
10769 W State Street
PO Box 130
Star, ID 83669

Trevor Chadwick, Mayor

Date

Attachment: Exhibit A – Site Map
Exhibit B – Leased Space Map – Identifying Suites & Parking

PROPERTY LEASE - EXHIBIT A

Star Fire Protection District

11665 W State St
Star, Idaho 83669

Trash

