

**LEASE AGREEMENT BETWEEN LINCOLN CITY LIBRARIES AND
FOUNDATION FOR LINCOLN CITY LIBRARIES**

This Lease Agreement ("Agreement") is entered into by and between the City of Lincoln, doing business as Lincoln City Libraries ("LCL") and the Foundation for Lincoln City Libraries ("Foundation") as of the date of LCL's execution below. In consideration of the mutual covenants and promises contained herein, LCL and the Foundation do agree as follows:

1. PREMISES USE.

LCL grants Foundation the right to occupy a portion of leased office space at LCL's Bennett Martin Library, located at 136 S. 14th Street, Lincoln, NE 68508 (the "Building") of approximately 153 square feet located on the first floor on the west side of the Building, which leased office space shall hereinafter referred to as "Premises." The Foundation shall use the leased space solely for operating an office on behalf of the Foundation. Said use shall allow for general office hours for the public during the Building's open hours. The Foundation's designated staff shall have access to the Premises outside of public hours. Any invited guests to the Building by the Foundation outside of public hours shall be accompanied by Foundation staff, and the Foundation assumes all responsibility for any invited guests at those times. Certain designated staff of LCL and designated contract workers shall have access to the Foundation's Premises. The Foundation's staff shall have access to the Building's staff room.

2. TERM.

The term of this Agreement shall commence on January 1, 2011 and shall terminate on December 31, 2020.

3. COMPENSATION.

For the lease of the Premises provided pursuant to this Agreement, the Foundation agrees to pay LCL a total of \$1,200.00 per year for rental of the Premises for the term of the Agreement plus any additional expenses as outlined in this Agreement.

4. TERMINATION FOR BREACH.

Either party has the right to terminate this Agreement if the other party fails to perform as required in this Agreement. Termination rights under this section may be exercised only after the non-breaching party notifies the breaching party of the failure to perform in writing upon giving the other party thirty (30) days written notice. The Foundation shall be reimbursed any rental payments on a pro-rata basis calculated from the effective date of the termination.

5. TERMINATION FOR CONVENIENCE.

Either party has the right to terminate this Agreement for any reason for its own convenience. If LCL terminates this Agreement for convenience, LCL shall provide the Foundation with thirty (30) days written notice of the termination. The Foundation shall be reimbursed any rental payments on a pro-rata basis calculated from the effective date of the termination.

6. RESPONSIBILITIES OF FOUNDATION.

Foundation agrees to apply for and obtain any and all necessary permits, certifications, licenses, variances and approvals required by any applicable law or regulations that relate to the use of the Premises. The Foundation agrees to conduct all activities related to this Agreement in a lawful manner. Janitorial services and utilities of electricity/water/sewer/garbage are included in the rental payment. The Foundation shall provide its own phone, phone service, and internet service and shall pay its own phone and internet service bill. The Foundation shall keep the Premises in a clean and sanitary condition. All furnishings for the Premises shall be provided by the Foundation. The Premises shall be occupied solely by individuals associated with the Foundation and shall only be used in a manner consistent with operating the Foundation's business. The Foundation shall pay all direct costs of paper, printing, postage, and copying; provided, however, the Foundation may utilize copying equipment of LCL subject to reimbursement by the Foundation for all accrued costs.

7. RESPONSIBILITIES OF LCL.

LCL shall permit the Foundation to use LCL's facilities at no additional cost or expense for meetings in the Building for the Foundation Board of Directors or other meetings as reasonably requested in advance; however, LCL shall have first priority to use its own facilities. LCL shall repair and maintain the foundations, exterior walls (except store fronts, plate glass doors, and other breakable materials used in structural portions) pipes, plumbing, heating and cooling systems, electrical wiring, switches, fixtures, provide for roof repairs/replacement of the Building, and perform exterior maintenance of the Building and the surrounding grounds. By taking possession of the Premises, the Foundation accepts the Premises in its then As is condition and acknowledges that the Premises are in good and satisfactory condition at the time the Foundation takes possession of the Premises. LCL is not responsible to make any repairs or alterations to the Premises, or to do any remodeling or decoration, except as otherwise agreed to between the parties in writing in a separate Agreement.

8. SEPARATION OF ENTITIES.

The Foundation is nonprofit 501(c)(3) corporation and a separate and distinct entity from LCL. It is expressly understood that neither the Foundation nor any of its staff are employees of City of Lincoln and, thus they are not entitled to any City benefits including, but not limited to, overtime, retirement benefits, workers= compensation, sick leave, or injury leave.

9. ALTERATIONS AND IMPROVEMENTS. Upon termination of the Agreement, the Foundation shall surrender the Premises in the same condition as received, ordinary wear and tear. The Foundation shall make no alteration or additions to Premises without first obtaining the LCL's written consent. The Foundation shall have the right to construct, at its expense, on the Premises, improvements (all of which shall be considered to be the property of the Foundation during the terms of this Agreement) and to make all alterations or additions thereto and to remove, remodel, demolish, and rebuild the same, provided the Foundation obtain LCL's written consent that all work shall be in accordance with applicable laws. All additions, fixtures and improvements made in or upon the Premises shall be LCL's property, and shall remain upon the Premises at the termination of this Agreement without compensation to the Foundation unless otherwise agreed to in writing. All the Foundation's personal property not removed from the

Premises within thirty (30) days of termination of the Agreement shall be conclusively presumed to have been abandoned by the Foundation and forthwith become LCL's property.

10. SIGNS.

The Foundation may erect signs as needed to identify and advertise its operation in or on the Building. The Foundation must obtain LCL's permission before placing any signs on or about the Building and have LCL approval of the appearance of signs. The Foundation shall, at the Foundation's expense, remove all signs at the termination of this Agreement, and the removal shall be in such manner as to avoid any injury, defacement or overloading of the Building or other improvements.

11. INDEMNIFICATION. To the fullest extent permitted by law, the Foundation shall indemnify, defend and hold harmless LCL, its officers, agents and employees from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of this Agreement, that results in any claims for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death, or any injury to or destruction of tangible or intangible property, including any loss of use resulting there from that is caused by the intentional or negligent act or omission of the Foundation or anyone for whose acts any of them may be liable. This section will not require the Foundation to indemnify or hold harmless LCL for any losses, claims, damages, and expenses arising out of or resulting from the negligence of LCL. LCL does not waive its governmental immunity by entering into this Agreement and fully retains all immunities and defenses provided by law. This section survives any termination of this Agreement.

12. INSURANCE.

A. The Foundation shall maintain General Liability Insurance at its own expense during the life of this Agreement, naming and protecting the Foundation and City of Lincoln, its officials, employees and volunteers as insured, against claims for damages resulting from (a) all acts or omissions, (b) bodily injury, including wrongful death, (c) personal injury liability, and (d) property damage which may arise from operations under this Agreement whether such operations by the Foundation and the Foundation's agents. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:

1. All Acts or Omissions - \$1,000,000 each Occurrence; \$2,000,000 Aggregate;
2. Bodily Injury/Property Damage - \$1,000,000 each Occurrence; \$2,000,000 Aggregate;
3. Personal Injury Damage - \$1,000,000 each Occurrence;
4. Contractual Liability - \$1,000,000 each Occurrence;
5. Products Liability and Completed Operations - \$1,000,000 each Occurrence;
6. Medical Expenses (any one person) - \$10,000;
7. Fire Damage (any one fire) - \$100,000.

B. A Certificate of Insurance for its General Liability Insurance shall be provided and attached to this Agreement by Foundation. The City of Lincoln shall be specifically named as an additional insured on the General Liability Insurance.

C. The Foundation is required to provide City with thirty (30) days notice of cancellation, non-renewal or any material reduction of insurance as required by this Agreement.

13. AUDIT.

The Foundation shall be subject to audit pursuant to Chapter 4.66 of the Lincoln Municipal Code and shall make available to a contract auditor, as defined therein, copies of all financial and performance related records and materials germane to the activities in this Agreement, as allowed by law.

14. NEBRASKA LAW.

This Agreement shall be governed and interpreted by the Laws of the State of Nebraska without reference to the principles of conflicts of law.

15. INTEGRATION, AMENDMENTS, ASSIGNMENT.

This Agreement represents the entire agreement between the parties and all prior negotiations and representations are hereby expressly excluded from this Agreement. This Agreement may be amended only by written agreement of both parties. This Agreement may not be assigned without the prior written consent of the other party.

16. SEVERABILITY & SAVINGS CLAUSE.

Each section and each subdivision of a section of this Agreement is hereby declared to be independent of every other section or subdivision of a section so far as inducement for the acceptance of this Agreement and invalidity of any section or subdivision of a section of this Agreement shall not invalidate any other section or subdivision of a section thereof.

17. E-VERIFY.

In accordance with Neb. Rev. Stat. 4-108 through 4-114, the Foundation agrees to register with and use a federal immigration verification system, to determine the work eligibility status of new employees performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324 a, otherwise known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee pursuant to the Immigration Reform and Control Act of 1986. The Foundation shall not discriminate against any employee or applicant for employment to be employed in the performance of this section pursuant to the requirements of state law and 8 U.S.C.A. 1324b. The Foundation shall require any subcontractor to comply with the provisions of this section. For information on the E-Verify Program, go to www.uscis.gov/everify.

18. CAPACITY.

The undersigned person representing the Foundation does hereby agree and represent that he or she is legally capable to sign this Agreement and to lawfully bind the Foundation to this Agreement.

IN WITNESS WHEREOF, City of Lincoln and the Foundation for Lincoln City Libraries do hereby execute this Agreement.

CITY OF LINCOLN

Mayor

Date

LINCOLN CITY LIBRARIES



President of Library Board



Date

FOUNDATION FOR LINCOLN CITY LIBRARIES



Foundation Board President



Date